Final Prospectus
Dated May 6, 2005
Please read Section 60B of the Companies Act, 1956
100% Book Building Issue

FEEL THE EXPERIENCE WHILE YOU SHOP

Shopper's Stop Limited

(Incorporated as a private limited company on June 16, 1997, converted to a deemed public limited company on December 8, 1997 and then to a full-fledged public limited company on October 6, 2003).

Registered, Corporate and Service Office:

(We changed our Registered Office from Construction House 'A' 24th Road, Khar (west), Mumbai - 400 064 on 11th August, 2004)
"Eureka Towers", 9th Floor, B Wing, Mindspace,
Link Road, Malad (West), Mumbai - 400 064. (India)
Tel No.: +91-22- 2880 9898 – 2844 7337 Fax: +91-22-2880 8877

Website: www.shoppersstop.com • Email: ipo@shoppersstop.co.in

PUBLIC ISSUE OF EQUITY SHARES COMPRISING FRESH ISSUE OF 6,946,033 EQUITY SHARES OF THE FACE VALUE OF RS.10/- EACH AT A PRICE OF RS. 238 PER EQUITY SHARE FOR CASH AT A PREMIUM AGGREGATING RS. 1653.16 MILLION (HEREINAFTER REFERRED TO AS THE "ISSUE"), INCLUDING NET OFFER TO THE PUBLIC OF 5,555,556 EQUITY SHARES OF THE FACE VALUE OF RS.10/- EACH AT A PRICE OF RS. 238 PER EQUITY SHARE FOR CASH AT A PREMIUM AGGREGATING RS. 1322.22 MILLION (HERE-INAFTER REFERRED TO AS THE "NET OFFER TO THE PUBLIC"). THE ISSUE WOULD CONSTITUTE 20.21 % OF THE FULLY DILUTED POST ISSUE PAID-UP EQUITY CAPITAL OF SHOPPER'S STOP LIMITED.

THE ISSUE PRICE IS 23.8 TIMES OF THE FACE VALUE

The Issue is being made through the 100% book building process wherein 60% of the Net Offer to the Public, shall be offered on a discretionary basis to Qualified Institutional Buyers. Further, not less than 15% of the Net Offer to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and remaining 25% of the Net Offer to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. If 60% of the Net Offer to the Public cannot be allotted to Qualified Institutional Bidders then the entire application money shall be refunded forthwith. In case of delay, if any in refund, the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of the Equity Shares of Shopper's Stop Limited (the "Company"), there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 10/- (Rupees Ten Only) and the Issue Price is 23.8 times of the face value. The Issue Price (as determined by the Company in consultation with the Book Running Lead Managers and Co- Book Running Manager, on the basis of assessment of market demand for the Equity Shares by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (SEBI), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no. x of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on The Stock Exchange, Mumbai (the Designated Stock Exchange) and the National Stock Exchange of India Limited and in-principle approvals for listing of our Equity Shares have been obtained from the aforesaid Stock Exchanges through letters dated September 13, 2004 from (BSE) and letters dated September 23, 2004, March 18,2005 and March 29, 2005 from (NSE).

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
ENAM **Enam Financial Consultants Private Limited** 801-802, Dalamal Towers, Nariman point, Mumbai-400 021.(India) Tel: +91-22-5638 1800 Fax: +91-22-2284 6824 E-mail: ssl.ipo@enam.com	JM MORGAN STANLEY **JM Morgan Stanley Private Limited** 141, Maker Chambers III, Nariman Point, Mumbai-400 021. (India) Tel: +91-22-5630 3030 Fax:+91-22-5630 1694 E-Mail: sslipo@morganstanley.com	kotak Investment Banking **Kotak Mahindra Capital Company Limited** Bakhtawar, 3rd Floor, 229, Nariman Point, Mumbai-400 021. (India) Tel: +91-22-5634 1100 Fax:+91- 22 -2284 0492 E-mail: ssl.ipo@kotak.com	KARVY Karvy Computershare Private Limited **Karvy Computershare Private Limited** Unit: Shopper's Stop–Public Issue Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034. (India) Tel. No. +91- 40 2331 2454. Fax: +91 -40- 2331 1968 E-Mail: sslipo@karvy.com

ISSUE PROGRAMME	
BID/ISSUE OPENED ON:	**APRIL 28, 2005**
BID/ISSUE CLOSED ON:	**MAY 04, 2005**

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DEFINITIONS AND ABBREVIATIONS

Term	Description
Shopper's Stop or "the Company" or "our Company" or "Shopper's Stop Limited" or "the Issuer" or "SSL"	refers to Shopper's Stop Limited, a public limited company incorporated under the Companies Act, 1956
"we" or "us" and "our"	Unless the context otherwise requires, refers to Shopper's Stop Limited

Offer Related Terms

Term	Description
A/c	Account
AGM	Annual General Meeting
Articles/Articles of Association	Articles of Association of Shopper's Stop Limited
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
Auditors	The statutory auditors of the Company, Deloitte, Haskins & Sells, Chartered Accountants
Banker (s) to the Issue	ICICI Bank Limited, HDFC Bank Limited, Kotak Mahindra Bank Ltd and The Hongkong and Shanghai Banking Corporation Limited, each of whom is registered with SEBI and with whom the Public Issue Account will be opened.
Bid	An offer made during the Bidding Period by a prospective investor to subscribe to Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The amount equal to highest value of the optional Bids indicated in the Bid-cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of the Company pursuant to the Issue and which will be considered as the application for allocation of the Equity Shares in terms of the Prospectus
Bid Opening Date / Issue Opening Date	The date on which the Members of the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper, Hindi national newspaper and a Marathi newspaper.
Bid Closing Date / Issue Closing Date	The date after which the Members of the Syndicate will not accept any Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper, Hindi national newspaper and Marathi newspaper.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Prospectus
Bidding Period / Issue Period	The period between the Bid Opening Date / Issue Opening Date and the Bid Closing Date / Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Board / Board of Directors	The Board of Directors of Shopper's Stop Limited or a committee thereof
Book Building Process	Book building route as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is made
Business Transfer Agreement	Business Transfer Agreement dated March 31, 2000 executed between India Book House Limited and Profound Readers' Choice Trading (India) Limited (now known as Crossword)
BRLMs	Book Running Lead Managers to the Issue, in this case being Enam Financial Consultants Private Limited, ICICI Securities Limited, JM Morgan Stanley Private Limited and Kotak Mahindra Capital Company Limited.
BSE	The Stock Exchange, Mumbai
CAGR	Compounded Annual Growth Rate
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after determination of Issue Price through the Book Building Process
Capex	Capital Expenditure
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted

CDSL	Central Depository Services (India) Limited
Chairman	Person who has been nominated by the Board of Directors as the Chairman of the Board
CCA, MD & Chief Executive Officer or Customer Care Associate, Managing Director and CEO	Person who is primarily responsible for the business operations of the Company and is the managing director of our Company as definied in the Act
Chief Financial Officer	Person who is primarily responsible for the financial operations of the Company
Co-Book Running Manager/ Co-BRM	Co- Book Running Manager to the Issue, in this case being IL&FS Investsmart Limited
Companies Act/ the Act	The Companies Act, 1956 as amended from time to time
Cut-off	Cut-off refers to the price determined in accordance with the Book Building Process by the Company in consultation with the BRLMs/ Co-BRM, within the Price Band.
Crossword	Crossword Bookstores Limited
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act
Designated Date	The date on or after which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Designated Stock Exchange	The Stock Exchange, Mumbai
Director(s)	Director(s) of Shopper's Stop Limited unless otherwise specified
EGM	Extraordinary General Meeting
EBIDTA	Earning Before Interest, Depreciation, Tax and Amortisation
Employee/Employees	All or any of the following: (a) a permanent employee of the Company; (b) a Director of the Company, whether a whole time Director, part time Director or otherwise; (c) an employee as defined in (a) or (b) above of our Subsidiaries.
Employee Reservation	The portion of the Issue being a maximum of 200,000 Equity Shares available for allocation to Employees.
Enam	Enam Financial Consultants Private Limited
EPS	Earnings per Share
Equity Shares	Equity Shares of the Company of face value of Rs. 10/- each unless otherwise specified in the context thereof
Escrow Account	Account opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into by the Company, the Registrar, the Escrow Collection Bank(s), the Syndicate Members and the BRLMs/ Co-BRM for collection of the Bid Amounts and for refunds (if any) of the amounts due to the Bidders pursuant to the terms of this Prospectus.
Escrow Collection Bank(s)	The banks in which the Escrow Account for the Issue will be opened and which will act as such, in terms of this Prospectus and the Escrow Agreement in this case the Bankers to the Issue.
ESOP	Employee Stock Option Schemes of Shopper's Stop Limited
ESI	Employee Satisfaction Index
EXCOM	Executive committee of the Company comprising Mr. B. S. Nagesh, Mr. Govind Shrikhande, Mr. Vijay Kashyap, Mr. Sanjay Badhe, Mr. C. B. Navalkar and Mr. Unni Krishnan T.M.
Face Value	Par Value of equity capital per Equity Share (presently Rs. 10/- per Equity Share)
FEMA	Foreign Exchange Management Act, 1999, and the regulations issued by the RBI thereunder from time to time.

FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under FEMA (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India
First Citizen/FCC Members	Refers to members of the Shoppers' Stop loyalty programme "First Citizen Club" who get reward points on every purchase, exclusive offers, exclusive previews, extended shopping hours, subscription to our in-house magazine "First Update" and a host of other in-store benefits & privileges. The programme is further tiered into "Classic Moments", "Silver Edge" & "Golden Glow" based on the member's spends at various stores of SSL.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI / Government	The Government of India
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
ICICI Trusteeship Services Limited (A/c. ICICI Emerging Sectors Fund)	ICICI Trusteeship Services Limited, a company incorporated under the Companies Act and having its Registered Office at ICICI Bank Towers, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 in the capacity as Trustee for ICICI Emerging Sectors Fund, a scheme of ICICI Emerging Sectors Trust, established in the form of a Trust under the provisions of the Indian Trusts Act 1882, acting through its investment manager ICICI Venture Funds Management Company Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at III floor, Raheja Plaza, 17, Commissariat Road, Bangalore 560025 .
ICICI Trusteeship Services Limited (A/c. ICICI Equity Fund)	ICICI Trusteeship Services Limited, a company incorporated under the Companies Act and having its registered office at ICICI Bank Towers, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 in the capacity as trustee for ICICI Equity Fund, a scheme of ICICI Venture Capital Fund, established in the form of a Trust under the provisions of the Indian Trusts Act 1882, acting through its investment manager ICICI Venture Funds Management Company Limited, a company incorporated under the provisions of the Companies Act and having its registered office at III floor, Raheja Plaza, 17, Commissariat Road, Bangalore 560025 (ICICI Venture).
Investment Agreement	The Investment Agreement dated July 11, 2000 entered into between (i) Shoppers Stop; (ii) Chandru L. Raheja; Ravi C. Raheja; Jyoti C. Raheja; Neel C. Raheja; Casa Maria Properties Pvt. Ltd.; Capstan Trading Pvt. Ltd.; Raghukool Estate Development Pvt. Ltd.; Cape Trading Pvt. Ltd.; Anbee Constructions Pvt. Ltd.; Palm Shelter Estate Development Pvt. Ltd. (the promoters, as defined therein); and (iii) ICICI Structured Products Fund, read with Supplemental Agreement dated July 16, 2002 and Deed of Novation dated July 26, 2003, pursuant to which the Investment Agreement stands novated in favour of ICICI Trusteeship Services Limited (ICICI Emerging Sectors Fund) in place of ICICI Structured Products Fund, read with Amendatory Agreement dated July 26, 2003.
Issue/IPO	Public Issue of Equity Shares comprising fresh issue of 6,946,033 Equity Shares of face value Rs.10/- each at a price of Rs. 238 per Equity Share for cash at a premium aggregating Rs. 1653.16 million through this Prospectus.
IPO Committee	A committee constituted by our Board of Directors comprising of Mr. Ravi Raheja, Mr. Neel Raheja, Mrs. Bala Deshpande, Mr. Shahzaad Dalal, Mr. C.B. Navalkar and Mr. Prashant Mehta appointed for the purpose of carrying out various activities in relation to the Issue
Issue Price	Price determined by the Company in consultation with the BRLMs / Co-BRM on the Pricing Date after the Bidding Period/Issue Period and which shall be the price at which allotment shall be made and shall be set forth in the Prospectus to be filed with RoC.

Issuer	Shopper's Stop Limited
I- Sec	ICICI Securities Limited
Investsmart	IL&FS Investsmart Limited
I.T. Act, Income Tax Act	The Income Tax Act, 1961, as amended from time to time
JMMS	JM Morgan Stanley Private Limited
KMCC	Kotak Mahindra Capital Company Limited
K Raheja Corp Group (Chandru L. Raheja Group) / Group/ K Raheja Corp Group	Promoters, Chandru Lachmandas HUF, companies and entites which are part of K Raheja Corp Group, which are Avacado Properties and Trading (India) Private Limited, Beach Haven Properties Private Limited, BKC Constructions Private Limited (formerly known as Naman BKC Constructions Private Limited) , Carin Hotels Limited, Chalet Hotels Limited, Grandwell Properties and Leasing Private Limited, Hornbil Trading Company Private Limited, K Raheja IT Park (Hyderabad) Private Limited, K Raheja Services Private Limited, Louisiana Investments and Finance Private Limited, Marvel International Private Limited, Mindspace IT Park Private Limited, Nask Realtors Private Limited, Neerav Properties & Hotels Private Limited, Newfound Properties and Leasing Private Limited, Rockfort Estate Developers Limited, Serene Properties Private Limited, Touchstone Properties and Hotels Private Limited, Hypercity Retail (India) Pvt Ltd (formerly known as Rainbow Retail Private Limited), Uptown Properties and Leasing Private Limited, Shoppers' Stop Services (India) Limited, Shoppers' Stop .Com (India) Limited, Upasna Trading Limited, Crossword Bookstores Limited; Shopper's Stop Limited; K. Raheja Properties; K. Raheja Properties and Finance; K. Raheja Sales; K. Raheja Corp Foundation, Ivory Property Trust.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 0% to 100% of the Bid Amount
Memorandum / Memorandum of Association	Memorandum of Association of Shopper's Stop Limited
Mumbai Undivided Properties and Entities/Mumbai Undivided Entities/Mumbai Entities	As defined on page no. xiii of this Prospectus.
NAV	Net Asset Value
Net Offer to the Public	Net offer to the public refers to 5,555,556 Equity Shares of face value Rs.10/- each at a price of Rs. 238 per Equity Share for cash at a premium aggregating Rs. 1322.22 million
NOC	No Objection Certificate
Non-Institutional Bidders	All Bidders that are not eligible Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount exceeding Rs.50,000/-
Non-Institutional Portion	The portion of the Issue being a minimum of 833,333 Equity Shares of the face value of Rs.10/-each available for allocation to Non-Institutional Bidders
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NRI / Non-Resident Indian	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
OCBs	Overseas Corporate Bodies, as defined by the relevant FEMA Regulations
Pay-in Date	Bid Closing Date/ Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date/ Issue Opening Date and extending until the Bid Closing Date/ Issue Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date / Issue Opening Date and extending until the closure of the Pay-in Date
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number

Price Band	Being the price band of a minimum price (Floor Price) of Rs.210 and the maximum price (Cap Price) of Rs.250 and includes revisions thereof.
Pricing Date	The date on which the Company in consultation with the BRLMs/ Co-BRM finalises the Issue Price
Promoters	Mr. Chandru L Raheja, Mrs. Jyoti C. Raheja, Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Anbee Constructions Private Limited, Casa Maria Properties Private Limited, Capstan Trading Private Limited, Cape Trading Private Limited, Inorbit Malls (India) Private Limited, Ivory Properties and Hotels Private Limited, K Raheja Private Limited, K Raheja Corp Private Limited, Palm Shelter Estate Development Private Limited and Raghukool Estate Development Private Limited.
Promoter Directors	Mr. Chandru. L. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja
Prospectus	The Prospectus, filed with the RoC containing, *inter alia,* the Issue Price that is determined at the end of the Book Building Process and certain other information
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension Funds with minimum corpus of Rs 250 million
QIB Portion	The portion of the Issue being 3,333,334 Equity Shares of Rs.10/- each available for allocation to QIBs
RBI	The Reserve Bank of India
RHP or Red Herring Prospectus	Means this Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered. It carries the same obligations as are applicable in case of a Prospectus and will be filed with RoC at least three days before the opening of the Issue. It will become a Prospectus after filing with Registrar of Companies after the pricing and allocation
Registered Office of our Company	Eureka Towers, 9th Floor, B-Wing, Mindspace, Link Road, Malad West, Mumbai – 400064.
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Pvt Ltd
Residual Entities	As defined on page no. xv of this Prospectus.
Retail Individual Bidders	Individual Bidders (including HUFs) who have Bid for Equity Shares of value of not more than Rs 50,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being a minimum of 1,388,889 Equity Shares of the face value of Rs.10/- each available for allocation to Retail Individual Bidder(s)
RONW	Return on Net Worth
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC/ Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines 2000, including instructions and clarifications issued by SEBI as amended, from time to time
Service Office	Service Office means the corporate office of our Company located at "Eureka Towers", 9th Floor, Plot No. 504, B Wing, Mindspace, Link Road, Malad (West), Mumbai - 400 064. (India) and which is currently also our Registered Office.
Stock Exchanges	BSE and/or NSE as the context refers to
Syndicate / Members of the Syndicate	The BRLMs/ Co-BRM and the Syndicate Members

Syndicate Agreement	The agreement to be entered between the Company and the Members of the Syndicate
Syndicate Members	Intermediaries registered with SEBI and stock exchanges and eligible to act as underwriters. In this case being Enam Securities Pvt Limited and Kotak Securities Limited, JM Morgan Stanley Retail Services Private Limited, ICICI Brokerage Services Limited and IL&FS Investsmart Limited
Subsidiaries	Shopper's Stop Services (India) Limited, Upasna Trading Limited, Shoppers' Stop.com (India) Limited, Crossword Bookstores Limited
Southern Undivided Companies and Entities/Southern Entities/ Southern Undivided Entities	As defined on page no. xiii of this Prospectus.
TRS or Transaction Registration Slip	The slip or document issued by the Members of the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs, Co-BRM and Syndicate Members
Underwriting Agreement	The Agreement amongst the Underwriters and the Company to be entered into on or after the Pricing Date
US/ USA	United States of America
UK	United Kingdom
USD	United States Dollar

A reference to any guidelines, regulations or law shall mean guidelines, regulations or law as in force in India on the date hereof.

Glossary of Technical and Industry Terms

Lifestyle Products/ Lifestyle Merchandise	Products that meet way of living centered around certain activities
High Street	A place or locality in a major city or principal street of a small town; which would be the main point of purchase from well known shops stocking high quality, apparels and non-apparels
REITs	Real Estate Investment Trusts
Distribution Centres	1. A warehouse in which the emphasis is on processing and moving goods rather than on simple storage 2. A storage facility that takes orders and delivers products.
Anchor Tenant	A well-known commercial retail business such as a national chain store or regional department store, strategically placed in a shopping center, which by its presence makes a shopping mall a preferred shopping destination by providing the pull required to attract customers so as to generate the most customers for all of the stores located in the shopping center. Anchor Tenant usually enjoy privileged commercial terms
Catchment Studies	Systematic study of consumption and spending habits of an individual or family in target area based on various parameters such as age group, sex, preference, purchase category to derive the potential market size in various categories in each group.
ITES/BPO	Information Technology Enabled Services and Business Process Outsourcing
SKUs	Stock Keeping Units,(SKU) is the smallest unit available for keeping inventory control. In soft goods merchandise a SKU usually means size, colour and style.
Aspirational Products	Products of good quality and high price, which fulfill lifestyle aspirations of an individual
Department Store	A retail organization that normally employs approximately 25 or more people and sells merchandise in the following categories: home furnishings, apparel for men, women, and children, and home linens and dry goods. Usually a Department Store attracts customers by offering and focusing on customer service. The Customer is usually wooed by the Department Store by the treatment he is given instead of pricing being the criteria.
Supermarkets	A combination of a general merchandise discount operation and a supermarket; usually ranges from approximately 50,000 square feet to 200,000 square feet. Established to fulfill all consumer needs for every type of food and non food – household item purchased on a regular basis
Hypermarkets	A large retail operation which combines the features of a Supermarket and a discount house. Traditionally a Hypermarket brings food and general merchandise together in an atmosphere which is akin to a large storage space which is like a warehouse.
Category Killers	A retailer who dominates its retail category both in terms of profitability and growth of market shares.

Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve months ended March 31 of that year.

SECTION I: RISK FACTORS

CERTAIN CONVENTIONS

In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakh" or "Lac" means "one hundred thousand" and the word "million" means "ten lac" and the word "Crore" means "ten million". In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout this Prospectus, all figures have been expressed in millions, except in certain sections relating to group companies and subsidiaries of this Prospectus, where the same has been expressed in thousands.

All references to "India" contained in this Prospectus are to the Republic of India, all references to the "US" or the "U.S." or the "USA", or the "United States" are to the United States of America, " " Australia" and "Singapore" and all references to "UK" are to the United Kingdom

For additional definitions and abbreviations used in this Prospectus, see the section "Definitions and Abbreviations" on page i of this Prospectus. In the section entitled "Main Provisions of Articles of Association of Shopper's Stop Limited", capitalised terms/ terms used but not defined shall have the meaning given to such terms in the Articles of Association of the Company.

FORWARD-LOOKING STATEMENTS; MARKET DATA

We have included statements in this Prospectus which contain words or phrases such as "will", "may", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements". Such forward looking statements include statements that describe the Company's objectives, plans or goals and other statements that are not matters of historical facts. Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, availability and price escalation of real estate, fluctuation in consumer spend levels, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and increasing competition in the Indian Retail industry. For further discussion of factors that could cause our actual results to differ, see the section entitled "Risk Factors" beginning on page x of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we, our Directors, the BRLMs/ Co-BRM, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, the BRLMs/ Co-BRM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

Market data used throughout this Prospectus was obtained from industry data and publications. Industry publications database generally state that the information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although, we believe market data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

CURRENCY OF PRESENTATION

In this Prospectus, all references to "Rupees" and "Rs." are to the legal currency of India.

RISK FACTORS

Any investment in Equity Shares involves a high degree of risk and so you should carefully consider the risks described below before you make an investment decision. Risks have been quantified, wherever possible. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment.

Internal Risk Factors

1. **Our customer offering includes a range of lifestyle merchandise, various services and aspirational products and hence our ability to correctly understand fashion cycles and customer preference is critical for our continued operations**

   We are a retailer of lifestyle and aspirational products and services. Our success is dependent on our ability to meet our customers' requirements on a continued basis. Customer preferences can change with change in fashion and trends, and their service level expectations too can change from time to time.

   Our success depends partly upon our ability to anticipate and respond to such changing consumer preferences and fashion trends in a timely manner. Any repeated failure by us to identify and respond to such emerging trends in lifestyle and consumer preferences could have a material adverse effect on our business.

2. **Our business is seasonal in nature with the Oct-Dec quarter being our best quarter. Any substantial decrease in our sales in this quarter can have a material adverse impact on our financial performance**

   Our business exhibits seasonality due to the bunching up of festivals like Durga Puja, Diwali, Christmas, etc. in the third quarter of our financial year (October-December quarter), in which historically we have reported higher sales. In our kind of formats the fixed costs like lease rentals, employee costs, store operating costs, distribution and logistics costs form a substantial portion of our costs. Since overheads in the retail business are largely fixed, our quarterly profits traditionally have been higher during this quarter. Any substantial decrease in sales for the October-December quarter could have a material adverse effect on our financial condition and results of operations.

3. **As some of our merchandise is fashion driven and seasonal, any difference between our forecasts and actual customer off take can impact us adversely**

   We plan our offerings based on the forecast fashion and trends for the forthcoming season. Any mismatch between our planning and the actual off take by customers can impact us adversely, leading to potentially excess inventory and requiring us to resort to higher markdown and thus lower margins, in order to clear such inventory.

4. **Our applications for registration of some of our trademarks are still pending with the relevant trademark authorities as a result of which we may have lesser recourse to initiate legal proceedings to protect our in-house product brands. This may lead to a dilution in the brand value of our in-house product brands.**

   Out of the various trademarks under which we presently market our in-house products, ten are registered in the name of our Company. For the rest, applications for the registration of the remaining trademarks in the name of our Company have been submitted to the relevant trademark authorities as on the date of this Prospectus and are still pending with them. Pending the registration of these trademarks we may have a lesser recourse to initiate legal proceedings to protect our in-house brands. This may lead to a dilution in the brand value of our in house product brands.

   We have also received notices of opposition with respect to some of the applications seeking registration of certain trademarks in the name of our Company.

   Our success with our in-house brands/labels depends, in part on our ability to protect and defend our current and future intellectual property rights relating to such brands. If, we fail to adequately protect our intellectual property, competitors may manufacture, and market products under brands similar to our brands, which may have an adverse effect on the goodwill of our brands.

5. **We are highly dependant on our First Citizens for our revenues**

   We had 410,673 FCC members as on March 15, 2005 who are our loyal customers. FCC Members accounted for about half of our gross retail sales (for the year ended on March 31, 2004). Any shift in the preferences or loyalty of this customer base or any change in their spending pattern may impact our performance.

6. **Our business plans may need substantial capital and additional financing in the form of debt and/ or equity to meet our requirements.**

   Our proposed business plans are being substantially funded through this IPO and partly by our internal cash accruals. However the actual amount and timing of future capital requirements may differ from estimates including but not limited to unforeseen delays or cost over runs, unanticipated expenses, market developments or new opportunities in the industry. We may also not be able to generate internalcash in our Company as estimated and may have to resort to alternate sources of funds. Sources of additional financing may include commercial borrowings, vendor financing, or issue of equity or debt instruments. If we decide to raise additional funds through the debt route, the interest obligations would increase and we may be subject to additional covenants, which could limit our ability to access cash flows from the operations. If we decide to raise additional funds through equity route, your shareholding in the Company could get diluted.

7. **Any adverse impact on the title /ownership rights/development rights of our landlords (including our Promoters/ Group) from whose real estate premises we operate may impede our Company's effective operations of our stores/offices/distribution centers in the future.**

   All the real estate from which we operate our stores/offices/distribution centers are taken by us on long-term lease or sub-lease or leave and licence or conducting basis and /or other contractual arrangements basis either from third parties or from our Promoters or the Group. We may in future also enter into such transactions with third parties and/or our Promoters or the Group. Any adverse impact on the title /ownership rights/development rights of our landlords (including our Promoters or the Group) from whose real estate premises we operate our stores may impede our Company's effective operations.

8. **Any adverse impact on the title /ownership rights/development rights of our Promoters relating to the Bangalore real estate premises located at Raheja Point, Ashok Nagar, Magrath Road from which we operate our Bangalore store may impede our Company's operations of our Bangalore store in the future.**

   We have entered into a conducting agreement dated March 31, 2000 executed between one of our Promoters for our existing store premises situated at Raheja Point, Ashok Nagar, Magrath Road, Bangalore. The premises from which we operate our Bangalore store have been taken by the Company on a conducting basis from one of the Promoter companies, viz. Ivory Properties and Hotels Private Limited. Currently there is a disagreement relating to the said premises between the Promoters and Mr. G. L. Raheja. For more details please refer to the section titled '- Outstanding Litigation' on page 292 of this Prospectus. This may impede our Company's operations of our Bangalore store in the future. The aggregate revenue generation from the Bangalore store is Rs.4405.08 lacs and Rs. 2628.51 lacs as on March 31, 2004 and for the 8 months ended November 30, 2004 respectively.

9. **We have not yet executed the required definitive agreements or arrangements for fully utilizing Issue proceeds. Also, we have not yet finalized consultants and contractors for several of our proposed new stores as well as our stores being renovated.**

   We have executed preliminary contractual agreements for all of our new store sites, and for occupying additional space for expanding one of our existing stores, however we are yet to execute the definitive agreements for ten out of the eleven stores for which we are raising funds through this Issue and for occupying additional space for expanding one of our existing stores. We have not yet finalized consultants and contractors for several of our proposed new stores as well as existing stores being renovated or expanded, nor have we placed orders for the equipment and furniture that we may require. Should we not execute our expansion plan as envisaged because of this, there could be time and cost overruns affecting the performance of our Company.

10. **As on the date of this Prospectus, there are family disputes between some of our Promoters and the G. L. Raheja family as a result of which there could arise, from time to time, claims and counterclaims, between some of our Promoters and the G. L. Raheja family. Some of these claims and counterclaims may have an impact on our Promoters. Our Promoters believe that such claims and counterclaims may not have a impact on our Company except for the dispute relating to the premises from which we operate our store at Bangalore and the potential risk regarding K.R. Trends as mentioned in the section titled "Outstanding Litigations" in this Prospectus. Nevertheless, the existence, value, impact and resulting liability, if any with regard to such claims cannot be ascertained as on the date of this Prospectus. Further due to the nature of the family disputes and given that follow-up action with respect to the distribution of the**

Mumbai Undivided Entities was not completed and is outstanding, as on the date of this Prospectus the Promoters have disclosed all information available with them which will not be complete and accurate with respect to the Mumbai Undivided Entities.

Our Promoters have informed us as follows:

As on the date of this Prospectus, there are family disputes between some of our Promoters and the G. L. Raheja family as a result of which there could arise, from time to time, claims and counterclaims, between some of our Promoters and the G. L. Raheja family. Some of these claims and counterclaims may have an impact on our Promoters. Our Promoters believe that such claims and counterclaims may not have a impact on our Company except for the dispute relating to the premises from which we operate our store at Bangalore and the potential risk regarding K.R. Trends as mentioned in the section titled "Outstanding Litigations" in this Prospectus. Nevertheless, the existence, value, impact and resulting liability, if any with regard to such claims cannot be ascertained as on the date of this Prospectus. The details of the correspondence between the two groups in relation to the Prospectus is contained in the section titled "Outstanding Litigations" under the heading of potential litigations. Further, the Promoters have disclosed in the section titled "Outstanding Litigations" the details of litigations relating to the Mumbai Undivided Entities in respect of which our Promoters and/or Mumbai Undivided Entities are involved and in respect of which proceedings or other papers are available with them. However, due to the nature of the family disputes and given that follow-up action with respect to the distribution of the Mumbai Undivided Entities and Southern Undivided Entities was not completed and is outstanding, the Promoters cannot state with certainty that the list encompasses all litigations in relation to the Mumbai Undivided Entities as it may be possible that certain papers relating to legal proceedings may be in the possession of the G.L. Raheja family.

Consequently, neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to the Mumbai Undivided Entities as made in this Prospectus. It is also possible that the disclosures made in relation to the Mumbai Undivided Entities as contained in this Prospectus may be further disputed by the G.L. Raheja group. To the extent possible, our Promoters have quantified the liability or contingent liability in respect of the said entities. However the same is inter-alia based on non-finalised and disputed accounts between the G.L. Raheja group and our Promoters and would in most likelihood be disputed and contested as incomplete or inaccurate by the G.L. Raheja group. Consequently:

(a) neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to Mumbai Undivided Entities made in this Prospectus since our Promoters have disclosed all information available with them which will not be complete and accurate.

(b) neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to the Southern Undivided Entities as made in this Prospectus.

Further our Promoters are unable to state with certainty about any liability or contingent liability in respect of the said entities.

The Promoters have certified that pursuant to a family arrangement dated December 9, 1996 (the "**Arrangement**") executed between G.L. Raheja, Sandeep G. Raheja, Durga S. Raheja, Sabita R. Narang (Nee Sabita G. Raheja) and Sonali N. Arora (Nee Sonali G. Raheja) representing the G.L. Raheja family (the 'G.L. Raheja family') and C.L. Raheja, Jyoti C. Raheja, Ravi C. Raheja and Neel C. Raheja representing the C.L. Raheja family (the 'C.L.Raheja family'), all the immovable properties, businesses and assets, including shareholding and ownership of companies mentioned in the said Arrangement, which were jointly owned and controlled by both the families prior to the said 9th December, 1996 (hereinafter collectively the "**Properties**"), were distributed between these two families by their mutual consent in accordance with what was agreed interalia between both the families in documents / writings dated April 5, 1996 and November 16, 1996. (the "**Writings**").

The Promoters have clarified that all the Properties have been fully and completely distributed and vested in accordance with the Arrangement including the completion of the formality of documentation.

In some cases due to family disputes and differences, certain further assurances and follow-up action in relation to the companies/ entities/ properties etc. as mentioned aforesaid was not completed and is outstanding till the date of this Prospectus. These matters are more specifically:

(a) In respect of a few of the immovable properties documentation and/or possession in favour of the respective families was not completed/handed over;

(b) In respect of few of the Properties, some documents, papers, certificates and deeds in respect of the said Properties were not exchanged between the respective families;

(c) While transferring shares of certain companies that formed part of the Properties, according to the Promoters certain immovable properties and assets remained to be valued.

(d) Certain of the Properties distributed also carried with them the responsibility of making repayment of certain third party loans and liabilities. While the Properties and the loans and liabilities may have been distributed to one family group, the loans and liabilities may still be secured by certain guarantees and other securities which were provided by the other family group, which guarantees and securities had to be released as per the Arrangement. While releases in respect of such guarantees and securities have been done in most cases, there may be certain cases where the formalities of such release were not completed by the concerned family.

Contentions in this regard may have been raised by the two families.

Further, as on the date of this Prospectus, apart from the Properties there are certain other properties and entities:

(a) which are jointly owned and controlled by both the families (the "**Mumbai Undivided Properties and Entities**") and are not distributed, although the C.L. Raheja family and the G. L. Raheja family had agreed to carry out the said distribution pursuant to the Writings and/or the Arrangement; and

(b) which are jointly owned and controlled by both the families together with the family of their brother-in-law (sister's family) (the "**Southern Undivided Companies and Entities**") and are not distributed, although the C.L. Raheja family and the G. L. Raheja family had agreed to carry out the said distribution pursuant to the Writings and/or the Arrangement, which has also been confirmed by the family of their brother-in-law (sister's family) in various affidavits filed in relation to pending litigations which are more particularly disclosed in the section titled –'Outstanding Litigations' on page 287 of this Prospectus.

The separation/distribution of which is pending due to family differences and disputes.

Consequent to the above the complete and full implementation of the aforesaid Writings was not completed. Therefore there could arise from time to time claims and counterclaims, between the C.L. Raheja family and the G.L. Raheja family with respect to such entities. The Company understands from the Promoters that the existence, value and impact of the same cannot be presently ascertained.

There are however some existing allegations, claims and counterclaims which are pending between the C.L. Raheja family and the G.L. Raheja family. For more detailed information please see section titled 'Outstanding Litigations' on page 287 of this Prospectus.

As matters relating to the above are inter se between the Promoters and the G.L. Raheja group, the Promoters believe that except for the dispute relating to the premises from which we operate our store in Bangalore referred to in the section titled "Outstanding Litigation" and the disputes relating to K. R. Trends (a division of Upasana Trading Limited, a subsidiary of the Company) referred to in the section titled "Outstanding Litigation", the same would not in any way impact the properties, business, assets and finances of our Company.

However, since these entities were co promoted by some of the Promoters, consequently they could be treated as companies promoted by the Promoters within the ambit of SEBI Guidelines. The Promoters alone are not in ownership and control of these entities and these are subject matter of the above-mentioned family differences and disputes.

Mumbai Undivided Properties and Entities

The Mumbai Undivided Properties and Entities comprise of various companies, partnership firms and trusts. The registered office / office of most of the said Mumbai Undivided Properties and Entities continues to be at the office of the Promoters at Construction House A, Khar, Mumbai (which used to be the registered office of those entities even prior to the aforesaid distribution).

In respect of the Mumbai Undivided Entities, the Promoters have provided information to the extent available with them. Some or all of the information so disclosed by the Promoters are disputed by the G. L. Raheja family and correspondence has been exchanged between the two families in this regard. In the circumstances the Promoters have not certified the completeness and accuracy and therefore the correctness of the information provided in relation to the Mumbai undivided Entities.

Since the time of the said distribution, these entities are largely dormant except for certain transactions like repayment of borrowings, sale of stock in trade, suit filed for recovery of amounts and administrative overheads, etc. Further members of both the families have separately operated bank accounts of some of those entities.

Both the families have separately in their possession various documents, papers, records, assets, etc. of the said Mumbai Undivided Properties and Entities which has made the finalisation of accounts, audit, filing of various returns and forms with different authorities and various other statutory compliances difficult and has resulted in the same not having been completed for several years. Several filings and compliances have not been made due to the said family disputes and the fact that the C.L. Raheja Family alone is not in ownership and control of the said Mumbai Undivided Entities. The G. L. Raheja family has however contended that the C. L. Raheja family attempted to wrongly assume control over such Mumbai Undivided Entities.

The registered office of most of the Mumbai Undivided Entities continues to be at Construction House "A" since the Entities are yet to be divided and these companies have not been in a position to complete any of the statutory registers in the absence of meetings and sharing of data between the families.

Various private trusts were constituted, under which the members of the K. Raheja Corp Group were, along with certain other persons, beneficiaries. These private trusts were so organized such that only one trust was engaged in the carrying on of business. Some of these trusts were also partners in partnership firms (for the purpose of sharing in the profits and losses, although not involved in the day to day operation of the business of such partnership firms). The other remaining trusts were only direct or indirect beneficiaries of the aforesaid private trust carrying on business. We understand from the Promoters that while the affairs of the private trust which was carrying on business have been wound up and also the trusts which were partners in some partnership firms have ceased to be partners and complete distribution of assets has also taken place, in some of the beneficiary trusts, though the date of distribution of assets have passed, due to the pending disputes between the C. L. Raheja family and the G. L. Raheja family certain assets are yet to be distributed. Our Promoters believe that the amounts involved in these trusts are insignificant and are not expected to have any material impact on our Company or our Promoters.

The existence, value, impact and resulting liability, if any with regard to any such claims involving the Mumbai Undivided Properties and Entities cannot be ascertained as on the date of this Prospectus. Further due to the nature of the family disputes and given that follow-up action with respect to the distribution of the Mumbai Undivided Entities was not completed and is outstanding, as on the date of this Prospectus the Promoters have disclosed all information available with them which will not be complete and accurate with respect to the Mumbai Undivided Entities. Mr. G.L. Raheja has also indicated in his correspondence that the information provided by the Promoters in relation to the Mumbai Undivided Entities are incorrect and incomplete.

In view of the above, the finalisation of accounts, audit, filing of various returns and forms with different authorities (including annual returns and annual accounts), convening/holding of board meetings, general meetings and various other statutory compliances for several years have not been made. Other statutory compliances may also have not been fully carried out. Also several tax returns have been filed by the C. L. Raheja Group pursuant to notices received from the tax authorities or otherwise and the full effect of the demands/liabilities would not have been reflected in the books of account. Similarly, tax refunds due and interest thereon, if any, would not have been fully accounted. Provisions have also not been made on account of any of the non-filing and non-compliances. Our Promoters have been unable to state with certainty about any liabilities or contingent liability other than those reflected in the annual audited accounts of those entities. Further compliance has not been done with various orders of the Company Law Board where certain fresh preference shares were to be issued in place of certain existing preference shares of the Mumbai Undivided Entities. The very filing of certain of these petitions with the Company Law Board, Western Region Bench, Mumbai, pursuant to which the said orders are received, is a point of dispute between C.L. Raheja family and the G.L. Raheja family and correspondence has been exchanged in this regard. Also certain of the Mumbai Undivided Entities may have become defunct companies, although no action to strike the same off the record has been taken by the relevant registrars. It is possible that consequences may follow in relation to the same which may affect all the directors, shareholders, partners, trustees of the Mumbai Undivided Entities.

Section 274(1) (g) (A) of the Act inter-alia provides for disqualification of directors of public companies which have not filed the annual accounts and annual returns for any continuous three financial years commencing

on and after April 01, 1999. Further the Act provides that such persons shall not be eligible to be appointed as a director of any other public company for a period of 5 years from the date on which such public company, in which such person is a director, failed to file annual accounts and annual returns.

In respect of public limited companies forming part of the Mumbai Undivided Entities no annual returns and annual accounts have been filed with RoC for the last several years as a result of differences/disputes between both the families / groups. All or any of our Promoter Directors were directors with such companies and as stated in the notes to the chart of directors of the said public companies (forming part of Mumbai Undivided Entities) in the Promoters section of Prospectus our Promoter Directors would be deemed to have retired by rotation on the applicable dates on which the annual general meeting ought to have been held as per the requirements of law. In the correspondence between Mr. G. L. Raheja and our Promoter Directors Mr. G. L. Raheja has in this regard made certain allegations which our Promoters have denied and disputed. Mr. G. L. Raheja has in addition also made certain other allegations relating to the Promoter Directors having held out as being directors of some of the private companies forming part of the Mumbai Undivided Entities after the date they may have ceased to be directors, and our Promoters have denied the consequences therefrom.

Southern Undivided Companies and Entities

The Southern Undivided Companies and Entities comprise of various companies, partnership firms and trusts.

In respect of the South Entities, our Promoters have relied upon and fully disclosed all the details provided by the other family members and also the information available with them in this regard.

In respect of one of such companies,i.e. Mass Traders Pvt. Ltd. the finalisation of accounts, audit, filing of various returns and forms with different authorities and various other statutory compliances for last several years have not been made due to family differences and disputes as mentioned above. Further, in respect of the remaining entities some of the statutory compliances, etc. may not have been fully carried out due to the said family differences and disputes. In view of the said differences and disputes, also the fact that C.L. Raheja Family alone is not in ownership and control of the said Southern Undivided Companies and Entities and due to said non-compliances (herein mentioned in this clause), our Promoters are unable to state with certainty about any liabilities or contingent liability other than those reflected in the annual audited accounts of those entities.

Except as disclosed elsewhere in the Prospectus, there are no pending litigation/ disputes in respect of these entities which our Promoters are aware of. However, due to the peculiar circumstances, our Promoters cannot certify with certainty the comprehensiveness or completeness of the information relating to these entities. However, except with regard to the premises at Bangalore from which we operate our store, our Promoters do not expect any material impact on account of the disputes relating to these entities in the operations of our Company.

The existence, value, impact and resulting liability, if any with regard to any such claims involving the Mumbai Undivided Properties and Entities and/or the Southern Undivided Entities cannot be ascertained as on the date of this Prospectus. Further due to the nature of the family disputes and given that follow-up action with respect to the distribution of the Mumbai Undivided Entities and South Undivided Entities was not completed and is outstanding,

(a) neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to Mumbai Undivided Entities made in this Prospectus since our Promoters have disclosed all information available with them which will not be complete and accurate.

(b) neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to the Southern Undivided Entities as made in this Prospectus.

Further our Promoters are unable to state with certainty about any liability or contingent liability in respect of the said entities.

11. Apart from the companies and/or entities belonging to the K Raheja Corp Group /Mumbai Undivided Entities/ the Southern Entities, as on the date of this Prospectus, our Promoters also have equity share capital and other interests (exceeding 10 %) in certain other companies, partnership firms and other entities (the 'Residual Entities'). However as our Promoters are not involved in the day to day management of these Residual Entities, neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the

disclosures relating to these Residual Entities made in this Prospectus which disclosures are based on information made available to our Promoters by the respective managements of these entities.

Apart from the companies belonging to the K Raheja Corp Group /Mumbai Undivided Entities/ the Southern Entities, as on the date of this Prospectus, our Promoters also have equity share capital and other interests (exceeding 10 %) in certain other companies, partnership firms and other entities (the 'Residual Entities'). For more details relating to these Entities please refer to the section titled Our Promoters on page 74 of this Prospectus. Pursuant to the provisions of the SEBI Guidelines, the Residual Entities come within the purview of the promoter group (as defined in the SEBI Guidelines) due to the shareholding and/or other interests our Promoters historically hold in each of the Residual Entities. However as our Promoters are not involved in the day to day management of these Residual Entities, neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to these Residual Entities made in this Prospectus which disclosures are based on information made available to our Promoters by the respective managements of these entities.

12. **Our company may be impacted by potential litigation against our Promoter Directors, our Company and/or our subsidiary regarding K.R. Trends:**

    Our Company used to purchase products from K.R. Trends (a division of Nectar Properties Pvt. Ltd., one of the Mumbai Undivided Entities), Our Company also purchased products from K.R. Trends (a division of Upasna Trading Ltd. which is now our subsidiary). Certain allegations have been raised by the G.L. Raheja group including transfer of business of K.R Trends division of Nectar Properties and on the fiduciary duty of our Promoter Directors towards Nectar Properties Pvt. Ltd., which have been disputed by our Promoter Directors. It is possible that the said allegations may result in litigations/claims against our Promoter Directors, our Company and/or our subsidiary.

13. **Depending on the outcome of pending proceedings before the Company Law Board, consequences would follow which may adversely affect the directorship of our Promoter Directors in our Company**

    Our Promoter Directors are parties to a Company Petition pending before the Company Law Board. In the said Company Petition one of the prayers of the petitioners i.e. G.L. Raheja group is that action be taken against our Promoter Directors under the provisions of section 406 of the Companies Act, 1956. Further, by way of an interim application, the G. L. Raheja Group has inter alia prayed that our Promoter Directors be (i) punished for alleged breach and violation of an order of the Company Law Board; and (ii) appropriate orders be passed for taking action for alleged acts of perjury by making false statements on oath.

    Depending on the outcome of the said proceedings, consequences would follow which may adversely affect the directorship of our Promoter Directors in our Company.

    For details please refer to the section titled "Outstanding Litigation" of the Prospectus.

14. **The Objects of the Issue for which the funds are being raised has not been appraised by any Bank or Financial Institution**

    In the absence of any appraisal by any bank or financial institution for the funds required by us, the deployment of funds raised through this Issue as stated in the section titled "Objects of the Issue" are as per the estimates approved by our Board of Directors.

15. **Non-receipt of Government and other regulatory approvals may affect our proposed expansion plan**

    We have not yet applied for and/or received/renewed all the government and other regulatory approvals required for/with regard to the new stores proposed by us and/or the renovation of our existing stores. In case of non receipt or delayed receipt of the same, we may not be able to implement our proposed expansion plan as scheduled, which may lead to cost overrun and have impact on our growth and financial condition.

    We have also not obtained/renewed certain approvals with regard to our existing stores.

    Set out below are details of the applicable government and other regulatory approvals that are not yet been obtained/renewed by our Company for our existing stores.

Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received

1. **Trade Mark related** – Out of our various trademarks including those under which we presently market our in-house products, 10 are registered in the name of our Company. For the rest, 217 applications for the registration of these trademarks in the name of our Company have been submitted to the relevant trademark authorities as on the date of this Prospectus and are still pending with them. For details relating to our trademarks for which applications have been made but registration is pending please see the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' on page 409 of this Prospectus
2. Haryana, Gurgaon – application dated May 12, 2004 has been made to the Commissioner, Municipal Corporation, Gurgaon seeking a license for the neon sign and glow sign at our store in Gurgaon.
3. Haryana, Gurgaon – application dated November 14, 2002 has been made to the Commissioner, Municipal Corporation, Gurgaon seeking a license for the neon sign and glow sign at our store in Gurgaon.
4. Andhra Pradesh, Hyderabad – an application dated June 20, 2004 was made to the Commissioner of Labour, Hyderabad seeking permission for extended working hours for the store at Hyderabad. A second application dated October 11, 2004 has been made to Principal Secretary, (Labour Employment, Training & Factories Dept) seeking permission for extended working hours.
5. Andhra Pradesh, Hyderabad- an application dated August 3, 2004 has been made for seeking permission for inflammable goods.
6. Tamil Nadu, Chennai – application dated July 30, 2004 has been made to the Commissioner of Labour, Chennai and the Secretary, Labour and Employment Department seeking permission for opening the store 365 days and extended working hours.
7. Maharashtra-Mumbai Bandra, Kandivili, Malad, Mulund, Chembur; and Pune – application dated February 4, 2005 has been made to renew the exemption for keeping the stores open for 365 days and extended working hours.
8. Haryana – Gurgaon – We have made an application dated March 1, 2005 to the Secretary (Labour), Government of Haryana, Chandigarh seeking extension of the exemption granted from the provisions of the Punjab Shops Commercial Establishment Act, 1958 and the rules framed thereunder.
9. Maharashtra - Mumbai - Chembur - an application no. 2270 has been made seeking permission for installation of 1 neon sign on the canopy at the entrance of the store at Chembur (date of actual display being April 5, 2005).

Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed

1. Mumbai - Malad– as this is a new store launched last year by our Company the process of obtaining approvals relating to this store is ongoing.
2. West Bengal- Kolkata– Salt Lake City – as this is a new store launched last year by our Company the process of obtaining approvals relating to this store is ongoing.
3. Tamil Nadu-Chennai – permission for the sign board at the Chennai store to be obtained.
4. Licenses for Storage of Yarn/Inflammable Goods at each of our stores to the extent applicable /required under local state laws.
5. Karnataka-Bangalore-Mantri- Although we have obtained a few of the required approvals for this new store the process of obtaining the remaining approvals, to the extent applicable is ongoing.
6. Karnataka- Bangalore – Magarath Road- an application dated August 5, 2004 seeking permission for extended working hours from the Labour Commissioner. Permission refused by letter dated October 20, 2004.
7. For all the new stores that will be opened by our Company all the relevant approvals will be obtained by our Company as and when required by the new stores that are opened.
8. Licenses for Glow Sign / Sign Boards / Illuminated Sky Sign Board / Show Cases/ Illuminated Totem Pole Signs [including local language] – This license is due for renewal for the following stores :
   a. Maharashtra-Mumbai - Andheri-License dated June 17,2000 issued by BMC for a glow sign valid till March 2005.This approval has recently become due for renewal.
   b. Rajasthan-Jaipur - License for a sign board valid till March 31, 2005. This approval has recently become due for renewal.

c. Rajasthan-Jaipur - License for [4] glow sign valid till March 31, 2005. This approval has recently become due for renewal.

d. Andhra Pradesh-Hyderabad – renewed for the year 2004 -2005. This approval has recently become due for renewal.

e. Maharashtra-Pune- License dated June 5,2002 issued by Pune Mahanagarpalika for sign boards valid for year 2004-2005. This approval has recently become due for renewal.

f. Maharashtra-Mumbai-Mulund – License dated April 3,2003 issued by BMC for illuminated neon signs boards and valid till March 2005. This approval has recently become due for renewal.

g. Karnataka-Bangalore– Magarath Road Licence dated June 1, 2004 issued by Bangalore, Mahagara Palike for six glow signs and two neon signs valid for the year 2004-2005. This approval has recently become due for renewal.

9. **Operating Store for 365 days – This license is due for renewal for our store at** Haryana- Gurgaon- Approval received by letter dated September 3, 2004 and notification dated August 24, 2004 valid till March 31, 2005. This approval has recently become due for renewal.

10. **Extended Working Hours License- This license is due for renewal for our store at** Haryana- Gurgaon – approval received by letter dated September 3, 2004 and notification dated August 24, 2004 valid till March 31, 2005. This approval has recently become due for renewal.

16. There are restrictive covenants in the agreements we have entered into with certain banks for working capital credit facilities and other borrowings

We have entered into agreements with certain banks for working capital credit facilities and other short term borrowings for which our current assets and future income receivables and assets have been charged. Some of these agreements contain restrictive covenants that require our Company to obtain prior permission from the concerned banks prior to undertaking activities such as new projects, diversification, modernization, issue of Equity Shares, change in capital structure, change in management, reduction in Promoters' existing shareholding to below 75% of the paid up equity share capital of our Company. (After giving effect to the Issue, our Promoters' collective shareholding in the Company will reduce from 79.75% to 67.09%, for which permission has been obtained from the concerned banks).

If the consent of the concerned banks is not forthcoming our ability to undertake the above mentioned activities will be impacted. For more details of such restrictive covenants please see the table titled "Restrictive Covenants of Loan Agreements" under the Business section of this Prospectus.

17. Our inability to deliver as per our business plan could have an adverse impact on our business

Our business plan includes opening of new stores, and expanding and renovating some of our existing stores over the next few years. Our success in achieving future growth through these methods is dependent upon our ability to obtain suitable store sites and in setting up our new stores, and where applicable, hiring appropriate store personnel. There can be no assurance that we would be able to renovate existing stores or acquire, open or operate new stores on a timely or profitable basis or that comparable store sales will increase in the future.

We also rely on various real estate developers for our store sites. Any delay by the developers in handing over the possession of store sites to us may lead to delays in our opening of stores and impact our roll out schedules and cause cost and time over runs. Any failure by our management to effectively implement an expansion strategy could have a material adverse effect on our business and operations. In the past, there have been instances of delays in obtaining possession of the store sites.

18. Any inability to manage our rapid growth could disrupt our business

We have experienced reasonable growth in recent periods. However, our future growth plans can place significant demands on our management and other resources. Hence, there can be no assurance that we will be able to execute our strategy on time and within budget or that we will meet the expectations of the customers and achieve our planned growth.

Our inability to manage our growth could have a material adverse effect on our business, financial condition and results of operations. A larger number of stores will increase our fixed operating costs, and there can be no assurance that we will experience a commensurate increase in revenue or derive operational synergies to offset these higher costs.

19. The following outstanding litigations are pending against our Company, our Promoters and Directors of our Company. For further details, please refer to the section titled "Outstanding Litigation" on page no. 287 of this Prospectus.

Litigation in respect of the Company

There is one sales tax related case, two writ petitions and one labour related case pending against the Company, brief details of each of which are set out below

Sales Tax

Shoppers' Stop New Delhi Store was reassessed for Sales Tax Assessment for the year 2000-01 to 2001-02 under section 23(3) of Delhi Sales Tax Act 1957. The Assessing Authority disallowed the sales of tax-free sarees (currently classified as fabric) & raised a demand of Rs. 9,17,734/- on the classification issue stating that these sarees are not 'fabric' but are 'Readymade Garments'. The Company further filed an appeal on September 26, 2003 against the demand and paid Rs.57,500/- against the stay. Currently the matter is in appeal with Deputy Commissioner of Sales Tax (Appeals), Range IV, Delhi.

Litigation before Shillong Bench of the Hon'ble High Court of Gauhati

A public interest litigation being PIL No. 4 (SH) of 2005 has been filed before the Shillong Bench of the Hon'ble High Court of Gauhati by one North East Investor Forum on April 26, 2005, i.e. one day before the IPO was to commence, against (1) Union of India (2) SEBI and (3) the Company, wherein the said forum has inter alia prayed for appropriate writs to be issued for staying the IPO of the Company and for ad-interim and interim reliefs in that regard, on inter alia the following allegations that :

· the Company has not fully disclosed in the RHP that the directors of the Company are disqualified from continuing as directors of the Company by virtue of Section 274(1)(g) of the Companies Act, 1956, [they being directors of certain public companies which have failed to file their Annual Returns and Annual Reports for three consecutive years] ; and

· the Company and its Promoters have made misleading statements/ misrepresentations in the RHP.

Upon the said forum applying for interim reliefs in the matter, the Hon'ble High Court passed an exparte order dated April 26, 2005 restraining SEBI from opening the public Issue as per the RHP and directed that the matter be listed the next day, i.e. on April 27, 2005 before the Division Bench.

The matter was taken up for hearing on April 27, 2005 before the Learned Shillong Bench. While the hearing of the matter was in progress on the said date, the counsel appearing for the Company submitted that he had received a message over phone that against the order dated April 26, 2005 passed by the Learned Bench the previous day, an appeal had been filed in the Apex Court i.e. the Hon'ble Supreme Court and that the Apex Court had stayed the order. The learned Bench accordingly passed an order dated April 27, 2005 recording the aforesaid submission made by the Counsel appearing for the Company and stated therein that since the matter had been stayed by the Apex Court, the Bench was of the opinion that no further order was required to be passed by the Bench. It was directed by the learned Bench in its order that the case be listed after the matter is decided by the Apex Court.

Litigation before the Hon'ble Supreme Court

The Company and one of its Promoters have preferred two separate special leave petitions being SLP (C) No. D9265 / 2005 and SLP (C) No. CC5275 / 2005 respectively before the Hon'ble Supreme Court against the order dated April 26, 2005 passed by the Shillong Bench of the Hon'ble High Court of Gauhati. For more details please refer to the section titled "Outstanding Litigations- Litigation By and/or Against The Company - By The Company-Litigation Pending - Money Recovery and Other Civil Suits".

Litigation before the Hon'ble High Court at Calcutta

A Writ Petition being Writ Petition No. AST 408/2005 appears to have been filed before the High Court at Calcutta by one Burrabazar Investor Welfare Association-2003 against SEBI, the Company and the merchant bankers to the Issue. No copies of the proceedings and/or any interim, ad-interim orders if any passed in the matter have been served upon the Company in this regard.

Transfer Petition - The Company has filed a transfer petition before the Hon'ble Supreme Court of India, whereby the Company has interalia prayed for transfer of the above proceedings all of which are in connection with the IPO. For more details please refer to the section titled "Outstanding Litigations- Litigation By and/or Against The Company - By The Company-Litigation Pending - Money Recovery and Other Civil Suits".

Labour Related

Additional Labour Court, Bangalore

Industrial Dispute No 86 of 2000.

S. Sampath v/s Management of Shopper's Stop Ltd.

S. Sampath Kumar has filed a suit at the Additional Labour Court, Bangalore for illegal termination of his services as a tailor from the establishment. The case is pending for hearing. Advocate Dr.N.R. Kumara Swamy by his letter dated April 14, 2004 had informed Shoppers Stop, Magrath Road, Bangalore that the case was posted to June 1, 2004 for recording Shoppers Stop's evidence. The matter has now been adjourned to April 28, 2005.

For more details please refer to the section titled "Outstanding Litigations"

Litigation in respect of the Directors.

There are two company petitions (with several interim company applications); three suits; two writ petitions; two summary suits, one arbitration proceeding pending against any one or all of our Promoters Directors. In addition, the following matter is also pending against Mr. C.L. Raheja one of our Promoter Directors.

Before the Madurai Bench of Madras High Court

A.S. 518 of 1996

Chandru Lachmandas Raheja & 3 others (1) Carlton Hotel, Kodaikanal (2) Ferani Hotels Ltd. 3) K. Raheja Constructions Ltd. v/s Mr. Rev. Edger H. Lewellen

This is an appeal filed originally in the Madras High Court from judgement and decree dated February 20, 1996 in Suit No. 215 of 1993 issued by the Court of the Principal Subordinate Judge, Dindigul. At the relevant time Mr.C.L. Raheja was a director of Ferani Hotels Ltd. However, Mr.C.L. Raheja has ceased to be director of the said company simultaneously on execution of the Arrangement since Ferani Hotels Ltd. was distributed and vested wholly to the G. L. Raheja group. In view of the said distribution and vesting, the Promoters are not aware of present status of the case. An appropriate application is proposed to be made before the Court for deletion of his name from the said proceedings.

In addition to the above proceeding, Mr. C.L. Raheja could have been named in the following proceedings relating to the immovable property called 'Longcroft' or any part thereof situated at Kodaikanal.

- **O.S. 257 / 1987**

  Carlton v/s Alliance Ministries and Reverend Edgar Lewellen

- **R.C. O. P. 12/1988**

  O.S. No.41/1988

- **R.C.O.P 2/1988**

  read with

  I.A. No. 4 of 1988 in the Court of District Munsif, Kodaikanal (Rent Controller) Carlton Hotel (owned by Ferani Hotels Pvt. Ltd.) and Mr. C. L. Raheja v/s Alliance Ministries Trust

- **O.S. No. 8 of 1988 (In the Court of Subordinate at Periakulam)**

  Alliance Ministries Trust v/s. Carlton Hotel (owned by Ferani Hotel Ltd) and Mr. C.L. Raheja

  Suit No.4531 of 1987

  K. Raheja Constructions Ltd. And Mr. C.L. Raheja v/s Alliance Ministries and others.

  This property, 'Longcroft' is used by Carlton Hotels which is owned by Ferani Hotels Limited. This company, along with the hotel has been distributed and vested in the G.L. Raheja group pursuant to the Arrangement. Mr. C.L Raheja pursuant to the family Arrangement is no longer concerned with

the said property or Carlton Hotels and has ceased to be a director of Ferani Hotels Limited.

In some of the above suits the name of K. Raheja Constructions Ltd. is mentioned. K. Raheja Constructions Ltd. was amalgamated with Ferani Hotels Ltd. a few years before the Arrangement. Mr. C. L. Raheja has not been a director in K. Raheja Constructions Ltd. since the aforesaid amalgamation.

Therefore, no further details are available with our Promoters.

Further all of our Promoter Directors are also directors of Asiastic Properties Ltd. which has defaulted in the payment of loans to HDFC Bank Ltd. A SEBI Notice has been issued to IL &FS Investsmart Ltd. and Mr. Neel Raheja one of our Promoter Directors is a director of the said company.

For more details please refer to the section titled "Outstanding Litigations"

Litigation in respect of the Promoters

There are two arbitration proceedings, forty three income tax related cases, twenty three wealth tax related cases, thirteen money recovery and other civil proceedings (including several interim applications/proceedings); one labour related case and fourteen cases (in which the Promoters are involved although not named in the proceedings) in which the Promoters are involved. For more details please see section titled 'Outstanding Litigations' in this Prospectus.

Litigation in respect of the K Raheja Corp Group, Residual Entities, Mumbai Undivided Properties and Entities, Southern Undivided Companies and Entities

Please see the section titled 'Outstanding Litigations' in this Prospectus.

Litigation in respect of Subsidiaries

There are eight sales tax related matters outstanding with regard to one of our Subsidiaries Upasna Trading Limited for more details please see section titled 'Outstanding Litigations' in this Prospectus.

In addition to the above there are also some circumstances which may lead to threatned/potential litigations against our Company. For more details please refer to the section titled "Outstanding Litigations"

We cannot provide any assurance relating to the consequences of or ascertain aggregate liabilities (including penalties and interest) of these litigations. In the event the above cases are not disposed off in our favour and/or in favour of our Directors, Promoters, Subsidiaries, K Raheja Corp Group, Residual Entities, Mumbai Undivided Properties and Entities, Southern Undivided Companies and Entities, penalties and/ or other adverse actions may be taken against our Promoters/Directors/ Subsidiaries/ K Raheja Corp Group/ Residual Entities/ Mumbai Undivided Properties and Entities/ Southern Undivided Companies and Entities /officers/ employees or us.

For further details of outstanding litigation against us, our Directors, our Promoters, and K Raheja Corp Group, Residual Entities, Mumbai Undivided Properties and Entities, Southern Undivided Companies and Entities, see "Outstanding Litigations" in this Prospectus.

After the filing of the Red Herring Prospectus there has been (a) correspondence exchanged between the G.L. Raheja Group and the C.L. Raheja group, details of which are contained in the section titled "Outstanding Litigations" of this Prospectus, (b) correspondence between G.L. Raheja and the Securities and Exchange Board of India details of which are contained in the section titled "Outstanding Litigations" of this Prospectus; and (c) correspondence between the Company and Mr. Ashish Chhabaria and Mr. Mukesh Chablani details of which are contained in the section titled "Outstanding Litigations" of this Prospectus which may lead to litigation against our Promoters and/or our Company.

20. We face competition from existing retailers and potential entrants to the retail industry that may adversely affect our competitive position and our profitability

Loss of market share and competitors and competition may adversely affect our profitability.

We face competition for customers from other departmental stores, specialty stores and other retailers in the organized and unorganized markets. We expect competition could increase with new entrants coming into retail industry and existing players consolidating their positions.

Our competitors may not be focused on profitable growth in the short term and this could disturb the retail industry's profitability dynamics. Some of our competitors may have access to significantly greater resources and hence the ability to compete more effectively. As a result of competition, we may have to price our merchandise at levels that reduce our margins, increase our capital expenditures in order to differentiate ourselves from other retailers and increase our advertising and distribution expenditures, which may adversely affect our business. With increased number of retailers in the market there may be increased competition for good store locations impacting our costs.

21. The success of our business is substantially dependent on our management team, our inability to retain them could adversely affect our businesses

We have a strong team of professionals to oversee the operations and growth of our businesses, including our Customer Care Associate, Managing Director and CEO and several key managerial personnel. Our success is substantially dependent on the expertise and services of our management team. The loss of the services of such personnel may have an adverse effect on our business, financial condition and results of operations.

22. Our Promoters will collectively own 67.09% of our Equity Shares and will continue to control us after the Issue

After giving effect to the Issue, our Promoters will collectively own 67.09% of our Equity shares (on a fully diluted basis). As a result, our Promoters will have the ability to determine the outcome of all actions requiring the approval of our Shareholders, other than those actions requiring supermajority votes and the appointment of the Company's Board of Directors. The interests of our Promoters may conflict with interests of our other investors, and you may not agree with the manner in which they excerise their voting rights and powers they take.

23. Future sale of Equity Shares by some of our current shareholders could affect the price of our Equity Shares in the secondary market.

The market price of our Equity Shares could be impacted if some of our existing shareholders sell a substantial number of Equity Shares post listing. As per the provisions of the SEBI (Venture Capital Funds) Regulations, 1996 and amendments thereto the share capital held by venture capital funds registered with SEBI are not subject to any lock-in requirements and are freely transferable. Employees other than promoters holding equity shares pursuant to employee stock option are not subject to any lock-in requirements and are freely transferable pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Venture capital funds i.e. ICICI Trusteeship Services a/c ICICI Emerging Sectors Fund, and Sara Fund Trustee Company Limited A/c South Asian Regional Apex Fund registered with SEBI hold 1,875,000 and 390,625 Equity Shares respectively, aggregating to 2,265,625 Equity Shares equivalent to 6.59 % of our post issue capital (on a fully diluted basis.) Sales of substantial amounts of our Equity Shares by existing shareholders, or the perception that such sales or distributions could occur, could affect market prices for our Equity Shares.

24. We rely extensively on our IT systems and failures could adversely impact our business

We rely extensively on our IT systems to provide us connectivity across our business functions through our software, hardware and connectivity systems. Our business processes are IT enabled, and any failure in our IT systems or loss of connectivity or any loss of data arising from such failure can impact us adversely.

25. We rely extensively on our standard operating procedures and failures could adversely impact our business

We rely extensively on our standard operating procedures for total functioning our stores, distribution centres, merchandising, etc, and any deviation from these procedures may disrupt the functioning of our stores affecting the performance of our Company.

26. We may in the future face potential liabilities from lawsuits or claims by consumers

We may face the risk of legal proceedings and claims being brought against us by our customers/ consumers for any defective product sold or any deficiency in our services to them.

Also, since we have a large number of customers/consumers visiting our stores daily, we could face liabilities should our customers/consumers face any loss or damage due to any unforeseen incident such

as fire, accident etc in our stores, which could cause financial and other damage to our customers/ consumers.

This may result in liabilities and/or financial claims for our Company as well as loss of business and reputation.

27. As on November 30, 2004 we had contingent liabilities and outstanding guarantees and capital commitments.

We have contingent liabilities of Rs 46 mn as on November 30, 2004. We also have capital commitments to the extent of Rs 11 mn as on November 30, 2004.

28. We reported negative cash flows from operating activities for the financial year ended March 31, 2000 of Rs. 208 mn. We had accumulated a loss of Rs. 286 mn for the year ended March 31, 2001 and the same has been recouped from the profits made by the company.

29. One of our independent directors, Mr. Gulu Mirchandani figures in the RBI database as a defaulter as a director of Onida Finance Ltd.

Mr. Gulu Mirchandani was mentioned as per the RBI database as a defaulter as Director of Onida Finance Limited. We have been informed by Mr. Mirchandani by his letter dated March 1, 2005 that he has never held an executive director position in Onida Finance Limited and was not involved in the day to day affairs of the said company. Further by his letter dated April 2, 2005 we have been informed by Mr. Gulu Mirchandani that he has resigned as a director of Onida Finance Limited during the financial year 97-98 and that no actions/suits have been initiated against Onida Finance Limited or himself by any statutory body including RBI, in respect of any defaults on borrowings from banks prior to his resignation. However it may be clarified that Mr. Mirchandani is not personally a defaulter to the banks or financial institutions.

30. We reported a net loss of Rs. 84 million and Rs 230 million for the financial years ended on March 31, 2000 and March 31, 2001 respectively

We went through difficult times in FY 2000 and 2001 and reported losses in both these years, when we pursued an aggressive growth plan without having the requisite systems and processes in place. We had opened four new stores, initiated our enterprise resource planning (ERP) implementation, opened new ventures including our online store, and acquired Crossword in this period.

31. Two of the Southern Entities, Asiatic Properties Ltd and Raj Trust have defaulted on loan re-payments and interest payments

Two of the Southern Entities, Asiatic Properties Ltd and Raj Trust have defaulted on

loan re-payments and interest payments brief details of which are set out below.

Names of the borrowing entities	Name of the lender	Principal Amount originally advanced Rs.	Principal amount in Default Rs	Date from which principal is in default	Interest in default Rs	Date from which interest is in default	Total amount in default Rs.
Asiatic Properties Limited	Housing Development Finance Corporation Ltd.	407,000,000*	311,374,547	July 12, 2004	2,559,243/- outstanding simple interest due and payable upto July 12, 2004 and 16,942,985/- additional interest till September 30, 2004 and 30,137,644/- additional interest till February 23, 2005.	June 01, 2004	361,014,419

Names of the borrowing entities	Name of the lender	Principal Amount originally advanced Rs.	Principal amount in Default Rs	Date from which principal is in default	Interest in default Rs	Date from which interest is in default	Total amount in default Rs.
Raj Trust	Housing Development Finance Corporation Ltd.	150,000,000	964,00,000	September 28, 2004	Nil	Nil	9,64,00,000
Asiatic Properties Limited	Housing Development Finance Corporation Ltd.	72,500,000	NIL	N.A	4,600,274	July 1, 2004	4,600,274

1. *An amount of Rs. 70 lacs was repaid and with effect from December 2001 loan amount was reduced to Rs. 40 crore.
2. Loan to Asiatic Properties Limited was rolled over with effect from April 12, 2003 until July 12, 2004 for a sum of Rs.369,400,000/-
3. The outstanding loan amount payable by Raj Trust is Rs.75,375,205/- as on March 31, 2005. HDFC by its letter dated May 3, 2005 has stated that the outstanding loan balance as on May 3, 2005 is Rs. 70,140,275/-.

32. Some of our Subsidiaries / Promoters / entites forming part of K Raheja Corp Group, Residual Entities, Southern Undivided Companies and Entites are loss making

One of our Subsidiaries has reported losses in the previous years. In the case of Crossword Bookstores Ltd (CBL), the infrastructure set up has consumed huge amount of investment and requires considerable amount of operating expenses to maintain. Further the brand acquisition cost is being amortized over the years, which is the major cost adding up to the losses.The financial performance for our Subsidiaries is given below:

(Rs In 000's)

	Profit AfterTax (PAT)				Accumulated Losses			
Name of Company Subsidiaries	**2002**	**2003**	**2004**	**8 months ended November 30, 2004**	**2002**	**2003**	**2004**	**8 months ended November 30, 2004**
Crossword Bookstores Limited	(18,705)	(15,441)	(5,455)	(2214)	(44,789)	(60,230)	(65,685)	(67901)

Some of our Promoters/ entities forming part of K Raheja Corp Group, Residual Entities, Southern Undivided Companies and Entites have reported losses in some of the previous years. For reasons of their losses please refer to the notes under the financial performance of each of these companies.

The financial performance of these companies is given below:

(Rs In Millions)

	PAT			Accumulated Losses		
Name of Entity	**2002**	**2003**	**2004**	**2002**	**2003**	**2004**
Companies:						
Promoters and K Raheja Corp (CL Raheja Group)						
Anbee Constructions Private Limited	(6.97)	(4.89)	(4.24)	0.003	(4.88)	(9.12)
Avacado Properties & Trading (India) Pvt. Ltd	N.A	(0.004)	(5.70)	N.A	(0.004)	(5.70)
Beach Haven Properties Private Limited	(0.80)	(0.67)	(0.69)	(9.18)	(9.85)	(10.54)
Cape Trading Private Limited	(8.02)	(6.18)	(5.25)	(5.78)	(11.96)	(17.20)
Capstan Trading Private Limited	(7.57)	5.88	(2.95)	(14.81)	(8.93)	(11.88)
Casa Maria Properties Private Limited	(6.84)	(0.89)	(4.55)	3.30	2.40	(2.14)
Hornbil Trading Company Private Limited	(1.56)	0.28	(1.03)	(1.56)	(0.72)	(1.75)
Ivory Properties & Hotels Private Limited	(55.57)	26.70	142.30	(374.85)	(371.80)	(229.51)

(Rs In Millions)

Name of Entity	PAT			Accumulated Losses		
	2002	2003	2004	2002	2003	2004
Inorbit Malls (India) Private Limited	0.44	(0.05)	(36.78)	(0.61)	(0.68)	(37.46)
K. Raheja IT Park (Hyderabad) Private Limited	N.A	N.A	(19.10)	N.A	N.A	(19.10)
K. Raheja Private Limited	(52.13)	(2.50)	6.22	(192.63)	(188.90)	(182.69)
Mindspace IT Park Private Limited	N.A	N.A	(0.009)	N.A	N.A	(0.009)
Nask Realtors Private Limited	(0.07)	(0.01)	(0.19)	(0.08)	(0.03)	(0.22)
Neerav Properties & Hotels Private Limited	N.A	N.A	(0.01)	N.A	N.A	(0.01)
Raghukool Estate Development Private Limited	(6.76)	(6.16)	(6.75)	(12.53)	(18.70)	(25.44)
Serene Properties Private Limited	N.A	N.A	(0.009)	N.A	N.A	(0.009)
Touchstone Properties & Hotels Private Limited	(0.006)	(0.006)	(0.16)	(0.28)	(0.28)	(0.45)
Partnership Firms						
K. Raheja Sales	(0.23)	(0.06)	(0.01)	N.A	N.A	N.A
Southern Entities						
Asiatic Properties Limited	(111.73)	(98.9)	(88.75)	(158.67)	(361.82)	(450.57)
Ashoka Apartments Private Limited	0.028	(0.003)	(0.003)	(0.05)	(0.06)	(0.059)
Formost Granites Exports Private Limited	(0.30)	(0.04)	(0.03)	(2.50)	(2.55)	(2.58)
K. Raheja Development & Construction Private Limited	(0.008)	(0.016)	(0.02)	1.15	1.13	1.11
K. Raheja Hotels & Estates Private Limited	42.04	(4.94)	5.39	(13.32)	(18.26)	(12.87)
Mass Traders Private Limited*	(0.006)	0.003	(0.248)	0.08	0.08	(0.17)
Residual Entities						
Amber Apartment Makers Private Limited	Nil	Nil	Nil	(0.01)	(0.01)	(0.01)
Juhu Beach Resorts Limited	(73.30)	(153.80)	144.28	(72.83)	(198.28)	(54.00)
Terraco India Private Limited	0.56	0.33	(3.74)	4.14	4.30	0.57
Timezone Entertainment Private Limited	N.A	N.A	(0.11)	N.A	N.A	(0.11)
Nandjyot Properties and Hotels Private Limited	Nil	Nil	Nil	(0.01)	(0.01)	(0.01)

*Based on provisional , unaudited and nonfinalised accounts and subject to Qualifications stated on page 185 of the Prospectus.

For more details please refer to page no 74 of this Prospectus.

Some of the Mumbai Undivided Entites have reported losses in some of the previous years

The financial performance of these companies is given below

Based on provisional, unaudited and nonfinalised accounts and subject to Qualifications beginning on page 176 of the Prospectus:

(Rs In Millions)

Name of Entity	PAT			Accumulated Losses		
	2002	2003	2004	2002	2003	2004
Companies:						
Canvera Properties Private Limited	(1.99)	(0.002)	0.04	(2.04)	(2.05)	(2.01)
Carlton Trading Private Limited	Nil	Nil	Nil	(0.004)	(0.004)	(0.004)
Debonair Estate Development Private Limited	0.51	(0.08)	(0.01)	(57.54)	(57.62)	(57.63)
Dindoshila Estate Developers Private Limited	(0.09)	(0.01)	0.00004	(0.59)	(0.60)	(0.60)
East Lawn Resorts Limited	(0.002)	(0.01)	(0.001)	(0.17)	(0.18)	(0.18)
Fems Estate (India) Private Limited	0.001	0.0008	0.0009	(5.48)	(5.48)	(5.48)
Hill Queen Estate Development Private Limited	(0.10)	(0.03)	(0.002)	(0.17)	(0.2)	(0.2)

(Rs In Millions)

Name Of Entity	PAT			Accumulated Losses		
	2002	2003	2004	2002	2003	2004
Juhuchandra Agro & Development Private Limited	(0.0003)	(0.0003)	(0.0005)	(0.92)	(0.92)	(0.92)
K. R. Consultants Private Limited	0.01	0.26	(0.005)	2.99	3.25	3.25
K. R. Developers Private Limited	(0.002)	0.005	(0.16)	14.91	14.92	14.76
K. Raheja Trusteeship Private Limited	(0.002)	(0.003)	(0.002)	(0.13)	(0.14)	(0.14)
Lakeside Hotels Limited	(0.003)	(0.002)	(0.04)	0.49	0.49	0.45
Nectar Properties Private Limited	(5.81)	(0.02)	(0.02)	22.79	22.77	22.75
Neel Estates Private Limited	(0.61)	(0.02)	(0.004)	(0.84)	(0.86)	(0.87)
Oyster Shell Estate Development Private Limited	(0.002)	(0.04)	(0.002)	0.79	0.75	0.75
Peninsular Housing Finance Private Limited	(0.002)	(0.16)	(0.002)	8.66	8.50	8.50
Raheja Hotels Limited	(0.36)	(0.09)	(0.04)	(2.33)	(2.41)	(2.45)
Sea Breeze Estate Development Private Limited	0.20	0.22	0.22	(14.81)	(14.59)	(14.37)
Sevaram Estates Private Limited	(0.07)	(0.35)	(0.13)	4.81	4.45	4.32
S. K. Estates Private Limited	(0.77)	(0.68)	(0.78)	(43.11)	(43.79)	(44.57)
Springleaf Properties Private Limited	(0.002)	(0.002)	(0.002)	1.13	1.12	1.12
Suruchi Trading Private Limited	(0.06)	(0.04)	(0.14)	(2.61)	(2.65)	(2.78)
Wiseman Finance Private Limited	(0.44)	(7.01)	(1.39)	14.66	7.65	6.27
Partnership Firms:						
Crystal Corporation & Everest Enterprises	(0.02)	(0.002)	(0.00005)	N.A.	N.A.	N.A.
Crown Enterprises	(0.0002)	(0.0007)	(0.001)	N.A.	N.A.	N.A.
Kenwood Enterprises	(0.00002)	(0.00002)	(0.00002)	N.A.	N.A.	N.A.
K. R. Finance	(3.28)	(0.79)	(0.88)	N.A.	N.A.	N.A.
K. R. Properties & Investments	(0.008)	(0.008)	(0.009)	N.A.	N.A.	N.A.
Marina Corporation	(0.1)	(0.00005)	(0.00005)	N.A.	N.A.	N.A.
Powai Properties	(0.0001)	(0.0001)	(0.00008)	N.A.	N.A.	N.A.
R. M. Development Corporation	(0.0001)	(0.00005)	(0.00007)	N.A.	N.A.	N.A.
Ruby Enterprises	(0.23)	(0.01)	(0.001)	N.A.	N.A.	N.A.
Satguru Enterprises	(0.0005)	(0.001)	(0.001)	N.A.	N.A.	N.A.
Private Trusts:						
L. R. Combine	(0.002)	(0.002)	(0.002)	(0.008)	(0.01)	(0.01)
S. R. Combine	(0.002)	(0.002)	(0.002)	(0.007)	(0.009)	(0.01)
R. N. Associates	Nil	Nil	Nil	(0.0009)	(0.0009)	(0.0009)
R. K. Associates	(0.00002)	Nil	Nil	(0.01)	(0.01)	(0.01)

For more details please refer to page no 110 of this Prospectus.

Based on audited accounts (the final accounts for year ended March 31, 1997 are a point of dispute between the G. L. Raheja family and the C. L. Raheja family:

(Rs In Millions)

	PAT					Accumulated Losses				
Name of Entity	**1993**	**1994**	**1995**	**1996**	**1997**	**1993**	**1994**	**1995**	**1996**	**1997**
Companies:										
Canvera Properties Private Limited			(0.005)	0.005	(0.009)			(0.04)	(0.03)	(0.04)
Carlton Trading Private Limited			(0.003)	(0.0009)	Nil			(0.003)	(0.004)	(0.004)
Debonair Estate Development Private Limited			(2.66)	(3.17)	(8.26)			(9.47)	(12.64)	(20.90)
Dindoshila Estate Developers Private Limited			(0.10)	(0.07)	0.13			(0.29)	(0.36)	(0.22)
East Lawn Resorts Limited			(0.17)	(0.07)	(0.21)			(0.58)	(0.65)	(0.86)
Fems Estate (India) Private Limited		(0.27)	0.13	0.20			(2.33)	(2.20)	(2.01)	
Hill Queen Estate Development Private Limited	(0.01)	(0.005)	(0.001)			0.02	0.01	0.01		
Juhuchandra Agro & Development Private Limited		(0.10)	(0.12)	(0.03)			(0.38)	(0.50)	(0.53)	
K. Raheja Trusteeship Private Limited			0.01	(0.02)	(0.02)			(0.06)	(0.08)	(0.10)
Lakeside Hotels Limited			0.04	(0.10)	(0.02)			(0.24)	(0.33)	(0.36)
Nectar Properties Private Limited			(0.05)	1.36	(3.67)			(0.19)	1.17	4.73
Neel Estates Private Limited			(0.73)	(0.84)	(0.09)			(3.44)	(4.27)	(4.36)
Oyster Shell Estate Development Private Limited			(0.11)	(0.08)	0.22			(0.31)	(0.39)	(0.17)
Sea Breeze Estate Development Private Limited			(2.08)	(2.57)	(3.13)			(3.78)	(6.34)	(9.47)
Suruchi Trading Private Limited			(0.42)	(0.34)	(0.37)			(0.56)	(0.90)	(1.26)
Partnership Firms:										
Honey Dew Corporation			Nil	(0.04)	(0.15)			N.A	N.A	N.A
K. R. Sales Corporation			0.06	0.09	(0.0004)			N.A	N.A	N.A
Powai Properties			N.A.	N.A.	(0.0003)			N.A	N.A	N.A
Association of Persons:										
K. Raheja Investment & Finance			0.0007	0.38	1.16			(0.09)	(0.08)	(0.03)
Private Trusts:										
L. R. Combine			(0.002)	(0.002)	(0.003)			N.A	N.A	N.A
S. R. Combine			(0.10)	(0.12)	(0.16)			N.A	N.A	N.A
R. N. Associates			0.50	(0.25)	(0.005)			N.A	N.A	N.A
R. K. Associates			(0.0008)	(0.00002)	(0.00002)			(0.01)	(0.01)	(0.01)
		1984	**1985**	**1986**			**1984**	**1985**	**1986**	
Evergreen Constructions		Nil	(0.02)	(0.000005)			N.A	N.A	N.A	

For more details please refer to page no 110 of this Prospectus.

33. Some of our Subsidiaries and Promoters/ entities forming part of K Raheja Corp Group, Residual Entities, Southern Undivided Companies and Entites have negative networth

One of our Subsidiaries as mentioned below, have negative networth and hence negative book value per share in the previous years.

Company	Book Value (Rs per share)			
	2002	2003	2004	8 months ended November 30, 2004
Subsidiaries				
Upasna Trading Limited	(2615.0)	(2537.20)	(2529.60)	(2349.20)

Some of our Promoters/Promoters Group companies / firms / ventures and Southern Entities, as mentioned below, have negative networth in the previous years.

Company	Book Value (Rs per share)		
	2002	2003	2004
K Raheja Corp Group			
Anbee Constructions Private Limited	103.30	(4783.28)	(9022.82)
Avacado Properties & Trading (India) Pvt. Ltd	N.A.	7.56	(47.21)
Beach Haven Properties Private Limited	(1496.68)	(1612.43)	(1732.50)
Cape Trading Private Limited	(5679.93)	(11855.77)	(17102.18)
Capstan Trading Private Limited	(14712.31)	(8833.04)	(11785.85)
Inorbit Malls (India) Pvt Ltd.	(9682.46)	(139.55)	(3646.59)
Casa Maria Properties Private Limited	3394.61	2502.76	(2044.14)
Hornbil Trading Company Private Limited	(78697.34)	(63.47)	(165.86)
Ivory Properties & Hotels Private Limited	(37475.24)	(37170.34)	(10190.24)
K. Raheja IT Park (Hyderabad) Private Limited	N.A	N.A	(9.24)
Nask Realtors Private Limited	11.38	59.09	(124.91)
Raghukool Estate Development Private Limited	(12430.74)	(18595.34)	(25343.63)
Southern Entities			
Asiatic Properties Limited	(3163.67)	(7226.65)	(9001.73)

Some of the Mumbai Undivided Entities as mentioned below, have negative networth in the previous years.

Based on provisional, unaudited and nonfinalised accounts and subject to Qualifications beginning on page 176 of the Prospectus

	Book Value (Rs per share)		
Name of Company	**2002**	**2003**	**2004**
Canvera Properties Private Limited	(341,075.96)	(341,375.96)	(335,156.85)
Carlton Trading Private Limited	(1,330.30)	(1,330.30)	(1,330.30)
Debonair Estate Development Private Limited	(57,438.45)	(57,521.70)	(57,534.18)
Dindoshila Estate Developers Private Limited	(1,076.21)	(1,096.55)	(1096.48)
East Lawn Resorts Limited	(12,695.24)	(13,589.24)	(13,668.53)
Fems Estate (India) Private Limited	(1,726.43)	(1,726.15)	(1,725.85)
Hill Queen Estate Development Private Limited	(71.52)	(98.47)	(100.47)
Juhuchandra Agro & Development Private Limited	(230,736.94)	(230,811.94)	(230,946.94)
K. Raheja Trusteeship Private Limited	(67,142.28)	(68,552.28)	(69,469.78)
Neel Estates Private Limited	(68.07)	(72.91)	(73.63)

	Book Value (Rs per share)		
Name of Company	**2002**	**2003**	**2004**
Raheja Hotels Limited	(2,225.80)	(2,314.85)	(2,354.43)
Sea Breeze Estate Development Private Limited	(3,702,909.50)	(3,647,488.00)	(3,591,739.25)
S. K. Estates Private Limited	(38,880.94)	(39,496.18)	(40,199.61)
Suruchi Trading Private Limited	(2,516.81)	(2,553.17)	(2,689.01)

Based on audited accounts (the final accounts for year ended March 31, 1997 are a point of dispute between the G. L. Raheja family and the C. L. Raheja family.

	Book Value (Rs per share)			
Name of Company	**1994**	**1995**	**1996**	**1997**
Canvera Properties Private Limited		(6,313.50)	(5,528.00)	(6,952.50)
Carlton Trading Private Limited		(1,241.30)	(1,330.30)	(1,330.30)
Debonair Estate Development Private Limited		(9,368.63)	(12,537.70)	(20,795.56)
Dindoshila Estate Developers Private Limited		(475.16)	(620.70)	(350.90)
East Lawn Resorts Limited		(42,176.55)	(47,285.85)	(62,355.35)
Fems Estate (India) Private Limited	(676.89)	(634.03)	(568.74)	
Juhuchandra Agro & Development Private Limited	(95,598.50)	(125,198.21)	(132,092.44)	
K. Raheja Trusteeship Private Limited		(29,054.78)	(38,270.28)	(50,374.78)
Lakeside Hotels Limited		(17,282.78)	(24,117.39)	(25,840.83)
Neel Estates Private Limited		(589.74)	(754.92)	(772.73)
Oyster Shell Estate Development Private Limited		(529.58)	(687.93)	(238.22)
Sea Breeze Estate Development Private Limited		(943,914.52)	(1,585,444.60)	(2,368,610.08)
Suruchi Trading Private Limited		(464.24)	(800.77)	(1,169.66)

34. We have not declared dividends

We have not declared dividends since inception.

35. The shareholding of our Promoters in our Company could reduce as a result of enforcement of pledge for part of their shareholding pledged against a loan taken.

Some of our Promoters have pledged part of their shareholding (amounting to 12.61% of our post issue Equity Share capital) in the Company as a collateral security against a loan taken from HDFC Limited by one of the Promoters.The shareholding of our Promoters in our Company could reduce as a result of enforcement of pledge for part of their shareholding pledged against a loan taken. The material terms and conditions of the pledge include the right given to HDFC Limited to sell, transfer or dispose off the Equity Shares with reference or reasonable notice to the concerned Promoters; the concerned Promoters are required to provide additional Equity Shares to maintain the securities; all bonus and rights issued in respect of the securities are also to be mortgaged; the concerned Promoters to pay HDFC Ltd. the difference in the amount realized on sale of Equity Shares and the inadequacy in meeting the claim; HDFC Ltd shall be entitled to register as the beneficial owner of Equity Shares in the event of default; if so permitted by the bye laws and regulations of the depository, HDFC Ltd may sell, realize and/or dispose off the Equity Shares without having the same first transferred and registered in the name of HDFC Ltd. Further in this regard irrevocable powers of attorney have been been executed by the concerned Promoters in favour of HDFC Ltd inter-alia for selling exchanging, transferring or otherwise

disposing off the Equity Shares; to receive consideration and appropriate the proceeds towards any sums due to HDFC Ltd in respect of the loan.

36. Possible conflict of interest with the entities forming a part of the K Raheja Corp Group

The objects clauses as contained in the memorandum of association of some of the companies forming part of the K Raheja Corp Group, enable them to carry on the business of establishing/operating/managing retail departmental stores, which may result in our Promoters having a conflict of interest with our line of business, if they decide to pursue the same in future. Currently none of these companies are engaged in the business of establishing/operating/managaing retail departmental stores.

External Risk Factors

1. We are subject to risks arising from exchange rate fluctuations.

The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Fluctuations in the exchange rates may affect us to the extent of such orders being placed overseas. As on Febuary 28, 2005 we have placed orders on various overseas vendors for equipments and other store related capital expenditure amounting to Great Britain Pound 16125.26 and Singapore Dollar 33,000. We may place orders with overseas contractors or consultants or for buying equipments for our new as well as existing stores, as well as source some of our products from overseas markets for sale in our stores.

2. Regional conflicts in South Asia could adversely affect the Indian economy, disrupt the Company's operations and cause its business to suffer.

South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries, such as between India and Pakistan. In recent years there have been military confrontations along the India-Pakistan border. Military activity or terrorist attacks in the future could influence the Indian economy. This could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares and on the market for the Company's offering.

3. Public places such as malls in which our stores are located could be likely targets for unforeseen acts of violence (including terrorist acts and rioting), which may impact the retail business

Any violence in public places such as retail stores and malls could cause damage to life and property, and also impact consumer sentiment and their willingness to visit public places.

4. The retail Industry is restricted in its ability to raise financial resources for its growth

The retail sector has not been granted industry status by the Government of India. The capital requirements for a retailer are in the real estate (which banks have historically restricted lending to) and for meeting working capital requirements. Banks and financial institutions are further reluctant to lend to the sector because of lack of collaterals since most of the assets are on lease.

While some of the leading retailers are still able to get bank funding, the smaller ones are constrained for growth funding. Similarly, equity options are also restricted with Foreign Direct Investment not being permitted in the retail trading sector.

5. Retail sector generally relies on various external partners on whom absolute control is not possible

Generally, the retail sector depends upon various vendors to provide them the merchandise. Operations could be adversely affected if supplies of merchandise are not obtained in a timely manner from the vendors or if the supply of such merchandise is discontinued or if vendors are not able to meet up with growth requirements.

6. Increase in competition by allowing FDI

Though currently, Foreign Direct Investment is not permitted in the retail trading sector. We believe our competition could increase if the restriction on Foreign Direct Investment in Indian retail sector is removed.

7. **Multiplicity of local taxes and levies including octroi and sales tax has impacted the growth of organized retail**

   Each state in India has different local taxes and levies including sales tax, octroi, etc, which has enhanced the complexity for organized retailers as well as added to their costs. Incidence of various levies as well as the requirement to mention the Maximum Retail Price (MRP) on various products has led to organized retailers functioning in a sub optimal level, impacting their competitiveness vs. unorganized players who also gain by way of tax evasion.

   Changes in these local taxes and levies can impact the performance of retailers adversely.

8. **The fortunes of the retail sector, especially of companies retailing lifestyle products, are linked to the overall performance of the economy**

   The retail sector is dependent on consumer spend for its performance. Overall economic conditions can impact the consumer spend, and more so in areas such as lifestyle products. Any impact on the Indian economy due to internal or external reasons could impact consumer spend. Since retailers have fixed costs in the short term, any downtrend in the economy can impact the retail sector adversely and impact fashion and lifestyle retailers even more.

9. **Availability of large quantities of retail space can be affected by change in interest rates or banking policies**

   Prevailing interest rates in the economy as well as the yields available on the lease of property have been instrumental in making real estate available for retail by permitting investors to borrow and invest in real estate and lease it to retail companies. Any change in interest rates, or yields on property or change in banking policies pertaining to lending against real estate or securitisation of lease rentals could impact availability of real estate for retail.

10. **Attrition rates at the entry level are very high for the retail sector**

    The retail sector competes with other emerging service sectors such as ITES in its ability to hire and retain quality people in addition to competition amongst the players in the sector. Hence, availability of trained manpower poses a key risk for the retail sector.

    As organized retail grows rapidly, there will be further pressure on existing players as new entrants would look for trained manpower at various levels. Opening up of Foreign Direct Investment (FDI) in retail could see the entry of international retail majors and put further pressure on the manpower.

11. **Stability of policies and political situation in India can determine the fortunes of the industry**

    The Indian Central and State Governments play an important role for the sector by regulating policies and regulations governing businesses, including retail. We cannot assure that the current policies will continue in future. The rate of economic liberalisation could change and specific laws and policies affecting our industries and other policies affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

    Any change in the current policies pertaining to foreign direct investment in the retail sector could also impact our business.

    Unstable internal & international political environment could impact the economic performance in both short term & long term.

12. **Multiplicity of legislations have impacted the growth of organized retail**

    The retail sector functions under multiple laws and regulations. Multiple licenses and clearances are required before a store can be opened. Thereafter, stringent laws pertaining to labour, hours of work, etc limit flexibility in operations and add to overall costs and can impact retail operations.

13. **After this issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop**

    There is no standard valuation methodology in the retail sector with few listed players in India. There has been no public market for our Equity Shares and the prices of our Equity Shares may fluctuate after the issue. There can be no assurance that an active trading market for our Equity Shares will develop

or be sustained after the issue, or that the prices at which our Equity Shares are initially offered will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue. The valuations in the retail industry are presently high and may not be sustained in future and may also not be reflective of the future valuations of the industry.

Notes:

- Public issue of Equity Shares comprising of fresh issue of 6,946,033 Equity Shares of Rs.10/- each at a price of Rs. 238 for cash at a premium aggregating Rs. 1653.16 million. (including Net Offer to the Public of 5,555,556 shares)
- The shareholders, at the EGM held on March 31, 2004 approved sub-division of Equity Shares of Rs.10/- each into two Equity Shares of Rs. 5/- each. Subsequently, shareholders, at the AGM held on July 30, 2004, approved the consolidation of two Equity Shares of Rs.5/- each into 1 Equity Share of Rs. 10/- each.
- The Book Value per Equity Share of Rs. 10/- each was Rs.24.85, Rs 28.70 and Rs. 32.81 as at March 31, 2003, March 31, 2004 and November 30, 2004 respectively as per our restated unconsolidated financial statements under Indian GAAP.
- The networth of our Company was Rs.646 Million, Rs.775 Million and Rs. 886 Million as on March 31, 2003, March 31, 2004 and November 30, 2004 respectively as per our restated unconsolidated financial statements under Indian GAAP.
- Investors are advised to refer to the paragraph on "Basis of Issue Price" on page 283 of this Prospectus.
- Investors may note that in case of over-subscription in the Issue, allotment shall be on proportionate basis to Retail Individual Bidders and Non-Institutional Bidders. Please refer to the paragraph on "Basis of Allotment" on page 412 of this Prospectus.
- The average cost of acquisition of Equity Shares by our Promoters is as given below:

Sr. No	Promoter	No. of Shares acquired (face value Rs. 10 per share)	Average cost per share (Rs.)
1	Chandru L Raheja jointly with Jyoti C Raheja	348750	32.66
2	Ravi C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja	550,000	41.92
3	Jyoti C. Raheja jointly with Chandru L. Raheja	373,750	33.49
4	Neel C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja	575,000	42.06
5	Casa Maria Properties Pvt. Ltd.	2,626,650	22.05
6	Capstan Trading Pvt. Ltd.	2,726,650	22.90
7	Raghukool Estate Development Pvt. Ltd.	2,796,650	23.45
8	Cape Trading Pvt. Ltd.	2,716,700	22.81
9	Anbee Constructions Pvt. Ltd.	2,716,700	22.81
10	Palm Shelter Estate Development Pvt. Ltd.	5,906,650	11.73
11	K. Raheja Corp Pvt. Ltd.	500,625	85.00
12	K. Raheja Pvt. Ltd.	10,000	85.00
13	Ivory Properties and Hotels Pvt. Ltd.	10,000	85.00
14	Inorbit Malls India Pvt. Ltd.	10,000	85.00
	TOTAL	**21,868,125**	**22.66**

- Investors are free to contact the BRLMs/ Co-BRM for any clarification or information, who will be obliged to attend to the same.
- Outstanding loans and related party transactions for the last three years are on page 198 of this Prospectus.

SECTION II: INTRODUCTION

SUMMARY

You should read the following summary with the Risk Factors explained in detail on page number x of this Prospectus and the more detailed information about us and our financial statements included in this Prospectus.

The Indian Retail Sector

The Indian Retail Sector is at an inflexion point, with changing demographics driving growth of organized retailing and driving growth in consumption.

India is witnessing a significant change in the age and income profiles of its 1 billion (bn)+ population, which are likely to lead to accelerated consumption over the next few years. India has a median age of 24 years for its population against 36 years for the USA and 30 years for China. A younger population tends to have higher aspirations, and will spend more as it enters the earning phase.

Further, increase in consumer spends would be driven by nuclearisation of families, increasing population of working women and new job opportunities in emerging service sectors such as IT Enabled Services. With declining interest rates an average Indian is not averse to taking loans. Not only are the demographic factors becoming more favorable but also the growing media penetration is leading to a convergence of aspirations of various classes of consumers.

A larger number of households are getting added to the consuming class with growth in income levels. The number of households with income of over Rs 45,000 per annum is expected to grow from 58 mn in 1999-2000 to 81 mn by 2005-06 (source: The Marketing Whitebook 2003-04, brought out by Businessworld). Of this, 56% (44.8m households) is expected to be concentrated in Urban India. This large base of households with growing disposable income is expected to drive demand for organized retail.

The changes in demographics are driving changes in consumption pattern in the country. Central Statistical Organisation (CSO) estimates private final consumption of consumers in India at about Rs.15,000 bn in FY02.Of the total private consumption, retail sector accounts for approximately 60% at Rs 8570 bn (source: Images Retail). Of this, food and beverages, apparel and consumer durables are the top three categories of consumer spend and form 87% of the total retail sales in India.

Growth in organized retail

In sharp contrast to the global retail sector, retailing in India – though large in terms of size – is highly fragmented and unorganised. With close to 12 million retail outlets India has the largest retail density in the world.

However, unorganised retailers suffer due to their inability to offer a wide range of products. This is worsened by their inability to create economies of scale in sourcing. Therefore, artificially inflated cost structure due to inefficiency in the supply chain presents a possible opportunity for organised players to draw on this large market. Lack of consumer culture and low purchasing power have, in the past, restricted the development of modern formats.

Migration from unorganized to organized retail has been visible with economic development, in most economies. The Indian retail industry is evolving in line with changing customer aspirations across product groups, with modern formats of retailing emerging. This is in line with what has been observed in other developed markets. Share of organised retail in the total retail sector in India was less than 2% in FY 2002, and is expected to increase in line with the experiences of other developing nations such as China and Poland.

Organized retail derives its advantages in generating operational efficiencies while simultaneously catering to rising consumer aspirations. Size drives economies on procurement, and lowers logistics and marketing costs while delivering better value to customers in terms of lower price, better quality, greater selection, improved service and in-store ambience.

Drivers for retail transformation in India

A number of factors that drive transformation in retail – such as income growth, changing demographic profile and socio-economic environment – are already in place in India. However, organised retail has to overcome significant challenges in terms of regulations and infrastructural barriers in order to realise its full potential. Although some of these bottlenecks are mere irritants, others significantly impact the economics and viability of the business Availability of quality retail space has been one of the main constraints for development of organized formats in India. In the past, negative yield spread on leased property and lack of bank funding due to unorganized property market resulted in a dearth of quality retail space in the country. The spread between yield on property and its financing cost has turned positive with the fall in interest rates. Attractive yields on investments have resulted in sharp increase in property development.

Consumerism and brand proliferation has been another enabler for organised retailing in India. Most of the world's leading brands are now present in India.

Challenges for organized retail

However, organised retail has to overcome significant challenges in terms of regulations and infrastructural barriers in order to realise its full potential. Although some of these bottlenecks are mere irritants, others significantly impact the economics and viability of the business.

In India there exist differential sales tax rates across states. Besides, there is multiple-point octroi collection. All these add to cost and complexity of distribution as this necessitates multiple warehouses and does not allow for centralization of certain procurements given the incidence of local levies. At the same time, there is large-scale sales tax evasion by smaller stores who derive significant cost advantage through such evasion. Implementation of VAT will streamline the complexities in the tax structure besides narrowing the cost disadvantage between organised and unorganised retailers.

The retail sector has not been granted industry status, limiting funding from banks and financial institutions. The capital requirements for a retailer are in the real estate (which banks have historically restricted lending to) and for working capital requirements. While some of the leading retailers are still able to get bank funding, the smaller ones are constrained for growth funding. Similarly, equity options are also restricted with Foreign Direct Investment not being permitted in the retail sector. FDI restrictions have also restricted entry of international majors in retailing in India, which could have otherwise helped the industry develop with funding as well as bringing in of best practices and systems.

The availability of trained manpower poses a key risk for the retail sector. With growing opportunities in the emerging service sectors such as ITES, the ability of the retail business to hire and retain quality people is under pressure.

Supply chain management (SCM) efficiencies are essential to retailers to maintain and improve margins. In India, both vendor management and logistics management are still undeveloped. However, with growing size of operations, supply chain efficiencies will become a key differentiator of profitability in retail.

Department stores

These large stores retail primarily non-food items such as apparel, footwear, accessories, cosmetics and household products. They stock multiple brands across product categories, though some of them focus on their own store label (on the lines of Marks & Spencer's and St. Michael). These stores are found on high streets and as anchors of shopping malls.

Several local department store chains have opened shop in India in the past five years. The convenience factor coupled with the aspirational perception of shopping in a department store has contributed to their growth. The larger chains of department stores (Namely Shoppers' Stop, Westside, Pantaloons' and Lifestyle) have presence in the metros and mini metros.

Company Overview

We are one of India's leading retailers and have been promoted by the K Raheja Corp Group (Chandru L Raheja Group), one of the leading players in the country in the business of real estate development and hotels. We operate a chain of department stores in India and currently have 17 stores across the country.

We are among the pioneers in setting up a nation-wide chain of large format department stores in India with a professional management. We believe that the various initiatives taken by us have played a key role in

enhancing the standards of retail in the country. Our focus on bringing in the international best practices into our retail operations, and providing the customer with a unique shopping experience has helped us become one of the industry leaders.

We are a professionally managed, systems driven organization. We believe our strong focus on customers supported by systems and processes and a committed work force are the key factors that have contributed to our success and will help us scale up as we embark on our strategic growth plan.

We believe that delighting customers is the key to being a successful retailer, and hence have built our business model around our customer. Our offering to our customers is a unique shopping experience, comprising of a vast range of lifestyle merchandise, various services and aspirational products made available to them in a world class shopping environment and complemented by superior customer service. We benchmark ourselves with global retailers, and strive to enhance our service offering in line with the emerging trends globally.

We retail a range of branded and own label apparel, footwear, perfumes, cosmetics, jewellery, leather products and accessories, home products, books, music and toys in our stores. This is complemented by cafe, food, entertainment, personal care and various beauty related services. Promotions and events are an integral part of our service offering to our customer, which helps us create a unique shopping experience.

Our loyalty program, called First Citizen Club, currently has over 410,673 members. First Citizens accounted for about half of our sales in year ended March 31, 2004. We offer our First Citizens rewards points on their purchases, special offers and discounts, and invitations to exclusive events and promotions.

We are the only members from India of the Intercontinental Group of Departmental Stores, (IGDS). IGDS, headquartered in Switzerland, is an international association of department stores enterprises who, in order to increase their economic efficiency and productivity, have agreed to closely cooperate on mutual know how accumulation, networking and joint services in respect of various issues relating to the department store industry.

Shoppers' Stop business has grown from one store in Mumbai in 1991 occupying an area of 2,800 sq ft to 17 stores located in the cities of Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, Pune, Jaipur and Gurgaon occupying an aggregate area of 752,848 sq. ft. We operate four distribution centers in Mumbai, Delhi, Kolkata and Bangalore which service our stores across the country

We reported losses in FY 2000 and FY 2001. These were the years when we pursued an aggressive growth plan, by launching 4 new stores in a time span of 15 months between September 1999 and December 2000, simultaneously changing our technology, logistics and distribution system and entering into new ventures such as Shoppers' Stop .Com (India) Ltd and Shoppers' Stop Services (India) Ltd and our acquisition of Crossword. These initiatives were then not backed up by the requisite systems and processes and management bandwidth to manage this growth.

As a result of corrective measures taken by the management as well as an improvement in market conditions, we turned around in FY 2002 wherein we reported a net profit of Rs 1 mn (before re-statement). Our performance improved in FY 2003 wherein we reported a net profit of Rs 106 mn (before re-statement). Our gross retail sales increased from Rs 2,098 mn in FY 2001 to Rs 2,402 mn in FY 2002 and Rs 2,949 mn in FY 2003. Our operating profits, (earnings before interest, depreciation, tax and exceptional and non-recurring items) changed from a loss of Rs 105 mn in FY 2001 to a profit of Rs 108 mn in FY 2002 and Rs 196 mn in FY 2003 and our shrinkage declined from 0.66% in FY 2002 to 0.54% in FY 2003. Further our gross retail sales increased to Rs 3,953mn in FY 2004. Our operating profits (earnings before interest, depreciation, tax, exceptional and non-recurring items) increased to Rs 246 mn in FY 2004 and our net profit increased to Rs 120 mn (before re-statement) while our shrinkage declined to 0.40 % in FY 2004.

One of our subsidiaries, Crosswords Bookstores Limited, in which we hold 51% has 22 stores in Mumbai, Chennai, Hyderabad, Ahmedabad, Pune, Vadodara, Kolkata and Bangalore retailing books, music and stationery. Pursuant to an agreement dated February 28, 2005, we have the option of acquiring the remaining 49% from ICICI Trusteeship Services Limted.

Our Success Factors

We believe the following factors have helped us emerge as a leading domestic retailer:

1. Experienced professional management team
2. Strong focus on systems and processes
3. Extensive use of Information Technology (IT) systems
4. Strong distribution and logistics network and supply chain
5. Vast range of lifestyle products and services
6. Internationally benchmarked shopping environment
7. Strong understanding of the real estate business
8. Large base of loyal customers
9. Changing demographics in India
10. Availability of quality real estate

Our Growth Strategy

We believe that the department store format offers significant opportunities in the country with the changing consumer aspirations and drive for a better lifestyle. We believe that a younger population with higher disposable income would drive customer aspirations for lifestyle products.

We are thus focused on the Indian markets in the department store format. At the same time, we consistently evaluate other opportunities and may look at alternative delivery formats or product categories should we find the opportunity compelling or to strengthen our existing format.

Our growth strategy is based on:

1. Increasing our penetration in existing cities and expanding our reach across the country
2. Furthering Shoppers' Stop as an experiential retail brand through unique national and international promotions
3. Enhancing our merchandise width by adding product categories
4. Introducing new brands and developing private labels to offer a better depth in each category
5. Increasing our First Citizen base
6. Utilising economies of scale as we grow in size and expand our reach
7. Enhancing our operational efficiencies
8. Enhancing our human capital

THE ISSUE

Equity Shares offered:

Fresh Issue by the Company	6,946,033 Equity Shares of face value of Rs.10/- each constituting 20.21% of the fully diluted post-issue Paid up capital of the Company, constituting Rs. 1653.16 million.
Of Which	
1) Promoters Contribution	1,190,477 Equity Shares of face value of Rs. 10/- each, constituting Rs. 283.33 million
2) Reserved for Employees	200,000 Equity Shares of face value of Rs.10/- each, constituting Rs. 47.60 million
Therefore,	
Net offer to the Public	**5,555,556 Equity Shares of face value of Rs.10/- each, constituting Rs. 1322.22 million**
Of which	
A) Qualified Institutional Buyers portion (QIBs)	3,333,334 Equity Shares of face value of Rs. 10/- each constituting 60% of the Net Offer to the Public, constituting Rs. 991.89 million ***(Allocation on a discretionary basis)***
B) Non-Institutional Portion	At least 833,333 Equity Shares of face value of Rs 10/-, constituting 15% of the Net Offer to the Public, constituting Rs. 247.97 million ***(Allocation on a proportionate basis)***
C) Retail Portion	At least 1,388,889 Equity Shares of face value of Rs 10/-, constituting 25% of the Net Offer to the Public, constituting Rs. 413.29 million ***(Allocation on a proportionate basis)***

Notes:

1) Under-subscription, if any, in category B and C would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of the Company and BRLMs/ Co-BRM

2) Under-subscription, if any, in the reserved category in category 2 will be added back to the Net Offer to the Public.

Equity Shares outstanding prior to the Issue	**27,421,875 Equity Shares of face value of Rs.10/- each**
Equity Shares outstanding after the Issue	**34,367,908 Equity Shares of face value of Rs.10/- each**
Use of Issue proceeds	We intend to use the net proceeds of the Issue for opening 11 new stores and for expansion and renovation of some of our existing stores. Please see section titled "Objects of the Issue" on page 25 of this PROSPECTUS for additional information.

Corporate Information

Shopper's Stop Limited was incorporated on June 16, 1997 as a private limited company and became a deemed public limited company pursuant to then prevailing provisions of Section 43(A) of the Act and on December 8, 1997 the word "private" was deleted from our Company's name. Pursuant to an amendment in the year 2000 to the Act, our Company was converted into public company from a deemed public company. Our registered office, and our Service Office is located at "Eureka Towers", "B" Wing, 9th Floor, Plot No. 504, Mindspace, Link Road, Malad (West), Mumbai-400 064 (India) Tel. No. +91 –22- 2844 7337. Fax: +91 –22- 2880 8877.

SUMMARY FINANCIAL DATA

The statutory financial statements of the Company prepared in accordance with Indian GAAP for the Years ended March 31, 2000, March 31, 2001 and March 31, 2002 were audited by M/s Arthur Andersen & Associates, Chartered Accountants, (a member firm of Andersen Worldwide, an affiliation of accounting Firms which has ceased operations). M/s Deloitte Haskins and Sells are our current auditors and have audited our statutory financial statements for the year ended March 31, 2003 and March 31, 2004 & for the period ended November 30, 2004.

Summary of unconsolidated Financial Data under Indian GAAP.

The following summary of unconsolidated financial data has been extracted from our audited unconsolidated financial statements prepared in accordance with Indian GAAP, the Companies Act, and restated as described in the Auditors Report of Deloitte Haskins and Sells dated February 23, 2005 which is included in the section entitled "Unconsolidated Financial Statements under Indian GAAP (including subsidiaries) in the PROSPECTUS on page No 229. You should read this summary unconsolidated data in conjunction with our audited unconsolidated financial statements for the years ended March 3, 2000 to March 31, 2004 and for the period ended November 30, 2004. including significant accounting policies and notes thereto and the reports thereon and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations (As per Unconsolidated Financial statements under Indian GAAP)" included in this PROSPECTUS.

Summary of Profits & Losses as restated for the period ended November 30, 2004 & for the years ended March 31 & unconsolidated

(Rs. In Millions)

Particulars	**For the period from 1 April to 30 November 2004**	**2004**	**2003**	**2002**	**2001**	**2000**
Total Income						
Gross Retail Sales	3224	3,953	2,949	2,402	2,098	1,533
Less: Cost of Consignment Merchandise	504	708	291	282	213	138
	2720	3245	2658	2120	1885	1395
Other Retail Operating income	48	73	58	53	57	20
Other Income	6	18	23	40	35	13
Increase in inventories	118	111	158	55	40	4
TOTAL	**2892**	**3447**	**2897**	**2268**	**2017**	**1432**
Less						
Total Expenditure	**2777**	**3317**	**2791**	**2267**	**2247**	**1516**
Net Profit -(Loss) before Tax	**115**	**130**	**106**	**1**	**(230)**	**(84)**
Taxation- Current	**9**	**10**	**-**	**-**	**-**	**-**
Net profit/-(Loss) after Tax (As per Audited Accounts)	**106**	**120**	**106**	**1**	**(230)**	**(84)**
Impact on account of adjustment required by paragraph 6.18.7 (b) of chapter VI of the Guide lines	**3**	**(1)**	**(16)**	**5**	**15**	**(12)**
Adjusted Profits -(Losses) for the Year	**109**	**119**	**90**	**6**	**(215)**	**(96)**
Accumulated Profits/-(Losses)	(71)	(190)	(280)	(286)	(71)	25
From previous Year						
Balance carried to Summary of Assets & Liabilities	**38**	**(71)**	**(190)**	**(280)**	**(286)**	**(71)**

Summary of Assets & Liabilities as restated for the period ended November 30, 2004 & for the years ended March 31, unconsolidated.

(Rs. In Millions)

Particulars	As at 30 November 2004	2004	2003	2002	2001	2000
A. Fixed Assets	883	770	666	493	431	266
B. Investments - (Unquoted)	108	93	94	94	69	69
C. Current Assets, Loans & advances	1,317	1,054	823	622	757	1,011
D. Liabilities and Provisions	1,422	1,142	937	655	711	585
E. Networth (A+B+C-D)	**886**	**775**	**646**	**554**	**546**	**761**
Represented by						
A. Shareholders' Funds:						
I) Share Capital	274	274	265	263	263	263
ii) Reserves	612	572	571	571	569	569
iii) Less: Profit & Loss						
Debit Balance -(Loss) (as restated)	-	(71)	(190)	(280)	(286)	(71)
B. Total	**886**	**775**	**646**	**554**	**546**	**761**

Summary of Cash flow Data as Restated for the period ended November 30, 2004 & for the Years ended March 31, Stand alone and unconsolidated

(Rs. In Millions)

Cash Flow Data as Restated	As at 30 Nov 04	2004	2003	2002	2001	2000
Net cash from operating activities	96	118	166	29	41	(208)
Net cash (used)/in investing activities	(188)	(187)	(249)	42	(324)	(215)
Net cash provided/ (used) in financing activities	101	63	80	(82)	(74)	802
Net (decrease) in cash and cash equivalents	9	(6)	(3)	(11)	(357)	379

(Rupees in Millions except per share data)

SUMMARY OF ACCOUNTING RATIOS

Particulars	As at 30 November 04	*For the year ended 31 March,*				
		2004	2003	2002	2001	2000
Adjusted net Profit/(Loss) (A)	109	119	90	6	(215)	(96)
Weighted average number of shares outstanding -during the period/ year (B)	27	27	26	26	26	21
Number of Equity Shares outstanding at the end of the period/year (C)	27	27	26	26	26	26
Net Worth (D)	886	775	646	554	546	761
Accounting Ratios:						
Earning/ (loss) Per shares						
- Basic (A/B)	4.04	4.48	3.46	0.27	(8.27)	(4.52)
- Diluted	4.04	4.45	3.41	0.27	(8.27)	(4.52)
Net Asset value per share (D)/'(C)	32.81	28.70	24.85	21.31	21.00	29.27
Return on Net Worth (%) (A)/(D)	12.30%	15.35%	13.93%	1.08%	-39.38%	-12.61%

Notes:

1 The above ratios have been computed on the basis of the restated unconsolidated Summary Statements of SSL

Summary of consolidated Financial Data under Indian GAAP.

The following summary of consolidated financial data has been extracted from our audited unconsolidated financial statements prepared in accordance with Indian GAAP, the Companies Act, and restated as described in the Auditors Report of Deloitte, Haskins and Sells dated February 23, 2005 which is included in the section entitled "Consolidated Financial Statements under Indian GAAP (including subsidiaries) in this PROSPECTUS. You should read this summary consolidated data in conjunction with our audited unconsolidated financial statements for the years ended March 31, 2000 to March 31, 2004, for the period ended November 30, 2004. including significant accounting policies and notes thereto and the reports thereon and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations (As per Consolidated Financial statements under Indian GAAP)" included in this PROSPECTUS. Summary of consolidated Financial Data under Indian GAAP (Auditors report).

Summary of Profits & Losses as restated for the period ended November 30, 2004 & for the years ended March 31, Consolidated

(Rs. In Millions)

Particulars	**For the period from 1 April to 30th November 2004**	**2004**	**2003**
Total Income			
Gross Retail Sales	3,435	4,156	3,121
Less : Cost of consignment merchandise	504	708	291
Other Retail Operating Income	51	76	60
Other income	7	22	28
Increase in inventories	144	121	112
TOTAL	**3,133**	**3,667**	**3,030**
Less			
Total Expenditure	**3,021**	**3,552**	**2,961**
Net Profit - (Loss) before Tax	**112**	**115**	**69**
Taxation - Current	**9**	**10**	**-**
Net profit/-(Loss) after Tax	**103**	**105**	**69**
Minority Interest (in Crossword)	**(3)**	**(6)**	**(11)**
Adjustments			
Adjusted Profits - (Losses) for the Year	**106**	**111**	**80**
Impact on consolidation resulting from additional investment in subsidiary	14	-	-
Accumulated Profits/-(Losses)	(123)	(234)	(314)
From previous Year			
Balance carried to Summary of Assets & Liabilities	**(3)**	**(123)**	**(234)**

Summary of Assets & Liabilities as restated for the period ended November 30, 2004 & for the years ended March 31, Consolidated

(Rs. In Millions)

Particulars	**As at 30 November, 2004**	**2004**	**2003**
A. Fixed Assets	1,006	897	791
B. Goodwill on Consolidation	13		
C. Current Assets,	1,425	1,124	885
Loans & advances			
D. Liabilities and	1,537	1,247	1,018
Provisions			
E. Minority Interest (in crossword)	**62**	**50**	**56**
F. Networth (A+B+C-D-E)	**845**	**724**	**602**
Represented by			
A. Shareholders' Funds:			
I) Share Capital	274	274	265
ii) Reserves	574	573	571
iii) ***Less:*** Profit & Loss			
Debit Balance -(Loss)	(3)	(123)	(234)
(as restated)			
B. Total	**845**	**724**	**602**

Summary of Cash flow Data as Restated for the period ended November 30, 2004 & for the Years ended March 31,Consolidated

(Rs. In Millions)

Cash Flow Data as Restated	**As at 30 November, 2004**	**2004**	**2003**
Net cash provided/ (used) by /in operating activities	89	131	145
Net cash provided/ (used) by /in investing activities	(183)	(209)	(233)
Net cash provided/ (used) by /in financing activities	101	72	84
Net increase/(decrease) in cash and cash equivalents	7	(6)	(4)

GENERAL INFORMATION

Shopper's Stop Limited

Shopper's Stop Limited was incorporated on June 16, 1997 as a private limited company and became a deemed public limited company pursuant to then prevailing provisions of the Section 43A of the Act on December 8, 1997. Pursuant to an amendment in the year 2000 to the Act, our Company was converted into a public company from a deemed public company.

Registered Office:

"Eureka Towers", 9th Floor,
B Wing, Plot No. 504,
Mindspace, Link Road,
Malad (West),
Mumbai - 400 064. (India)
Phone: +91-22- 2880 9898 – 2844 7337
Fax: +91-22-2880 8877

Corporate and Service Office:

"Eureka Towers", 9th Floor,
B Wing, Plot No. 504,
Mindspace, Link Road,
Malad (West),
Mumbai - 400 064. (India)
Phone: +91-22- 2880 9898 – 2844 7337
Fax: +91-22-2880 8877
Website: www.shoppersstop.com
Email: ipo@shoppersstop.co.in

Authority for the Issue

The Issue of Equity Shares has been authorized by special resolutions adopted pursuant to Section 81(1A) of the Companies Act, at an Extra Ordinary General Meeting of our members held on March 31, 2004 and an Annual General Meeting of our members held on July 30, 2004. The Board of Directors has pursuant to resolutions passed at meetings held on January 24, 2004, March 29, 2004 and July 24, 2004 authorized a Committee, referred to as IPO Committee, to take decisions on behalf of the Board in relation to the Issue.

Prohibition by SEBI

The Company, its Directors, its Promoters, other companies promoted by the Promoters and companies with which the Company's Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI. None of the directors or persons in control of our Promoters has been prohibited from accessing the capital market under any order or direction passed by SEBI.

Eligibility for the Issue

As per clause 2.2.1 of SEBI Guidelines, an unlisted company may make an initial public offering of equity shares, only if it meets the following conditions; with eligibility criteria calculated in accordance with unconsolidated financial statements under Indian GAAP:

a) The Company has net tangible assets of at least Rs.30 million in each of the preceding three full years (of 12 months each) of which not more than 50% are held in monetary assets.

b) The Company has a track record of distributable profits as per Section 205 of Companies Act, for at least three out of immediately preceding five years.

For calculating distributable profits in terms of Section 205 of the Companies Act extra-ordinary items shall not be considered;

c) The Company has a net worth of at least Rs.10 million in each of the preceding three full years of 12 months each;

d) In case the Company has changed its name within the last one year, atleast 50% of the revenues for the preceding one full year is earned by the Company from the activity suggested by the new name; and

e) The aggregate of the proposed Issue and all previous issues made in the same financial year in terms of size (i.e. offer through offer Document + firm allotment + promoters contribution through offer document) does not exceed five (5) times its pre-issue networth as per the audited balance sheet of the last financial year.

Since we do not meet condition (b) mentioned above, we are offering Equity Shares through the book building route in accordance with clauses 2.2.2 and 2.2.2A of the SEBI Guidelines, wherein:

- The issue is made through book-building process, with atleast 50% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded
- 2.2.2 (b)(i)
- 2.2.2A

Further, our Issue is subject to the fulfillment of the following conditions as required by the SCRR, Rule 19(2)(b):

- A minimum 2,000,000 equity shares (excluding reservations, firm allotments and promoters contribution) are offered to the public;
- The size of the offer to public, which is the Issue Price multiplied by the number of equity shares offered to the public, is a minimum of Rs.1,000 Million; and
- The Issue is made through the book building method with allocation of 60% of the Issue to QIBs as specified by SEBI.

We undertake that the number of allottees in the proposed Issue shall be atleast 1,000, otherwise, we shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund, we shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer Clause

AS REQUIRED, A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ENAM FINANCIAL CONSULTANTS PVT LIMITED, JM MORGAN STANLEY PVT LTD, AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ENAM FINANCIAL CONSULTANTS PVT LIMITED, JM MORGAN STANLEY PVT LTD AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 19, 2004 AND APRIL 15, 2005 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.**

WE CONFIRM that:

(A) THE PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

(D) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

(E) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD /TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH SEBI TILL THE DATE OF COMMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTION 60B OF THE ACT. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL ALSO BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, FOR ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

Caution

The Company, the Directors and the BRLMs/ Co-BRM accept no responsibility for statements made otherwise than in the Prospectus or in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information including our website (www.shoppersstop.com) would be doing so at his or her own risk.

The BRLMS/ CO-BRM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding and the Underwriting Agreement entered into between the Company and the Underwriters.

The BRLMS/ CO-BRM and the Company shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centers etc.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorised under their constitution to hold and invest in shares), permitted insurance companies, pension funds, provident funds, venture capital funds, Indian financial institutions. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the exclusive jurisdiction of appropriate court(s) in Mumbai (India) only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been submitted to the SEBI. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Shopper's Stop since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the National Stock Exchange of India Limited (NSE)

As required, a copy of this PROSPECTUS has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE vide its letter numbers NSE/LIST/6217-W dated September 23 2004, NSE/LIST/11572-7 dated March 18, 2005 and NSE/LIST/11865.Y dated March 29 2005, has granted permission to the Issuer to use the Exchange's name in this PROSPECTUS as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed subject to the Issuer fulfilling the various criteria for listing including the one related to paid-up capital and market capitalisation (i.e. the paid-up capital shall not be less than Rs.100 million and market capitalisation shall not be less than Rs.250 million at the time of listing). The Exchange has scrutinized this Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause of The Stock Exchange, Mumbai (BSE)

The Stock Exchange, Mumbai ("the Exchange") has given vide its letter number DCS/SG/SM/2004 dated September 13, 2004. to this Company to use the Exchange's name in this Prospectus as the Designated Stock Exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited

internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Stock Exchange does not in any manner:-

i) warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; or

ii) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this PROSPECTUS has been cleared or approved by the Stock Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

A copy of this Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC. A copy of the Prospectus has been filed with Corporation Finance Department of SEBI at Ground Floor, Mittal Court, "A" Wing, Nariman Point, Mumbai 400 021.

Listing

Applications have been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. We have since received in-principal listing approvals from both the exchanges. The Company has chosen BSE as the Designated Stock Exchange.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this PROSPECTUS. If such money is not repaid within eight days after the Company becomes liable to repay it (i.e. from the date of refusal or within 70 days from the date of Bid/Issue Closing Date, whichever is earlier), then the Company and every director of the Company who is an officer in default shall, on and from expiry of eight days, will be jointly and severally liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company together with the assistance of the BRLMs/ Co-BRM shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who :

(a) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of, shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Net Offer to the Public including devolvement of Underwriters, if any, within 60 days from the Bid/ Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, our Company shall pay interest as per section 73 of the Companies Act. Hence if the company does not receive the minimum subscription of 90% of the Net Offer to the Public including devolvement of Underwriters, if any, within 60 days from the Bid/ Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, our Company shall pay interest as per section 73 of the Companies Act.

Further, our Issue is subject to the fulfillment of the condition required by the SCRR, Rule 19(2)(b) that the:

The size of the Net Offer to Public, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs.1,000 Million.

Withdrawal of the Issue

We, in consultation with the BRLMs/ Co-BRM, reserve the right not to proceed with the Issue anytime after the Bid/Issue Closing Date, without assigning any reason thereof.

Allotment Advice or Refund Orders

We shall dispatch allotment advice, refund orders and give credit to the beneficiary account with Depository Participants within two working days of finalisation of the basis of allotment. We shall dispatch refund orders, if any, of value up to Rs.1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the Sole or First Bidder's risk, within 15 days of the Bid/Issue Closing date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/ Issue Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above) if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Issue Programme

Bidding Period/Issue Period

ISSUE OPENED ON: APRIL 28, 2005

ISSUE CLOSED ON: MAY 04, 2005

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form except that on the Bid Closing Date, the Bids shall be accepted only between **10 a.m. and 1p.m**.(Indian Standard Time) and uploaded till such time as permitted by the BSE and NSE on the Bid/Issue Closing Date.

In case of revision in the Price Band, the Bidding Period/Issue period will be extended for three additional days after revision of Price Band. Any revision in the price band and the revised Bid /Issue Period, if applicable, will be widely disseminated by notification to the NSE and BSE, by issuing a press release and also by indicating the changes on web site of the BRLMs/ Co-BRM and at the terminals of the Syndicate.

Book Running Lead Managers

ENAM FINANCIAL CONSULTANTS PRIVATE LIMITED,
801-802, Dalamal Towers, Nariman Point, Mumbai-400 021. (India)
Tel.: +91-22-5638 1800 Fax. +91-22-2284 6824
E-mail: ssl.ipo@enam.com

JM MORGAN STANLEY PRIVATE LIMITED,
141, Maker Chambers III, Nariman Point, Mumbai-400 021. (India)
Tel.: +91-22-5630 3030 Fax: +91- 22-2202 8224
E-Mail: sslipo@morganstanley.com

KOTAK MAHINDRA CAPITAL COMPANY LIMITED,
Bakhtawar, 3rd Floor, 229, Nariman Point, Mumbai-400 021. (India)
Tel.: +91-22-5634 1100 Fax:+91 22 2284 0492
E-mail: ssl.ipo@kotak.com

ICICI SECURITIES LIMITED
163, Backbay Reclamation
H T Parekh Marg,
Churchgate, Mumbai 400 020
Tel:+91-22-2288 2460
Fax:+91-22-2283 7045
Email:sslipo@isecltd.com

Co-Book Running Manager
IL&FS INVESTMART LIMITED
The IL&FS Financial Centre, Plot C-22,G-Block,
Bandra-Kurla Complex, Bandra(East),
Mumbai 400 051
Tel:+91-22-2653 3333
Fax:+91-22-2653 3093
Email:ssl.ipo@investsmartindia.com

Syndicate Members

ENAM SECURITIES PRIVATE LIMITED,
84B, Khatau Bldg, 2nd Floor, 44B Bank Street,
Off Shaheed Bhagat Singh Road, Fort, Mumbai - 400 023. (India)
Tel. : +91 22 2267 7901 Fax. No. +91 22 2266 5613

JM MORGAN STANLEY RETAIL SERVICES PRIVATE LIMITED,
141, Maker Chambers III, Nariman Point, Mumbai-400 021. (India)
Tel.: +91-22-5630 3030 Fax:+91- 22-5630 1694

KOTAK SECURITIES LIMITED
1st Floor, Bakhtawar, 229, Nariman Point, Mumbai - 400 021.
Tel.: +91 -22- 5634 1100 Fax.: +91 -22- 5630 3927

ICICI BROKERAGE SERVICES LIMITED
163, Backbay Reclamation
H T Parekh Marg,
Churchgate, Mumbai 400 020
Tel:+91-22-2288 2460
Fax:+91-22-2283 7045

IL&FS INVESTSMART LIMITED
The IL&FS Financial Centre, Plot C-22,G-Block,
Bandra-Kurla Complex, Bandra(East),
Mumbai 400 051
Tel:+91-22-2653 3333
Fax:+91-22-2653 3093

Registered office
24, B. D. Raja Bahadur Compound,
Ambalal Doshi Marg, Fort,
Mumbai - 400 023.

Statement of Inter-se Allocation of Responsibility

The responsibilities and coordination for various activities in this Issue have been distributed between the BRLMs/ Co-BRM as under:

S. No.	Activities	Responsibility	Co-ordinator
1	Capital structuring with the relative components and formalities such as type of Instruments etc.	Enam/JMMS/KMCC	Enam
2	Due diligence of the Company's operations /management/business plans/legal etc.	Enam/JMMS/KMCC	Enam
3	Drafting and Design of Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, Registrar of Companies and SEBI.	Enam/JMMS/KMCC	Enam
4	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, brochure, etc.	Enam/JMMS/KMCC	JMMS
5	Selection of various agencies connected with the Issue, including Registrar, Printers, Advertising Agency, Bankers to the Issue etc.	Enam/JMMS/KMCC	KMCC
6	Company positioning	Enam/JMMS/KMCC	Enam
7	Formulate the Marketing Strategy to tap respective investor categories including ● Domestic Institutional Investors ● Retail Investors ● High Networth Individuals, Domestic Corporates, etc	Enam/JMMS/KMCC/ I-Sec/Investsmart	Enam
8	Marketing of the issue, which will cover *inter alia* ● Formulate marketing strategy ● Preparation of publicity budget ● Finalise Media and Public Relation strategy ● Finalising centers for holding conferences for brokers, press, etc. ● Follow-up on distribution of publicity and issue material including bid cum application form, Prospectus and deciding on the quantum of the issue material	Enam/JMMS/KMCC/ I-Sec/Investsmart	JMMS

S. No.	Activities	Responsibility	Co-ordinator
9	Running the Book, Deciding pricing and Finalising institutional allocation of shares, in consultation with the Company: Intimation of allocation	Enam/JMMS/KMCC/ Investsmart	KMCC
10	Finalization of Prospectus and RoC Filing etc.	Enam/JMMS/KMCC	Enam
11	The post bidding activities including, management of escrow accounts, co-ordinate non-institutional allocation, intimation of allocation, dispatch of refund orders to Bidders etc.	Enam/JMMS/KMCC	KMCC
12	The post issue activities for the Issue will involve essential follow up steps, which include the finalization of listing of Equity Shares and dispatch of allotment advice and refund orders, with the various agencies connected with the work such as the Registrars to the Issue, Bankers to the Issue and the bank handling refund business.	Enam/JMMS/KMCC	KMCC

Even if many of these activities will be handled by other intermediaries/agencies, the designated BRLMs/ Co-BRM shall be responsible for ensuring that these intermediaries/agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.

Registered Office of the Company:

"Eureka Towers", 9th Floor, B-Wing,
Mindspace, Plot No 504, Link Road, Malad (West),
Mumbai-400 064. (India)
Phone: +91-22- 2880 9898-2844 7337 Fax: (+91-22) 2880 8877

Corporate and Service Office of the Company:

"Eureka Towers", 9th Floor, B-Wing,
Mindspace, Plot No 504, Link Road, Malad (West),
Mumbai-400 064. (India)
Phone: +91-22- 2880 9898-2844 7337 Fax: (+91-22) 2880 8877
Website: www.shoppersstop.com
Email: ipo@shoppersstop.co.in

Registrar to the Issue

Karvy Computer Share Pvt Ltd,
Unit: Shopper's Stop– Public Issue
Karvy House, 46, Avenue 4, Street No. 1,
Banjara Hills, Hyderabad - 500 034.
Tel. No. +91- 40- 23312454. Fax.: +91- 40- 2331 1968
E-Mail:sslipo@karvy.com

Legal Advisors to the Issue

Crawford Bayley & Co.,
4th Floor, State Bank Building,
N.G.N. Vaidya Marg,
Fort, Mumbai-400 023.(India)
Tel. +91- 22- 2266 3713
Fax. +91-22 -2266 0355

Legal Advisors to the Company

Wadia Ghandy &Co.
Advocates, Solicitors & Notaries,
N. M. Wadia Buildings, 123, Mahatma Gandhi Road,
Fort, Mumbai-400 001. (India)
Tel. +91- 22- 2267 0669
Fax. +91- 22 -2267 0226

Statutory Auditors

M/S Deloitte Haskins & Sells,
Chartered Accountants,
12, Dr. Annie Besant Road,Opp. Shiv Sagar Estate.
Worli, Mumbai 400018
Tel:+91 –22-56679000
Fax:+91- 22-56679025

Internal Auditors

M/S Ernst & Young Pvt. Ltd.,
Chartered accountants,
Vaswani Mansions, Dinsha Vachha Road,
Churchgate, Mumbai-400 020.(India)
Tel:+91-22-56655000
Fax: +91-22-22826000

Bankers to the Issue and Escrow Collection Bankers

ICICI Bank Limited
Capital Market Division, 30, Mumbai Samachar Marg,
Fort, Mumbai - 400 001, India
Tel.: +91-22- 2265 5285/ 2265 5206
Fax. +91- 22- 2261 1138

The Hongkong and Shanghai Banking Corporation Limited,
52/60 Mahatma Gandhi Road, Mumbai-400 021.
Tel: +91 –22- 2267 4921
Fax: +91 –22- 2262 3890

HDFC Bank Limited
2nd Floor, Trade World, New Building, Kamala Mills,
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
Tel.: +91-22- 24988484
Fax. +91- 22- 24963871

Kotak Mahindra Bank Limited
Bakhtawar, 2nd Floor, 229 Nariman Point, Mumbai 400 021
Tel.: +91-22- 5698 6022
Fax. +91- 22- 22817527

Bankers to the Company

UTI Bank Limited
Central Office : Maker Towers, 13th Floor,
Cuffe Parde, Colaba, Mumbai – 400 005.
Tel.: + 91-22- 22189106 - 9
Fax. + 91- 22- 22186944/1429

Citibank NA,
Citi Tower, 61, Dr. S.S. Rao Road, Parel, Mumbai-400 012
Tel.: +91-22- 24146044
Fax. +91- 22- 24146024

ICICI Bank Ltd.
ICICI Bank Towers, Bandra Kurla Complex, Mumbai-400 051
Tel.: +91-22- 26531414
Fax. +91- 22- 26531122

IDBI Bank Limited
Andheri Branch: MariGold House, Plot No.A-34,
Cross Road No.2; Marol, MIDC, Andheri (East),
Mumbai- 400 093
Tel.: +91-22- 28368223
Fax. +91- 22- 28365091

Kotak Mahindra Bank Limited
Bakhtawar, 2nd Floor, 229 Nariman Point
Mumbai 400 021
Tel.: +91-22- 5698 6022
Fax. +91- 22- 22817527

Compliance Officer and Company Secretary

Mr. Prashant Mehta
Company Secretary & General Manager Legal,
Eureka Towers, "B" Wing, 9th Floor,
Mindspace, Link Road, Malad (West), Mumbai-400 064.
Tel. +91 -22 –28809898/28447337
Fax+91 –22- 28808877
E-Mail: investor@shoppersstop.co.in

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

Credit Rating

As this is an issue of Equity Shares, a credit rating is not required.

Trustees

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

Book Building Process

Book building in relation to this Issue refers to the collection of Bids from investors, which is based on the Price Band, the Issue Price being fixed after the Issue Closing Date. The principal parties involved in the Book Building Process are:

(1) The Company;

(2) Book Running Lead Managers and Co-BRM;

(3) Syndicate Members

In terms of Rule 19(2)(b) of the SCRR, this being an Issue of less than 25% of the post Issue capital, the Issue is being made through the 100% Book Building Process wherein atleast 60% of the Net Offer to the Public shall be allocated on a discretionary basis to Qualified Institutional Buyers. Further, not less than 15% of the Net Offer to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 25% of the Net Offer to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders (including HUFs), whose maximum Bid amount is not more than Rs. 50,000, subject to valid Bids being received at or above the Issue Price. We will comply with SEBI Guidelines for this Issue. In this regard, we have appointed Enam Securities Pvt. Ltd., JM Morgan Stanley Private Limited, Kotak Securities Limited and ICICI Securities Limited as the BRLMs and IL&FS Investsmart Limited as Co-BRM to the Issue to manage and to procure subscription to the Issue.

The process of book building, under SEBI Guidelines, is relatively new and the investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue. Pursuant to recent amendments to the SEBI Guidelines, QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date. Please refer to the section titled "Terms of the Issue" on page 268 of this Prospectus for more details.

Steps to be taken by the Bidders for Bidding:

1. Check whether Bidder is eligible for bidding;
2. Bidder necessarily needs to have a beneficiary account; and
3. Ensure that the Bid cum Application Form is accompanied by the PAN, or by Form 60 or Form 61 as may be applicable together with necessary documents providing proof of address. Bidders are specifically requested not to submit their GIR number instead of the PAN number as the Bid is liable to be rejected.

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

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

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

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

Underwriting Agreement

After the determination of the Issue Price and prior to filing of the Prospectus with RoC, the Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs/ Co-BRM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations.

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

Name of the Underwriters	QIB	Employee Reservation	Retail Individual Bidders, Non-Institutional	Total	"Amt Underwritten" (Rs. Mn)"
Enam Financial Consultants Private Limited	1233233	40000	444444	1717678	408.81
JM Morgan Stanley Private Limited	666567	40000	444444	1151011	273.94
Kotak Mahindra Capital Company Limited	1099900	40000	444444	1584345	377.07
IL&FS Investmart Limited	333333	40000	444444	817778	194.63
ICICI Securities Limited	0	40000	444444	484444	115.3
Enam Securities Private Limited	100	0	0	100	0.02
JM Morgan Stanley Retail Services Private Limited	100	0	0	100	0.02
Kotak Securities Limited	100	0	0	100	0.02
ICICI Brokerage Services Limited	0	0	0	0	0
Total	**3333334**	**200000**	**2222222**	**5755556**	**1369.82**

The above underwriting agreement is dated May 06, 2005.

In the opinion of the Board of Directors (based on a certificate given to it by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The above Underwriting Agreement has been accepted and executed by the IPO Committee at its meeting held on May 06, 2005.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table the BRLMs, Co-BRM and the Syndicate Members shall be responsible for ensuring the payment with respect to the Equity Shares allocated to investors against subscription procured by them in respect of this Issue. In the event of any default in payment the respective underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount. Allocation to QIBs is discretionary as per the terms of the Prospectus and may not be proportionate in any way and the patterns of allocation to the QIBs could be different for the various Underwriters. The Allocation to QIBs shall be determined by the BRLMs and Co-BRM based on prior commitments, investor quality, price aggression, earliness of Bids, etc.

Utilisation of Issue Proceeds

The Board of Directors of our Company certifies that:

a) all monies received out of Issue of Equity Shares to public shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Act;

b) details of all monies utilised out of the Issue referred to in sub-item(i) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the purpose for which such monies had been utilised; and

c) details of all unutilised monies out of the Issue of Equity Shares, referred to in sub-item(i) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the form in which such unutilised monies have been invested

d) The Board of Directors of our Company certifies that –

   i. the utilisation of monies received under Promoters' Contribution and from firm allotments and reservations for Employees shall be disclosed under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised.

   ii. the details of all unutilised monies out of the funds received under Promoters' Contribution and from firm allotments and reservations for Employees shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

We will not have access to the Issue proceeds till approvals are received for listing and trading in Equity Shares from all Stock Exchanges where listing is sought.

CAPITAL STRUCTURE

The share capital as at the date of filing of this Prospectus with RoC (before and after the Issue) is set forth below:

(Rs. In Million, except share data)

SHARE CAPITAL AS ON NOVEMBER 30, 2004	Face Value	Aggregate value
A. Authorized Capital		
40,000,000 Equity Shares of face value of Rs.10/- each	400.00	
B. Issued, Subscribed And Paid-Up Capital		
27,421,875 Equity Shares of Rs.10/- each fully paid-up before the Issue	274.22	
C. Present issue in terms of this Prospectus		
6,946,033 Equity Shares of face value of Rs.10/- each	**69.46**	1653.16
Out of Which		
1,190,477 Equity Shares of face value of Rs.10/- each as Promoters' Contribution	**11.90**	283.33
200,000 Equity Shares of face value of Rs.10/- each are reserved for Employees	**2.00**	47.60
5,555,556 Equity Shares of face value of Rs.10/- each as **Net Offer to Public**	**55.56**	1322.22
D. Equity Capital after the Issue		
34,367,908 Equity Shares of face value of Rs.10/- each	**343.68**	
F. Securities Premium Account		
Before the Issue	-	570.52
After the Issue		2154.21

Notes:

(a) The amount standing to the credit of the pre-issue securities premium amount is Rs. 570.52 million. The increase in the Securities Premium Account on account of the Issue can be determined only after the Issue Price is known once the Book Building Process is completed.

(b) The details of increase and/or changes in authorized capital of our Company from its date of incorporation till the filing of this Prospectus with RoC is tabulated below:

Financial Year	Authorized Capital (Rs. In Millions)	Face Value (Rs.)	No of Shares	Date of Authorizing	Nature of increase and /or change
1997-1998	0.50	100/-	5,000	At the time of Incorporation	Initial Subscription to Memorandum
1997-1998	7.50	100/-	75,000	September 19,1997	Increase
1998-1999	17.50	10/-	1,750,000	(a)February 26,1999	Sub division
1999-2000	225.00	10/-	22,500,000	March 20,1999	Increase
2000-2001	280.00	10/-	28,000,000	December 28, 1999	Increase
2003-2004	400.00	10/-	40,000,000	November 24,2003	Increase
2003-2004	400.00	5/-	80,000,000	(b)March31, 2004	Sub division
2004-2005	400.00	10/-	40,000,000	(c) July 30, 2004	Consolidation

(a) At an Extra Ordinary General Meeting held on February 26, 1999, a sub division of our Equity Share capital was approved by our members resulting in each Equity Share of Rs.100/- being sub divided into ten Equity Shares of Rs.10/- each and consequently the authorized share capital of our Company was altered from Rs. 17.5 Million consisting of 0.175 Million Equity Shares of Rs.100/- each to Rs. 17.5 Million consisting of 1.75 Million Equity Shares of Rs.10/-each.

(b) At an Extra Ordinary General Meeting held on March 31, 2004, a sub division of Equity Shares was approved by our members resulting in each Equity Share of Rs.10/-each being sub divided into two equity shares of Rs.5/- each and consequently the authorized share capital of our Company was altered from Rs. 400 Million consisting of 40 Million Equity Shares of Rs. 10 each to Rs.400 Million consisting of 80 Million equity shares of Rs. 5/- each.

(c) At an Annual General Meeting held on July 30, 2004, consolidation of equity shares was approved by our members resulting in two equity shares of Rs.5/- each being consolidated into one Equity Share of Rs.10/- each and consequently the authorized share capital of our Company was altered from Rs. 400 Million consisting of 80 Million equity shares of Rs. 5/- each to Rs.400 Million consisting of 40 Million Equity Shares of Rs. 10/- each.

Notes to the Capital structure

1) Share Capital History of our Company

Date of Allotment	Number of Equity Shares as on date of allotment	Face Value (Rs.)	Issue Price (Rs.)	Number of Equity shares post sub-division of the face value into Rs.10/- per equity Share	Number of Equity shares post sub-division of the face value into Rs.10/- per equity Share (Cumulative)	Consideration (only cash or bonus)	Reasons for Allotment	Cumulative Paid-up share capital (Rs. mn.)	Cumulative Share Premium (Rs. mn.)
June16, 1997	10	100	100	100	100	Cash at Par	Subscribers to Memorandum of Association	0.001	-
October 25 1997	74,990	100	100	749,900	750,000	Cash at Par	Further Allotment	7.50	-
March 24, 1999	16,750,000	10	10	16,750,000	17,500,000	Cash at Par	Further Allotment	175.00	-
August 24, 1999	5,000,000	10	15	5,000,000	22,500,000	Cash at a Premium of Rs.5/- per share	Allotment to OCB	225.00	25.00
March 16, 2000	3,750,000	10	160	3,750,000	26,250,000	Cash at a Premium of Rs.150/- per share	Preferential Allotment *	262.50	587.50
January 25, 2003	222,250	10	10	222,250	26,472,250	Cash at Par	Preferential Allotment **	264.72	587.50
July 26, 2003	375,000	10	10	375,000	26,847,250	Cash at Par	Preferential Allotment **	268.47	587.50
September 6, 2003	234,375	10	10	234,375	27,081,625	Cash at Par	Preferential Allotment **	270.82	587.50
September 29, 2003	340,250	10	10	340,250	27,421,875	Cash at Par	Preferential Allotment **	274.22	587.50

* Preferential allotment to financial investors

** Preferential allotment to some of the shareholders excluding the Promoters and the Customer Care Associate, Managing Director and CEO.

2) Promoters Holding and Lock-In:

a) 3 years lock-in

Sr. No.	Name ofthe promoter	Date of Allotment/ transfer	Date When made fully paid-up	Nature of Allotment/ transfer (Cash, bonus, kind, etc.)	No. of shares	Face Value	Issue Price/ Transfer Price	% of Post-Issue paid-up capital	Lock-in Period
1	Palm Shelter Estate Development Private Limited	March 24, 1999 December 4, 1999	March 24, 1999 December 4, 1999	Cash Cash	3,890,000# 2,016,650	10 10	10 15	17.07%	3 years
2	Capstan Trading Private Limited	December 4, 1999 August 14, 2004	December 4, 1999 August 14, 2004	Cash Cash	301,932 710,000	10 10	15 45	2.93%	3 years
	Total				**6,918,582**			**20.00%**	

Out of 4,275,000 Equity Shares issued on March 24, 1999, 385,000 Equity Shares were transferred by Palm Shelter Estate Development Private Limited on April 11, 2000.

Other than the above shares which are locked in for three years, the entire pre-issue equity capital of the Company comprising *18,012,668* Equity Shares shall be locked in for a period of one year from the date of allotment in this Issue except for the 2,265,625 Equity Shares held by Sara Fund Trustee Company Limited A/c South Asian Regional Apex Fund and ICICI Trusteeship Services Limited Account ICICI Emerging Sectors Fund, which are venture capital funds registered with SEBI under the provisions of SEBI (Venture Capital Funds) Regulations, 1996 would be locked in as per the provisions of the SEBI(Venture Capital Funds) Regulations, 1996 and amendments thereto.

b) Details of Promoters Holding and Lock – in for 1 year :-

Sr. No.	Name of the promoter	Date of Allotment	Date when made fully paid up	Date of Transfer	No. of equity shares	Face Value Rs.	Issue Price (Rs.) Per Share	Transfer Price (Rs) per share	Nature of Allotment (Cash, bonus, Kind, etc.)	% of Post-Issue paid-up capital
1	Chandru L. Raheja jointly with Jyoti C. Raheja	-		10/9/1997	20***	10*	-	100*	Cash	
		25/10/97	25/10/97	-	49,980	10*	100*	-	Cash	
		24/3/99	24/3/99	-	50,000	10	10	-	Cash	
		-		12/4/1999	23,750	10	-	10	Cash	
		-		21/10/2004	225,000	10	-	see note below**	Cash	
					348,750					**1.01**
2	Jyoti Raheja jointly with Chandru L Raheja	25/10/1997	25/10/1997	-	50,000	10.00	100*	-	Cash	
		24/03/1999	24/03/1999	-	50,000	10.00	10	-	Cash	
		-		12/4/1999	23,750	10.00	-	10	Cash	
		-		21/10/2004	250,000	10.00	-	see note below**	Cash	
					373,750					**1.09**
3	Raghukool Estate Development Pvt Ltd.	-		4/12/1999	2,016,650	10	-	15	Cash	
		-		14/8/2004	780,000	10	-	45	Cash	
					2,796,650					**8.14**
4.	Anbee Construction Pvt Ltd.	-		4/12/1999	2,016,700	10	-	15	Cash	
		-		14/8/2004	700,000	10	-	45	Cash	
					2,716,700					**7.90**
5.	Cape Trading Pvt Ltd.	-		4/12/1999	2,016,700	10	-	15	Cash	
		-		14/8/2004	700,000	10	-	45	Cash	
					2,716,700					**7.90**
6.	Casa Maria Properties Pvt Ltd.	-		4/12/1999	2,016,650	10	-	15	Cash	
		-		14/8/2004	610,000	10	-	45	Cash	
					2,626,650					**7.64**
.7.	Neel C. Raheja jointly with Chandru L Raheja and Jyoti C Raheja	25/10/1997	25/10/1997	-	30,000	10*	100*	-	Cash	
		24/03/1999	24/03/1999	-	20,000	10*	10*	-	Cash	
		-		21/10/2004	525,000	10	-	see note below**	Cash	
					575,000					**1.67**
8.	Ravi C Rajeha jointly with Chandru L. Raheja and Jyoti C Raheja	-		10/9/1997	20***	10*	-	100*	Cash	
		25/10/1997	25/10/1997	-	29,980	10*	100*	-	Cash	
		24/3/1999	24/3/1999	-	20,000	10	10	-	Cash	
		-		21/10/2004	500,000	10	-	see note below**	Cash	
					550,000					**1.60**
9.	K. Raheja Corp. Pvt Ltd.,	-		27/03/2004	500,625	10	-	85	Cash	
					500,625					**1.46**
10.	K. Raheja Pvt Ltd.,	-		27/03/2004	10,000	10	-	85	Cash	
					10,000		**-**			**0.03**
11.	Ivory Properties and Hotels Pvt Ltd.,	-		27/03/2004	10,000	10	-	85	Cash	
					10,000					**0.03**
12.	Inorbit Malls (India) Pvt Ltd.,	-		27/03/2004	10,000	10	-	85	Cash	
					10000					**0.03**
13	Capstan Trading Private Limited	-		4/12/1999	1,714,718	10	-	15	cash	
					1,714,718					**4.99**
	Total				**14,949,543**					**43.50**

* Earlier one equity share of Rs.100 each now has become ten equity shares of Rs. 10 each.

** These shares which had been acquired at Rs.45 per share on 14/08/2004 in their respective single names are now being jointly held with effect from 21/10/2004, the name of the first holder continuing to remain the same.

*** At the time of allotment 2 Equity Shares of Rs. 100 each

3. The Promoters comprise of Mr. Chandru L Raheja, Mrs. Jyoti Raheja and their sons Mr. Ravi C Raheja and Mr. Neel C Raheja, Anbee Constructions Private Limited, Casa Maria Properties Private Limited, Capstan Trading Private Limited, Cape Trading Private Limited, Inorbit Malls (India) Private Limited, Ivory Properties and Hotels Private Limited, K Raheja Private Limited, K Raheja Corp Private Limited, Palm Shelter Estate Development Private Limited and Raghukool Estate Development Private Limited. For details of the Promoters and K Raheja Corp Group refer to page 74 of this Prospectus under the section Our Promoters.

4. We had made preferential allotment of 11,71,875 Equity Shares of face value of Rs.10/-each at par between January 25, 2003 and September 29, 2003.

5. Except as otherwise disclosed in this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares of Shopper's Stop.

6. In accordance with SEBI Guidelines, 20% of the post-Issue capital held by the Promoters would be locked in for a period of three years from the date of allotment of Equity Shares in this Issue. For the purposes of this lock-in, Equity Shares issued last would be locked in first. For further details, please refer to Note no. 2 of the Capital Structure on page no. 17 of this PROSPECTUS.

7. Locked-in securities held by Promoter may be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan. Some of our Promoters namely Cape Trading Pvt. Ltd., Anbee Constructions Pvt. Ltd. and Raghukool Estate Development Pvt. Ltd. have pledged part of their shareholding (amounting to 12.61% of our post issue Equity Share capital) in the Company as a collateral security against a loan taken by one of the Promoters, K Raheja Corp Pvt. Ltd. from HDFC Ltd.

8. Other than the above, the entire pre-Issue Equity Share capital of the Company and the promoters contribution in this issue except for 1,875,000 and 390,625 Equity Shares of Rs.10/- each held by ICICI Trusteeship Services Limited A/c ICICI Emerging Sectors Fund and Sara Fund respectively, being the Equity Shares held by the trustee company of a SEBI registered Indian venture capital fund, would be locked in for the period of one year from the date of allotment of Equity Shares in this Issue. However, the Equity Shares held by ICICI Trusteeship Services Limited A/c ICICI Emerging Sectors Fund and Sara Fund shall be subject to lock-in, if any, as per the provisions of the SEBI (Venture Capital Funds) Regulations, 1996 and any amendments thereto.

9. Equity Shares held by persons other than the Promoters, locked-in in accordance with the SEBI Guidelines as part of the pre-issue share capital, may be transferred to any other persons holding Equity Shares which are also locked in as part of the pre-issue share capital subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable. Equity Shares held by the Promoters, which are locked in as per the provisions of the SEBI Guidelines may be transferred to and amongst Promoter/promoter group or to a new promoter or persons in control of the Company subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

10. Out of the Present Issue, 1,190,477 Equity Shares of face value of Rs.10/- each constituting 3.46% of our post issue paid up share capital will be Promoter's contribution. Our Promoters would bring in the full amount of Promoter's Contribution in the Issue, computed as number of Equity Shares multiplied by the Cap Price, atleast one day prior to the Bid/Issue Opening Date which shall be kept in an escrow account with a Escrow Collection Bank and the said contribution/amount shall be released along with the Public Issue proceeds. In case of upward revision of Price Band, the difference will be brought in by the Promoters immediately on the day of revision.

11. Our Promoters, Promoters Group, their relatives and associates, and our Directors have not sold any Equity Shares during the period of six months preceding the date on which this Prospectus is filed with ROC.

12. Our Promoters, Promoters Group, their relatives and associates, and our Directors have purchased/transferred Equity Shares of the Company during the period of six months preceding the date on which this Prospectus is filed with RoC, as given below:

    225,000 equity shares held by Mr. Chandru L Raheja, in his single name has been transferred in joint holding as Chandru L. Raheja jointly with Jyoti C. Raheja on October 21, 2004. 250,000 equity shares held by Mrs. Jyoti C Raheja, in her single name has been transferred in joint holding as Jyoti C. Raheja jointly with Chandru L. Raheja on October 21, 2004.

    500,000 equity shares held by Mr. Ravi C Raheja, in his single name has been transferred in joint holding as Ravi C. Raheja jointly with Chandru L. Raheja and Jyoti C. Raheja on October 21, 2004. 525,000 equity shares held by Mr. Neel C Raheja, in his single name has been transferred in joint holding as Neel C. Raheja jointly with Chandru L. Raheja and Jyoti C. Raheja on October 21, 2004.

13. The shareholding pattern of our Company before the issue and expected shareholding pattern after the Issue is given below:

Category	Pre-Issue		Post-Issue	
	Number of Equity Shares	% age	Number of Equity Shares	% age
Promoter Group	21,868,125	79.75%	23,058,602	67.09%
Shareholding of other Directors	225,000	0.82%	225,000	0.65%
Public & Others	5,328,750	19.43%	11,084,306	32.25%
Total	**27,421,875**	**100%**	**34,367,908**	**100%**

14. Equity Shares held by the top ten Shareholders

The list of top 10 shareholders of our Company and the number of Equity Shares held by them is as follows:

Top ten shareholders on the date of filing the Prospectus with ROC

Sr. No.	Name of the Shareholders	Number of Equity Shares
1.	Palm Shelter Estate Development Pvt. Ltd	5,906,650
2.	Raghukool Estate Development Pvt. Ltd.	2,796,650
3.	Capstan Trading Pvt. Ltd.	2,726,650
4.	Cape Trading Pvt. Ltd.	2,716,700
5.	Anbee Construction Pvt. Ltd.	2,716,700
6.	Casa Maria Properties Pvt. Ltd.	2,626,650
7.	ICICI Trusteeship Services Ltd. A/c ICICI Emerging Sectors Fund	1,875,000
8.	Zodiac Clothing Company Ltd	1,006,875
9.	IL&FS Trust Company Ltd A/c AIG Indian Sectoral Equity Fund	781,250
10.	Mohamed Yusuf Noorani	694,375

Top ten shareholders 10 days prior to the date of filing the Prospectus with ROC

Sr. No.	Name of the Shareholders	Number of Equity Shares
1.	Palm Shelter Estate Development Pvt. Ltd	5,906,650
2.	Raghukool Estate Development Pvt. Ltd.	2,796,650
3.	Capstan Trading Pvt. Ltd.	2,726,650
4.	Cape Trading Pvt. Ltd.	2,716,700
5.	Anbee Construction Pvt. Ltd.	2,716,700
6.	Casa Maria Properties Pvt. Ltd.	2,626,650
7.	ICICI Trusteeship Services Ltd. A/c ICICI Emerging Sectors Fund	1,875,000
8.	Zodiac Clothing Company Ltd	1,006,875
9.	IL&FS Trust Company Ltd A/c AIG Indian Sectoral Equity Fund	781,250
10.	Mohamed Yusuf Noorani	694,375

Top ten shareholders two years prior to the date of filing this Prospectus with ROC (March 31, 2003)

Sr. No.	Name of Equity Shareholders	No. of Equity shares of face value of Rs.10/- each
1	Palm Shelter Estate development Ltd	5,906,650
2	Burgundy Investment Limited	5,000,000
3	Anbee Construction Private limited	2,016,700
4	Cape Trading Private Limited	2,016,700
5	Raghukool Estate Development Private Limited	2,016,650
6	Capstan Trading Private Limited	2,016,650
7	Casa Maria Properties Private limited	2,016,650
8	ICICI Limited A/c ICICI Structured Products Fund	1,500,000
9	Al-Gilani Holdings Pvt. Limited	923,750
10	Zodiac Clothing Company Ltd.	805,500

15. Except as stated elsewhere in this Prospectus, neither the Company, it's Directors nor the BRLMs nor Co-BRM have entered into any buy-back and/or standby arrangements for purchase of Equity Shares of the Company from any person.

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

17. We shall not be offering Equity Shares in the Issue to persons resident outside India including foreign institutional investors (FIIs), foreign venture capital investors, non-resident Indians (NRIs) and companies in which there is majority ownership and control by persons resident outside India

18. In this Issue, in terms of Rule 19(2) (b) of the SCRR, 60% of the Net Offer to the Public shall be allocated on a discretionary basis to Qualified Institutional Buyers. Further, not less than 15% of the Net Offer to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 25% of the Net Offer to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in categories for Non-Institutional Bidders and Retail Individual Bidders would be allowed to be met inter-se and with spill over from the category for Qualified Institutional Bidders (QIBs), at the sole discretion of the Company and the BRLMs/ Co-BRM.

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

20. An over subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearer multiple of 1, while finalizing the basis of allotment.

21. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner except that we may issue options to our employees pursuant to ESOP Scheme during the period commencing from submission of this Prospectus with SEBI until the Equity Shares offered through this Prospectus have been listed.

22. The Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise except if our Company enters into any joint venture or acquisition, our Company may consider raising additional capital to fund such activity or use shares as currency for acquisition or participation in such joint ventures or pursuant to issue of Equity Shares on exercise of existing ESOPs.

23. The Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash, in the past. For details, please refer to Note 1 above.

24. There shall be only one denomination for the Equity Shares of our Company, subject to applicable regulations and the Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.

25. As on March 31, 2005, the total number of the holders of the Equity Shares in our Company is 25.

26. We placed 3,750,000 Equity Shares of Rs 10/- each at a price of Rs 160/-each in February 2000 with ICICI Limited (A/c ICICI Structured Products Fund), Morgan Stanley, Birla Sunlife, Kothari Pioneer, OCBC, Alliance Capital and Zodiac Clothing Company Ltd. Subsequently ICICI Limited (A/c Structured Products Fund transferred these shares to ICICI Trusteeship Services Limited (ICICI Emerging Sectors Fund).

    The Company had entered into the Investment Agreement in respect of the shareholding of 1,875,000 equity shares of Rs. 10/- each of the Company by ICICI Trusteeship Services Limited (A/c ICICI Emerging Sectors Fund).

    The Company was also a party to three Share Purchase Agreements; one agreement dated March 28, 2000 and two agreements dated April 3, 2000 and Supplemental Agreements all dated April 27, 2002 between the promoters and IL&FS Trust Company Limited A/c AIG Indian Sectoral Equity Fund and Sara Fund Trustee Company Limited A/c South Asian Regional Apex Fund whereby these entities purchased 170,000, 455,000 and 312,500 Equity Shares respectively from the Promoters of the Company at a price of Rs 160/- per share.

    These agreements contain certain provisions relating to the Board of Directors and the management of the Company and restrictions on the Promoters including restrictions on transfer of their shareholding etc. However, these agreements will terminate upon listing of Equity Shares of the Company in this Issue.

27. The Company has made reservation of 200,000 Equity Shares of Rs.10/- for the Employees. The permanent employees of our Company and the Subsidiaries, one day prior to the Bid Opening Date/Issue Opening Date will be eligible to apply for Equity Shares reserved under the Employee Reservation Category in this Issue . As on March 15 2005, there are 1964 permanent employees of our Company and Subsidiaries. The un-subscribed portion if any from the reservations made to Employees would be added back to Net Offer to Public.

28. Presently we have four ESOP schemes in place namely ESOP-I, ESOP-II ESOP- III (as amended) and ESOP IV (as amended). ESOP-I and ESOP-II were approved by our members on May 20, 2002, and ESOP- III was approved by our members on March 31, 2004 and revised on July 30, 2004. ESOP - IV was approved by our members on July 30, 2004 and revised on January 22, 2005 by our Board. Options under ESOP – I have been granted to eligible employees and have already vested and are due for exercise over a period of five years from April 27, 2002 (the date of vesting of as decided by the Compensation Committee). Options under ESOP – II have been granted to eligible employees on April 26, 2003 and will be vested in April 2006 and can be exercised between April 2006 and March 2009. Options under ESOP-III (as amended) have been granted to eligible employees and Directors on April 19, 2004 and will be vested after a period of one year from the date of grant i.e. May 1, 2004 as decided by the Remuneration /Compensation Committee. Options under ESOP-IV (as amended) have been granted to eligible employees and Directors on January 22, 2005 and will be vested after a period of 15 months from the date of grant i.e. February 1, 2005 as decided by the Remuneration /Compensation Committee

The ESOPs are administered by our Remuneration /Compensation Committee, which determine the terms and conditions of the options vested/granted. Under the said ESOP Schemes no Equity Shares have been issued to date. In case of ESOP-I the options although vested have not yet been exercised by the employees and/or Directors to whom they were granted.

The Remuneration /Compensation Committee has on April 27, 2002 (ESOP-I), April 26, 2003 (ESOP-II), April 19, 2004 (ESOP-III) and January 22, 2005 (ESOP IV) granted stock options to eligible employees and /or Directors under each of the above schemes. Options granted pursuant to those ESOP schemes were effective from the following dates:

ESOP scheme	Date of grant
ESOP-I	April 27, 2002
ESOP-II	May 1, 2003
ESOP-III (as amended)	May 1, 2004
ESOP-IV (as amended)	February 1, 2005

Each option on exercise entitles our eligible employee /Director concerned, on payment of the exercise price, to receive one Equity Share of Rs.10/- Each.

No Employee has received options entitling him/her to subscribe to more than 1% of the Equity Share capital of the Company during the last/current fiscal.

Sr. No.	Particulars	ESOP – I (01-02) At face value of Rs. 10	ESOP – II (02-03) At a face value of Rs. 10	ESOP- III (04-05) (as amended)* At a face value of Rs. 10/-	ESOP- IV (04-05) (as amended)** At a face value of Rs.10/-	Cumulative Basis
a.	Options Granted (net of options cancelled)	225,000	128,500	149,300	122,340	625,140
b.	Exercise Price per Equity Share	Rs.130/-	Rs. 10/-	Rs. 150/-	Rs.240/-	-
c.	Options Vested	225,000	-	-	-	225,000
d.	Options Exercised	-	-	-	-	-
e.	Options Lapsed or Cancelled	-	310,00*	6340	-	37,340
f.	Variation of terms of options#	-	-		-	-
g.	Money realized by exercise of options	-	-	-	-	-
h.	Total number of options in force (vested)	225,000	-	-	-	-
i.	Person-wise details of options granted to:					-
j.	Directors and key managerial employees	Please see Table (1) below for details regarding options granted to Directors and key managerial employees	Please see Table (1) below for details regarding options granted to Directors and key managerial employees	Please see Table (1) below for details regarding options granted to Directors and key managerial employees	Please see Table (1) below for details regarding options granted to Directors and key managerial employees	-
	any other employee who received a grant in any one year of options amounting to 5% or more of option granted during that year	-	-	-	-	-
	identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-	-	-	-	-

	Particulars	ESOP – I (01-02) At face value of Rs. 10	ESOP – II (02-03) At a face value of Rs. 10	ESOP- III (04-05) (as amended)* At a face value of Rs. 10/-	ESOP- IV (04-05) (as amended)** At a face value of Rs.10/-	Cumulative Basis
k.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options (for the unconsolidated financial statement of the Company)	4.45 (for FY2004, for details, please refer Annexure V of the Auditors Report.			—	
l.	Vesting Schedule	April 27, 2002	May 1, 2006	25% one year from the date of grant 25% two year from date of grant 50% three years from date of grant	30% fifteen months from the date of grant 30% twenty seven months from the date of grant 40% thirty nine months from the date of grant	—
m.	Lock-in	as per SEBI Guidelines	as per SEBI Guidelines	As per SEBI Guidelines	as per SEBI Guidelines	—

(1) Each stock option entitles the holder to receive one Equity Share of Rs 10/- each of the Company on payment of the exercise price.

(2) *ESOP-III was revised after obtaining members approval at the EGM held on March 31, 2004 so the entire scheme was replaced with a new scheme ESOP-III. The scheme was again revised after obtaining the member's approval at the AGM held on July 30, 2004 so that the entire scheme was replaced with a new scheme ESOP-III.

(3) # Under ESOP –II, 159,500 options were granted to 15 employees, out of which 31,000 options have been cancelled as 5 employees have resigned and 128,500 options now remain outstanding.

(4) # Under ESOP –III, 155640 options were granted to 47 employees, out of which 6340 options have been cancelled as 3 employees have resigned and 149,300 options now remain outstanding.

(5) ** Under ESOP – IV, 122340 options were granted to 65 employees. All the the options remain outstanding. ESOP-IV after obtaining members approval at the AGM held on July 30, 2004 was revised on January 22, 2005. The entire scheme was replaced with a new scheme ESOP – IV.

(6) As per section 15.3 (a) of SEBI ESOP Guidelines, the impact on PAT and EPS for FY03 is nil and for FY04 is Rs.1.2 mn and Rs.0.03 respectively. (for details please refer to Annexure V and Annexure X of Auditors Report of this Prospectus).

Table (1) details regarding options granted to Directors and key managerial personnel are set forth below:

S. No.	Name of Director or key managerial personnel	Number of options granted	Number of Equity Shares of Rs.10/- each issuable upon exercise of options
Directors			
1.	Mr. B. S. Nagesh (ESOP-I)	225,000	225,000
	Mr. B.S. Nagesh (ESOP-II)	50,000	50,000
	Mr. B.S. Nagesh (ESOP-III)	22,560	22,560
	Mr. B.S. Nagesh (ESOP-IV)	13,980	13,980
Key Managerial personnel			
2	Mr. S.C. Badhe (ESOP-II)	7,500	7,500
	Mr. S.C. Badhe (ESOP-III)	6,860	6,860
	Mr. S.C. Badhe (ESOP-IV)	4,290	4,290
3	Mr. V. Kashyap (ESOP-II)	8,000	8,000
	Mr. V. Kashyap (ESOP-III)	5,480	5,480
	Mr. V. Kashyap (ESOP-IV)	3,430	3,430
4	Mr. G.S. Shrikhande (ESOP- II)	15,000	15,000
	Mr. G.S. Shrikhande (ESOP- III)	9,230	9,230
	Mr. G.S. Shrikhande (ESOP- IV)	7,270	7,270

S. No.	Name of Director or key managerial personnel	Number of options granted	Number of Equity Shares of Rs.10/- each issuable upon exercise of options
5	Mr. C.B. Navalkar (ESOP-II)	10,000	10,000
	Mr. C.B. Navalkar (ESOP-III)	7,140	7,140
	Mr. C.B. Navalkar (ESOP-IV)	4,470	4,470
6	Mr. Unni Krishnan (ESOP-III)	6,630	6,630
	Mr. Unni Krishnan (ESOP-IV)	3,760	3,760

(7) Other option holders under ESOP- II who have been granted more than 5% of the options granted during the year are: Mr. K. Rajagopalan – 10,000 options; Mr. S. Nair – 10,000 options; Mr. C.K. Nair- 8,000 options.

(8) There were no option holders under ESOP- III, who have been granted more than 5% of the options granted during the year.

(9) Option holders under ESOP- IV who have been granted more than 5% of the options granted during the year are: Mr.B.S.Nagesh – 13,980 options, Mr.Govind Shrikhande – 7,270 options.

(10) The holder of the ESOPs that have vested, namely Mr. B S Nagesh, has confirmed that he does not intend to sell the Equity Shares, if any, arising pursuant to the exercise of the ESOPs for a period of 3 months after the listing of the Equity Shares of the Company pursuant to this Issue.

OBJECTS OF THE ISSUE

The Objects of the Issue is to raise capital for financing new stores, renovating and expanding some of our existing stores, and achieve benefits of listing. We believe that listing of our Equity Shares will also enhance our brand image and provide liquidity to our existing shareholders and to our employees who hold our stock options under our ESOPs plans.

The gross proceeds of this Issue are estimated at Rs. 1653.16 million. We intend to deploy the proceeds of the Issue for financing new stores, renovating and expanding some of our existing stores and meeting the expenses of the Issue.

The main objects clause and objects incidental or ancillary to the main objects clause of the Memorandum of Association of our Company enable us to undertake its existing activities and the activities for which the funds are being raised through this Issue.

Our requirement of funds

The Objects of the Issue is to raise capital for financing of

- 11 new stores
- renovating and expanding some of our existing stores. and
- Meeting issue expenses.

The requirements of funds for setting up of eleven new stores, renovation and expansion of some of the existing stores over the next three financial years and meeting issue expenses is Rs 1,316 mn as detailed below:

Activities	Amount for the period (Rs in million)						
	Total Project Cost	Already spent upto July 31, 2004	Amount spent from August 1, 2004 till February 28, 2005	Balance Amount			Amount to be raised by way of this Issue
				March 1, 2005 to March 31, 2005	Year ending March 31, 2006	Year ending March 31, 2007	
A. Setting up of new stores							
Store Capex & Deposits for Store Sites	1,125	38	96	116	312	562	1,086
B. Renovation and expansion of existing stores	156	6	2	64	84	-	150
C. Issue Expenses	80	-	-	-	80	-	80
Total	**1,361**	**44**	**98**	**180**	**476**	**562**	**1,316**

Out of the project cost of Rs.1361 mn., we have already spent Rs.44 mn till July 31, 2004 and Rs.98 mn from August 1, 2004 to February 28, 2005, on store capex, deposits and renovation and expansion of existing stores. We have already opened one store in Bangalore (Commerce @ Mantri Mall) in October 2004 and one store in Pune (Nucleus Mall) in April 2005. The amount of Rs.98 mn incurred towards the capex from August 1, 2004 till February 28, 2005 will be replenished through the proposed Issue proceeds.

We intend financing the above fund requirements of Rs.1316 mn through the proceeds of this Issue.

In case of any shortfall/cost overrun, we intend meeting the funds requirements through our internal accruals. Our internal accruals (our adjusted restated net profits plus depreciation) for FY 2004 was Rs 195 mn. For the 8 months ended November 30, 2004 as per our last audited accounts, our internal accruals was Rs. 170 mn.

As the above fund requirement and deployment are based on internal management estimates approved by our Board of Directors and have not been appraised by any bank or financial institution, in case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with by surplus funds, if any available in the other activities.

The balance proceeds of this Issue in addition to the abovementioned requirements, if any, will be used for General Corporate Purposes.

Setting up of new stores

We plan opening the eleven new stores as given below:

Year ending	Number of Stores	Locations tied up	Area (Sq. Ft)
March 31, 2005	1	Bangalore*,	52,152
March 31, 2006	6	Bangalore, Mumbai, Delhi, Pune+ (2), UP	326,929
March 31, 2007	4	Bangalore (2), Noida, Hyderabad	338,470

* Bangalore store opened in October, 2004.
\+ one Pune store opened in April, 2005.

Setting up additional stores will help us expand our reach and serve additional customers in existing and new geographies, and help us with our growth plans.

Store Capex & Deposits for Store Sites

We intend to enter into definitive long-term lease, leave and license, conducting or other arrangement with the developers / property owners for ten of our eleven planned new stores. We have already entered into preliminary contractual arrangements with the developers / property owners for all the planned 11 new stores and paid them earnest moneys aggregating to Rs. 35.34 mn.

Since we do not own any of the premises in which our stores are located, but take them on various arrangements, deposits are payable by us on entering into the commercial arrangement with the developers / property owners.

We estimate the total fund requirement including store deposits on our proposed 11 stores at Rs. 1,125 Million. Store capex includes electricals, lighting, air conditioning, interiors, furniture, fixtures, security systems, in-store IT systems, display equipment and other establishment related expenses. We enter into contracts with vendors for the supply of the same a few months before we expect the property to be handed over to us to operate our stores. Since these are standard equipment available from various vendors in India and overseas, we foresee no difficulty in sourcing the same even at a short notice.

We have incurred an amount of Rs 99.14 mn as on Februrary 28, 2005 on our store capex.

Renovation and expansion of our existing stores

We intend to renovate our existing stores at Andheri (Mumbai), Bangalore and Delhi and expanding our existing stores at Andheri (Mumbai) and Bangalore at an estimated capital outlay of Rs 156 mn. This would include expenses on in-store electricals, lighting, air conditioning, interiors, furniture, fixtures, security systems, in-store IT systems, display equipment civil work and other establishment related expenses. Since these are standard equipment available from various vendors in India and overseas, we foresee no difficulty in sourcing the same even at a short notice.

We have entered into agreements to get additional space aggregating 11,585 sq ft for expansion of our existing stores at Bangalore and have paid an amount of Rs 1.92 mn as deposits to the property owners. We have also incurred an amount of Rs 5.93 mn on the capex on renovation and expansion of our stores as on February 28, 2005.

A preliminary agreement for additional space for the expansion of our store at Andheri (Mumbai) has been signed however definitive agreements are yet to be executed with our Promoters from whom we intend taking such additional space.

Renovation of some of our existing stores will help us enhance customer interest by providing them a new look and enhanced shopping experience. Expansion of the stores will help us enhance our range of offerings by providing us additional space.

We have incurred Rs 7.85 mn on our proposed expansion and renovation plans as outlined under our Objects of the Issue till February 28, 2005 from our internal accruals. Our statutory Auditors, M/s Deloitte Haskins and Sells, have certified the amount spent till February 28, 2005 vide their certificate dated March 16, 2005.

General Corporate Purposes including strategic initiatives and acquisitions

We seek to further enhance our position as a leading Indian retailer. In addition to continued investments in expansion of our retail chain, we intend to enhance our capabilities and address gaps in Indian retail industry, technical expertise, further develop and expand our IT infrastructure to support our retail chain and category expansion through new product offerings, strategic acquisitions, investments or joint ventures. We also plan to continue investing in and developing the "Shoppers' Stop" brand in Indian retail industry.

As at the date of this Prospectus, we have not entered into any letter of intent or any definitive commitment for any such acquisition or investments or joint ventures except as stated on page 44 of this Prospectus under the section titled "Our Option to acquire a controlling shareholding in Hypercity Retail (India) Pvt Ltd (formerly Rainbow Retail Private Limited), set up to venture into food and value retailing" and option to acquire the remaining 49% shareholding in Crossword Bookstores Ltd. Our management, in accordance with the policies set up by our Board of Directors of the Company, will have flexibility in applying the balance proceeds, if any allocated for general corporate purposes received by us from this Issue.

No part of the Issue Proceeds will be paid by us as consideration to our Promoters, Directors, key management personnel, or companies promoted by our Promoters except in the course of normal business, such as deposits/lease rentals/ conducting fees for taking premises owned by any of the companies promoted by our Promoters as per the terms of the commercial contractual arrangements from which we may operate any of our proposed stores or for expanding our existing stores.

Interim Use of Proceeds

Pending any use as described above, we intend to invest the proceeds of this Issue in high quality, interest / dividend bearing short term / long term liquid instruments including deposits with banks for the necessary duration. We may also deploy the proceeds of the Issue in temporarily reducing our exposure to working capital borrowings from banks and financial institutions. These investments would be authorised by our Board or a duly authorised committee thereof.

Issue expenses

The expenses for this Issue include underwriting commission, management fees, selling commissions and brokerage, printing and distribution expenses, legal fees, advertisement expenses, depository charges and listing fees to the Stock Exchanges, among others. The total expenses for this Issue are estimated to be approximately Rs. 80 mn.

Monitoring of Utilization of Funds

The Audit Committee appointed by the Board will monitor the utilization of the proceeds of the Issue.

Working Capital

The proceeds of the Issue will not be used to meet our working capital requirements as we expect our existing working capital facilities and internal cash accruals to meet our incremental working capital requirements.

Presently we enjoy working capital limits from the following banks:

Bank	Limits Sanctioned Amount (Rs mn)	Amount outstanding as on March 31, 2005 (Rs mn)
UTI Bank Limited	300.00	190.95
Citi Bank	160.00	120.96
IDBI Bank Limited	160.00	74.15
Kotak Mahindra Bank	150.00	100.16
ICICI Bank Limited	30.00	0
HSBC	150.00	150.00
Total	**950.00**	**636.22**

Moreover, Fitch Ratings Ltd had rated us for issuance of Commercial Paper for Rs 100 mn In March 2003 and has enhanced the same to cover Commercial Paper issuance of upto Rs 200 mn in April 30, 2004. Our rating is F1 (Ind), denoting the highest safety. Corporation Bank, and UCO Bank have subscribed to our Commercial paper. The outstanding Commercial Paper as on March 31, 2005 is Rs 170 mn. We believe these facilities along with our internal accruals are adequate to take care of our working capital requirements.

SECTION III: ABOUT THE COMPANY

INDUSTRY OVERVIEW

Indian Retail Sector

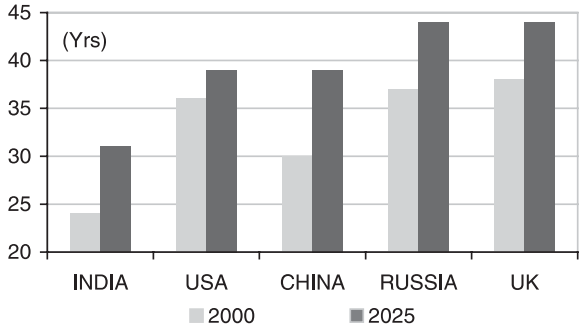
The Indian Retail Sector is at an inflexion point, with many enabling conditions coming into existence e.g. favorable demographics, rising consumer incomes, real estate developments especially with emergence of new shopping malls, availability of better sourcing options both from within India and overseas, and changing lifestyles that bring the Indian consumer closer to the consumers in more developed markets. All these changes are driving growth of organized retailing.

India is witnessing a significant change in the age and income profiles of its over 1bn population, which are likely to lead to accelerated consumption over the next few years. India has a median age of 24 years for its population against 36 years for the USA and 30 years for China (source: KSA Technopak). A younger population tends to have higher aspirations, and will spend more as it enters the earning phase. Further, increase in consumer spends would be driven by nuclearisation of families, increasing population of working women and new job opportunities in emerging service sectors such as IT Enabled Services, Retail & Food Services, Entertainment, & Financial Services. With declining interest rates an average Indian is not averse to taking loans. Growing media penetration is further leading to a convergence of aspirations of various classes of consumers.

Changing Demographic profile

The composition of the Indian population is shifting towards a larger composition of people in the age group 20-49 i.e. the working population with purchasing power. This shift is expected to be a major driver of consumption.

Median age in years



Source: KSA Technopak

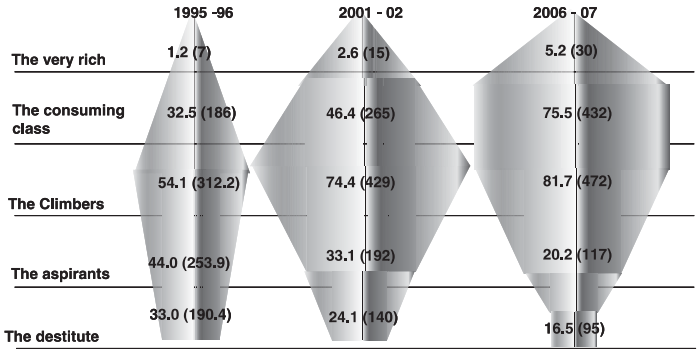
The low median age of the population means a higher current consumption spend vs. savings as a younger population has both, the ability and willingness to spend. Higher consumption is a direct booster for the retailing industry.

Rising income levels

A larger number of households are getting added to the consuming class with growth in income levels. The number of households with income of over Rs 45,000 per annum is expected to grow from 58 mn in 1999-2000 to 81 mn by 2005-06 (source: The Marketing Whitebook 2003-04, brought out by Businessworld).

All India – Distribution of households by income (Rs per annum)

Figures in mn: Households (population)



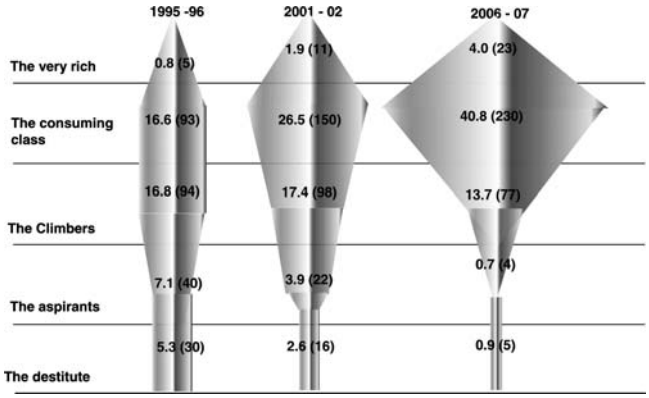
Rich (Above Rs215000)
Consuming (Rs45000-215000)
Climbers (Rs22000-45000)
Aspirants (Rs16000-22000)
Destitutes (Less than Rs16000)

Source: The Marketing Whitebook 2003-04, brought out by Businessworld

"The consuming class" and "the climbers" are expected to increase from 120.8 mn households in 2001-02 to 157.2 mn households in 2006-07 (source: The Marketing Whitebook 2003-04, brought out by Businessworld) This large base of households with growing disposable income is expected to drive demand for organized retail.

Of this, 56% (44.8m households) is expected to be concentrated in Urban India (source: The Marketing Whitebook 2003-04, brought out by Businessworld).

Urban India – Distribution of households by income



Rich (Above Rs215000)

Consuming (Rs45000-215000)

Climbers (Rs22000-45000)

Aspirants (Rs16000-22000)

Destitutes (Less than Rs16000)

Source: The Marketing Whitebook 2003-04, brought out by Businessworld

The proportion of the "consuming class" and "climbers" is expected to increase in the urban markets even more significantly which will drive demand for lifestyle products.

Middle class consumption growth now visible

India has seen a significant change in the consumption of durables in recent years. The changing income demographics, age profile and macro environment are visible in the growth in consumption of durables. For example, the installed base of cars, cable TV subscribers and cellular subscribers has increased significantly over this period.

Changing lifestyles

Nuclear family structure, a growing number of educated and employed women (which translates into increasing disposable incomes), media proliferation and growing consumerism have all contributed to the growth of organised retail.

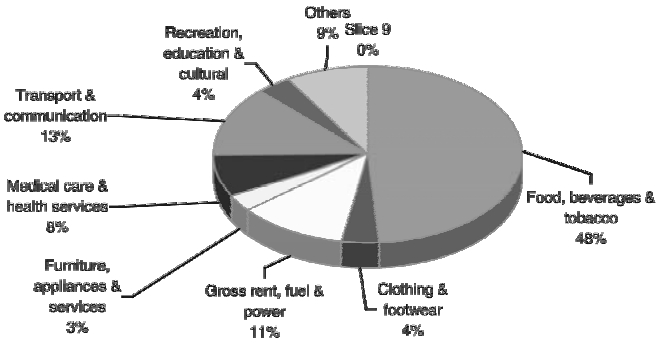
Exposure to international trends

- **Domestic outbound tourists – raised aspirations:** Around 4 million Indians traveled abroad in 2003. In addition, over 200,000 Indians are currently engaged overseas in "white collar" employment positions in various sectors such as IT, Banking & Financial Services, and Management & Project Consulting (source: KSA Technopak). This international exposure is facilitating creation of awareness of modern shopping formats and also leading to change in consumer expectations from the providers of shopping options in India.
- **Inbound tourists, shopping:** There is a large Indian NRI population. Given that international lifestyle brands are readily available in their country of migration, this population shops for similar quality merchandise at lower prices in India on their visits here. Additionally, inbound tourists visiting India and looking for shopping here seek similar products at lower costs in a similar environment.
- **Impact of globalisation** – Globalisation has removed trade barriers and promoted consumerism. Over the last decade, there has been an increase in branded goods – both domestic and international – in the Indian market across product categories. Both width and depth of product offering to the Indian consumers is increasing.

Growth in consumption

The changes in demographics are driving changes in consumption pattern in the country. Central Statistical Organisation (CSO) estimates private final consumption of consumers in India at about Rs.15,000 bn in FY02.

Private final consumption in India



Source: The Marketing Whitebook 2003-04, brought out by Businessworld

Urban consumer's shopping basket is changing

Within the overall private final consumption expenditure there are category shifts happening in urban consumption pattern. A study by KSA Technopak shows that urban consumers have increased their expenditure on eating out, movies and theatre, books and music, clothing and personal care items even as they have reduced savings and investments. Consumption has been given a further boost by a significant increase in offtake of personal credit from an estimated Rs 500 bn in 2000 to about Rs 1,600 bn in 2003 (source: KSA Technopak).

Urban consumers spend (%)

Categories	1999	2002
Home appliances	3.0	1.1
Home textile	1.0	1.4
Saving & Investment	14.0	5.2
Clothing	5.0	6.6
Consumer durables	6.0	3.9
Vacation	4.0	3.4
Eating out	8.0	12.2
Footwear	1.0	2.5
Movies & Theatre	1.0	3.8
Entertainment	3.0	3.0
Books & Music	5.0	6.7
Grocery	43.0	41.4
Personal care items	6.0	8.8

Source: KSA Technopak

Overview of Retailing in India

Of the total private consumption that is estimated at Rs 15,000 bn, the retail sector accounts for about 60% at Rs 8,570 bn (source: Images Retail). Of this, food and beverages, apparel and consumer durables are the top three categories of consumer spend and form 87% of the total retail sales in India.

Category-wise retail sales in FY 2002

(Rs. bn)	Total	Branded	Organised retail
Food, Grocery and Tobacco	6,500	250	20
Clothing & textiles	600	120	50
Home Décor & Furnishing	250	10	5
Consumer Durables	350	180	15
Footwear	85	35	18
Jewelry and watches	350	50	25
Beauty Care	180	35	2
Books, Music & Gifts	75	35	5
Pharmacies	180	170	3
Total	**8,570**	**885**	**143**

Source: Images Retail

Food retailing

Food, grocery and tobacco, the largest category of personal consumption, is also the biggest retailing segment in the Indian economy, and accounted for 73% of total retail sales in the country in FY02. Food products are dispensed through formats ranging from Kirana (small corner shops) to supermarkets.

Clothing & Textiles retailing

This category accounts for about 7% of total private consumption of Indian consumers, of which branded is around 20%. This presents one of the largest opportunities for organised retailers. The current retail market is highly fragmented with several thousands of independent textile and clothing stores operating across the country.

Consumer durable retailing

The consumer durables market is 4% of total retail sales in size. Product standardisation led to the consumer durables category being tapped early by organised retailers. KSA Technopak estimates that this market is likely to expand at a faster pace than many other categories at 12% - 15% per year for the next 4-5 years, with increasing convergence of consumer durables, consumer electronics, and IT & communication products driving growth.

The Indian apparel market

The branded Indian apparel market was estimated at Rs 90 bn in FY2001-02 and had grown at over 20% per annum over 1999-2002. (source : Images KSA Study) with the men's category accounting for about 60% of the market .

Growth of branded segment in apparel market

Category	1998-99	2001-02	CAGR
Men	3067	5345	20.3%
Women	1700	3114	22.3%
Kids	390	545	11.8%
Total	5157	9004	20.4%

Source: Images KSA Study

Household income a key determinant of branded apparel

The household income is a key determinant of the spend on branded ready to wear (RTW) apparel sales. About 72% of the branded RTW apparel is purchased by households with an annual income of over Rs 225,000.

Spend on branded ready to wear apparel by income groups

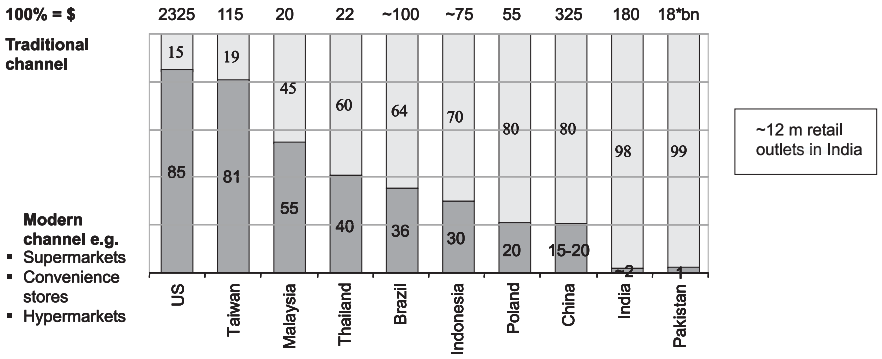
Average household income	Rs bn
1000000+	40.0
225000-1000000	25.0
45000-225000	23.0
22000-45000	2.0
<22000	0.0
Total	90.0

Source: Images Retail

Structure of Indian Retail

- **Indian retail is highly fragmented:** In sharp contrast to the retail sector in developed economies, retailing in India – though large in terms of size – is highly fragmented and unorganised. With close to 12 million retail outlets India has one of the highest retail densities in the world. Retailers include street vendors, local supermarkets, department stores, restaurants, hotels, and even two wheeler and car showrooms.

Fragmented nature of Indian retail



Source: CII McKinsey Report titled "Retailing in India, the Emerging Revolution"

Based on ownership and management style, the industry can be classified into two categories – unorganised and organised.

Counter stores, kiosks, street markets and vendors, where the ownership and management rest with one person, are classified as traditional or unorganised retail outlets. These formats typically require employees with low skills and account for 66% of the sector's output (Source: CII McKinsey report). These are highly competitive outlets, with minimal rental costs (unregistered kiosks or traditional property), cheap labour (or family members working) and negligible overheads and taxes. However, unorganised retailers suffer due to their inability to offer a wide range of products, poor shopping experience, and their inability to offer overall more value to their consumers due to lack of sourcing capabilities. The modern consumer is seeking increasingly more value, offered by way of wider assortment, improved availability, pleasant shopping environment, reliability of quality, financing options, trial rooms for clothing products, return and exchange policies besides competitive prices.

This has created the rapidly growing opportunity for organized, modern retail formats to emerge in recent years and grow at a fast pace.

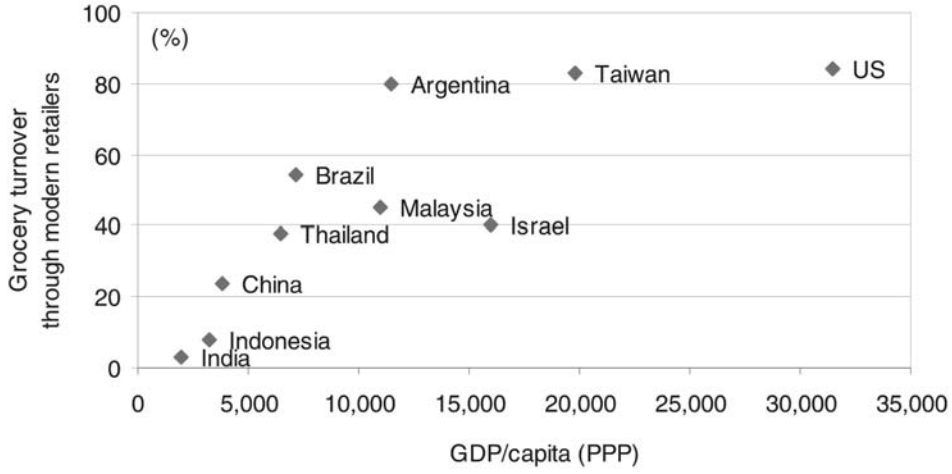
Inefficiency in the existing supply chains present further opportunity for organised players to draw on this large market even as lack of consumer culture and low purchasing power have, in the past, restricted the development of modern formats.

Traditional retail formats

Format	Definition	Value position	India examples
Counter stores	Food: Family run stores, selling essentially food items	High service, Low price	Kirana stores
Kiosks	Pavement stalls selling limited variety of food and beverages	High service	Paan shops
Street markets	Regular markets held at fixed centers retailing food and general merchandise items	Large selection, Low price	Village haats
Street vendors	Mobile retailers essentially selling perishable food items - fruits, vegetables, milk, eggs, etc.	High service	Vegetable vendors

Migration from unorganized to organized retail has been visible with economic development, in most economies.

Economic development drives channel modernisation



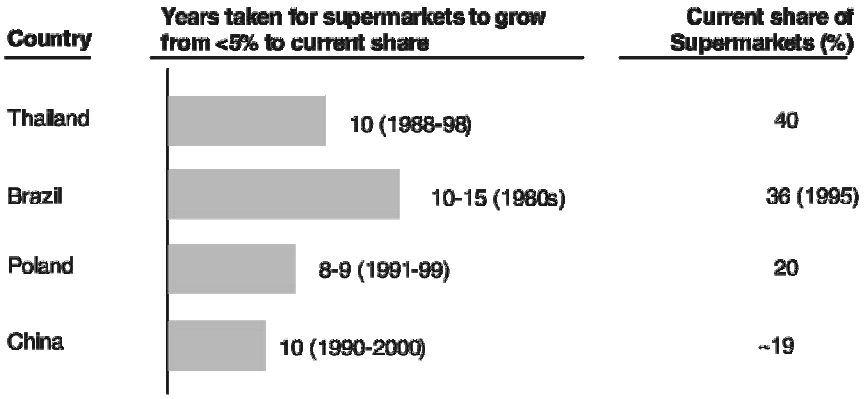
Source: CII McKinsey Report titled "Retailing in India, the Emerging Revolution'

There is a shift towards modern formats that provide more variety and a better ambience with growth in per capital income.

Growth in Organised Retail

Share of organised retail in the total retail sector in India was less than 2% in FY 2002, and is expected to increase in line with the experiences of other developing nations such as China and Poland.

Transformation can be quite rapid



Source: CII McKinsey Report titled "Retailing in India, the Emerging Revolution'

KSA Technopak estimates organised retail in India to reach 10% to 12% of the total retail market by 2010 with sales of Rs 1400 – 1500 bn, aided by improved retail real estate infrastructure and easier access to capital.

Growth of organized retail in India

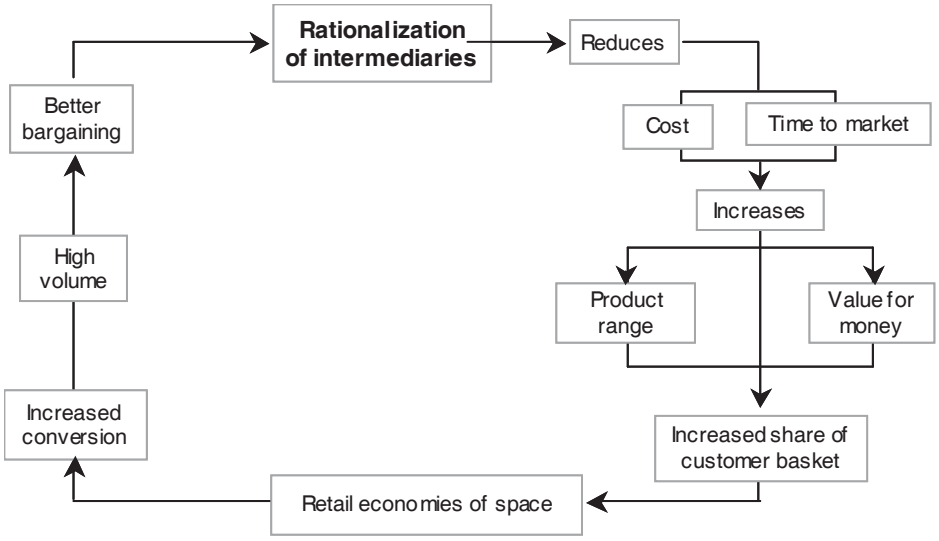
Rs bn	2002	2010
Estimated size of retail in India	8570	14000
Share of organised retail in India (%)	2	10 –12
Size of organised retail in India	170	1400-1500

Source: KSA Technopak, Images Retail

Dynamics of organized retail

Organized retail derives its advantages in generating operational efficiencies while simultaneously catering to rising consumer aspirations. Size drives economies on procurement, and lowers logistics and marketing costs while delivering better value to customers in terms of lower price, better quality, greater selection, improved service and in-store ambience.

The virtuous cycle



Importance of Retailing in the Global Economy

Retail with total sales of $7 trillion, is the world's largest private industry (source: KSA Technopak) with over 50 of the Fortune 500 companies being retailers in 2002. The industry accounts for over 8% of the GDP for some Western World countries, and as much as 16% of employment in countries such as the USA.

Share of retail

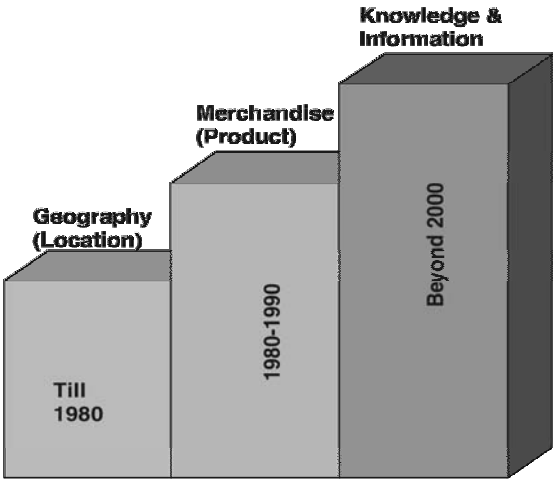
Country	USA	Poland	China	India	Brazil
Retail sales ($bn)	2,325	60	325	180	100
Retail employment (mn)	21	2	40	20	9
Share in employment (%)	16-17	12	6	6	14.7
Penetration of modern retail (%)	85	20	10	2	36

Source: CSO (India), China Statistical Yearbook, US Economic Census, MGI

Global Retail Business ...changing Key Success Factors

Globally, the key success factors in retail have changed over the years:

Key success factors – changing with time



Source: David Oliver, Partner, Kurt Salmon Associates, UK

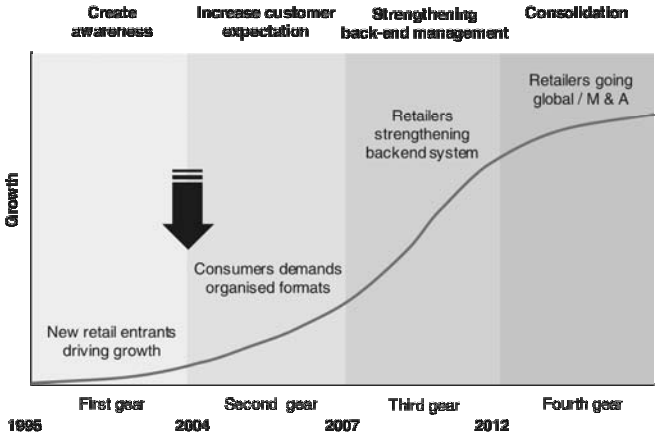
- **Location** – Location provided a strong source of competitive advantage in the pre-1980s (before the proliferation of computers into business management, and adequate infrastructure to travel long distances).
- **Merchandise** – Merchandise planning became a critical success factor in retailing in 1980s as infrastructure bottlenecks were removed the location became less of a constraint. Hence, merchandise became a key success factor in addition to a good location.
- **Knowledge and Information** – Knowledge about customer tastes and preferences and information on inventory management to efficiently run the business has now become one of the most important success factors. Therefore, efficient knowledge and information systems have become necessary for success while location and merchandise continue to be important conditions.

Evolution of the Indian Retail industry

The Indian retail industry is evolving in line with changing customer aspirations across product groups, with modern formats of retailing emerging. This is in line with what has been observed in other developed markets.

Organised retailing in most economies has typically passed through four distinct phases in its evolution cycle. In the first phase, new entrants create awareness of modern formats and raise consumer expectations. In the second phase, consumers demand modern formats as the market develops – thereby leading to strong growth. As the market matures, intense competition forces retailers to invest in back-end operating efficiency. In the final phase, retailers explore new markets as well as inorganic opportunities as growth tapers off.

The different phases in growth of organised retail



Source: KSA Technopak

India is currently in the second phase of this evolution, with Indian customers becoming more demanding with their rising standard of living and changing lifestyles. Change in customers focus from just buying to shopping (buying, entertainment and experience) has led to a pick up in momentum in organised formats of retailing.

As the sector enters the third phase of evolution, supply chain management will attain top priority. Fierce competition will force retailers to quickly respond to changes in the market –bringing forth the importance of supply chain management in managing stock availability, supplier relationships, new value added services and cost cutting. Traditional retailers are expected to enhance their investments in supply chain, whilst new entrants are likely to look at supply chain first before rolling out their national reach.

Drivers for Retail Transformation in India

Quality real estate

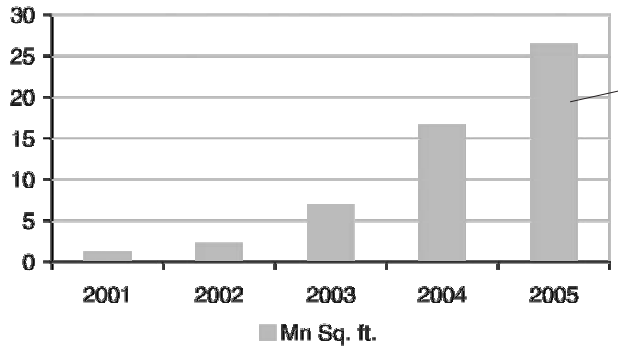
Availability of quality retail space has been one of the main constraints for development of organized formats in India. In the past, negative yield on leased property, lack of bank funding due to unorganized property market resulted in a dearth of quality retail space in the country.

The spread between yield on property and its financing cost has turned positive with the fall in interest rates. Attractive yields on investments have resulted in sharp increase in property development.

From 25 operational malls in 2003, the country is expecting to have over 220 malls by 2006 with a cumulative estimated space of 40 mn sq. ft. (source: Images Retail) and over 600 malls by 2010 giving a cumulative estimated retail space of as much as 100 Million sq. ft. (source: KSA Technopak). While there may be temporary mismatches, we believe that the supply would be comfortably absorbed by the requirements of organised retail players.

KSA Technopak estimates that the increase in availability of quality, modern retail space is likely to lead to a reduction in overall occupancy costs for retailers over the next 3-5 years and will also facilitate their rapid expansion. The malls are also likely to see consumer traffic moving to them from existing high streets and thereby assist in more customers for the stores operating in these malls.

The Indian Mall Scene in 2005



City	Area (mn sq ft)
NCR	10.62
Mumbai	4.80
Bangalore	2.12
Hyderabad	1.26
Calcutta	1.15
Chennai	1.22
Pune	2.03
Ahmedabad	1.95
Lucknow	1.07
Ludhiana	0.20
Chandigarh	0.12
Jaipur	0.67
Indore	0.06

Source: Images Retail

Most malls are coming up in a few cities in the country reflecting the purchasing power that exists in these cities.

Pro-active steps taken by the government permitting use of land for commercial development in various cities including Mumbai and Delhi has also contributed to increased availability of retail space in the country. Availability of retail space is expected to increase further whenever property funds and investment trusts (REITs) are permitted, which will help create a secondary market for real estate in the country.

Availability of brands and merchandise

Consumerism and brand proliferation has been another enabler for organised retailing in India. Most of the world's leading brands are now present in India. Brands like L'Oreal, Espirit, Louis Vuitton, Marks & Spencer, Tommy Hilfiger, Louis Phillipe, Levis, Pepe, Lee, Arrow, Dockers, Red Tape, Clairns, Hugo Boss, Tiffany, Bulgari, Ecco, Chambor, Revlon, Philips, Corelle, Magppie, Nike, Reebok, Parker, Ray Ban, Lego, Mattel are now present in India.

Media Proliferation

Another factor that accelerated the concept of organised retail is media proliferation. The resultant exposure to advertisements and brand promotions across product categories has led to a growing consumer spending across a wide range of product categories.

Possible facilitators for further development of organised retail

A number of factors that drive transformation in retail – such as income growth, changing demographic profile and socio-economic environment, availability of quality retail space at affordable costs – are already falling in place in India. However, organised retail has to overcome significant challenges in terms of regulations and infrastructural barriers in order to realise its full potential. Although some of these bottlenecks are mere irritants, others significantly impact the economics and viability of the business.

Implementation of VAT

In India there exist differential sales tax rates across states. Besides, there is multiple-point octroi/entry tax collection. All these add to cost and complexity of distribution as this necessitates multiple warehouses and does not allow for centralization of certain procurements given the incidence of local levies. Implementation of VAT will streamline the complexities in the tax structure besides narrowing the cost disadvantage between organised and unorganised retailers.

Enhanced funding options

The retail sector has received limited funding from banks and financial institutions. The capital requirements for a retailer are in the real estate (which banks have historically restricted lending to) and for working capital requirements.

While some of the leading retailers are still able to get bank funding, the smaller ones are constrained for growth funding. Similarly, equity options are also restricted with Foreign Direct Investment not being permitted in the retail trading sector.

FDI restrictions have also restricted entry of international majors in retailing in India, which could have otherwise helped the industry develop with funding as well as bringing in of best practices and systems.

Infrastructure Development

Development of road infrastructure, especially the Golden Quadrilateral interlinking North-West and East-West Corridor will bring in efficiency in supply chain and reduction of wastages.

Challenges for organised retail

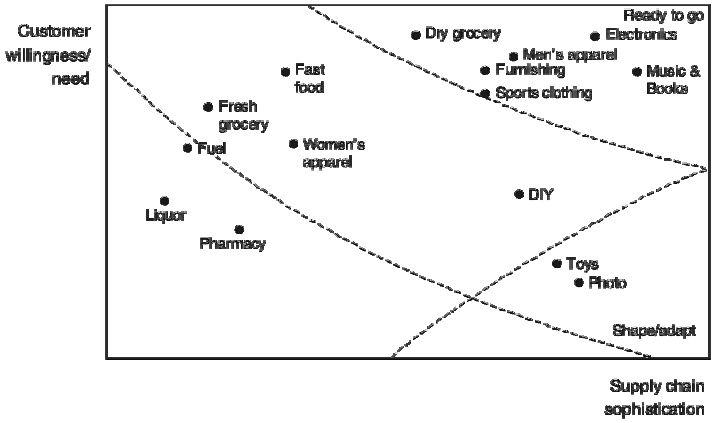
- **Availability of skilled manpower:** The non availability of trained manpower, especially at the management level, poses a key risk for the retail sector. With growing opportunities in the emerging service sectors, the ability of the retail business to hire and retain quality people is under pressure.

  Further, as organized retail grows rapidly, there will be pressure on existing players as new entrants look for trained manpower at various levels. Opening up of FDI in retail could see the entry of international retail majors and put further pressure on the manpower of existing retailers.

- **Supply chain issues:** Supply Chain Management (SCM) efficiencies are essential to retailers to maintain and improve margins. SCM includes vendor management and logistics management. Vendor selection is an important outcome of the sourcing process and a key to most efficient sourcing. Logistics management aims to get the goods from the vendor to the store in the shortest possible time thereby avoiding unnecessary stocking of goods. In India, both vendor management and logistics management are still underdeveloped. However, with growing size of operations, supply chain efficiencies will become a key differentiator of profitability in retail.

  Similarly, supply chain tools and techniques are still developing in India with the increase in organised retailing and entry of international brands. Bar coding is now being implemented, driven by the retailers for whom it is an essential ingredient for supply chain management.

Category wise status of supply chain



Source: CII McKinsey Report titled "Retailing in India, the Emerging Revolution"

'Ready to go' sectors are those where the supply chain is reasonably sophisticated and there is little change required in consumer shopping behaviour. These include dry grocery, electronics and men's apparel. 'Shape and adapt' sectors are those where atleast one of the two parameters (level of supply chain sophistication and the degree to which change is required in consumer behaviour) is required to be and can be restructured. These include women's apparel, fresh grocery and fast food.

Formats in Organised retail

Traditional retailers have been unable to keep pace with the changing needs of consumers, thereby creating a large addressable opportunity for corporate players aspiring to enter the industry. Each retailer must identify and develop a strategy offering a compelling value proposition. Most existing formats have evolved to offer value propositions along price, convenience and specialization.

Modern Retailing Formats

Format	Definition	Value position	Indian examples
Supermarket / Convenience stores	Food and household products	Convenience	Nilgiris, Foodworld
Department Stores	Multiple product categories, usually lifestyle driven with apparel and accessories predominating	Service and choice	Shoppers' Stop, Lifestyle, Westside, Pantaloon
Hypermarkets / Discount stores	Large stores in big box format, with volume based discounted prices	Price and choice	Big Bazaar, Giant
Specialty Stores / Category Killers	Extensive range of products under a single category	Service	Tanishq, Vijay Sales, Viveks, Nallis, Bata

Department stores

These large stores retail primarily non-food items such as apparel, footwear, accessories, cosmetics and household products. They stock multiple brands across product categories, though some of them focus on their own store label (on the lines of Marks & Spencer's and St. Michael). These stores are found on high streets and as anchors of shopping malls.

Several local department store chains have opened shop in India in the past few years. The convenience factor coupled with the aspirational perception of shopping in a department store has contributed to their growth.

The larger chains of department stores (namely *Shoppers' Stop*, Westside, Pantaloons' and Lifestyle) have presence in the metros and mini metros.

Apparel dominates department stores sales in India

Apparel accounted for a significant part of the sales of department stores . However, non apparel lifestyle products such as cosmetics & perfumes, writing instruments, sunglasses, watches, fine jewelry, mobile phones, digital cameras and leather accessories have seen a higher growth in recent years. Spending on the non-apparel category has a direct correlation with increase in disposable income within the 'consuming' and 'rich' classes.

Non-apparel growth is likely to drive sales for department stores

KSA Technopak has identified key & large categories that are underdeveloped and under exploited as far as organized retail is concerned. The table below states the same:

Under exploited categories in organized retail in India

Categories	Rs bn
Consumer Durables, IT & Electronics, Communication	450
Furniture & Furnishings	300
Jewellery & Accessories	450
Footwear	65
Gifts and Handicrafts	60
Total	1325

Source: KSA Technopak estimates for 2004-5

These categories are likely to drive the growth of organized retail. Lifestyle products like watches, fine jewellery, mobile phones and digital cameras, soft furnishings, leather accessories feature as major components (by value) within the categories mentioned above and are important components of the growth strategy for department stores.

BUSINESS OVERVIEW

We are one of India's leading retailers and are a part of the K Raheja Corp Group (Chandru L Raheja Group) one of the leading groups in the country in the business of real estate development and hotels. We operate a chain of department stores in India and currently have 17 such stores across the country.

We are among the pioneers in setting up a nation-wide chain of large format department stores in India with a professional management. We believe that the various initiatives taken by us have played a key role in enhancing the standards of retailing in the country. Our focus on bringing in the international best practices into our retail operations, and providing the customer with a unique shopping experience has helped us to become one of the industry leaders.

We are a professionally managed, systems driven organization. We believe our strong focus on customers supported by systems and processes and a committed work force are the key factors that have contributed to our success and will help us scale up as we embark on our strategic growth plan.

We believe that delighting customers is the key to being a successful retailer, and hence have built our business model around our customer. Our focus is on *Shoppers' Stop* as a retail brand and the emotional connect that it has been able to create with our customers. Every employee in the organization is called a Customer Care Associate (CCA), including the MD & CEO who is designated as 'Customer Care Associate, Managing Director and CEO' to reflect our belief in customer care and service.

Our offering to our customers is a unique shopping experience, comprising of a vast range of lifestyle merchandise, various services and aspirational products made available to them in a world class shopping environment and complemented by superior customer service. Our Service Vision Statement is 'It's Magical, It's Comfortable, It's My Store'.

We have been awarded the 'Superbrand' status for the years 2003-2004, by Superbrands Council, an international organization that selects leading brands within a country based on certain selection criteria and classifies them as Superbrand. The selected brands are characterized by the high quality of their product or service, their distinctive stand and clarity of personality and values, and consistency of their brand principle. We are the only Departmental Store in India to receive Superbrands Status.

We benchmark ourselves with global retailers, and strive to enhance our service offering in line with the emerging trends globally.

We retail a range of branded apparel, footwear, perfumes, cosmetics, jewellery, leather products, accessories, home products, electronics, books, music and toys in our stores. We also retail our own private label apparel, footwear, fashion jewellery, leather products, accessories and home products. This is complemented by cafe, food, entertainment, personal care and various beauty related services. Promotions and events are an integral part of our service offering to our customer, which helps us create a unique shopping experience.

We retail products by some of the leading domestic and international brands such as Louis Philippe, Levi's, Pepe, Arrow, Dockers, BIBA, Gini & Jony, Carbon, Corel, Magppie, Nike, Reebok, Lego, Mattel etc through our stores. We retail a range of merchandise under our own private labels called STOP, Kashish, LIFE and Vettorio Fratini. Our designer section show cases some of India's leading fashion designers (Ashish Soni, Raghavendra Rathore, Ravi Bajaj, Rohit Bal), retailing affordable designer wear. We are also licensees for Austin Reed (London), an international brand, who's mens' outerwear is retailed in India exclusively through our chain.

Service offerings at our stores includes those provided by external service providers such as Habibs (salon), L'Oreal (hair bar), Bombay Blues (restaurant), etc.

Our loyalty program, called First Citizen Club, had 410,673 members as on March 15, 2005. First Citizens accounted for about half of our Retail Sales for the year ended March 31, 2004. We offer our First Citizens rewards points on their purchases, special offers and discounts, and invitations to exclusive events and promotions.

We are the only member from India of the Intercontinental Group of Departmental Stores, (IGDS). IGDS, headquartered in Switzerland, is an international association of department stores enterprises who, in order to increase their economic efficiency and productivity, have agreed to closely cooperate on mutual know how accumulation, networking and joint services in respect of all issues relating to the department store industry.

Membership of the IGDS is exclusive and includes renowned department stores such as Marks & Spencer (UK), Selfridges (UK), Karstadt (Germany), Woolworth's (South Africa), Central (Thailand), Far Eastern (China), Matahari (Indonesia), Parkson (Malaysia), C.K. Tang (Singapore), Marshall Field's (USA) and Manor (Switzerland).

Shopper's Stop business has grown from one store in Mumbai in 1991 occupying an area of 2,800 sq. ft. to 17 stores located in the cities of Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, Pune, Jaipur and Gurgaon occupying an aggregate area of 797,463 sq. ft.

Our growth strategy is based on increasing our reach and penetration across the country by opening new stores, and furthering *Shoppers' Stop* as an experiential retail brand through unique national and international promotions. We also look at enhancing our merchandise width by adding new product categories and services, and strengthen our offerings by adding new brands and private labels to offer a better depth in each category.

We also endeavour to enhance our base of loyal customers through our First Citizen Club. We believe that as we grow in size and scale and expand our reach further, economies of scale would be available to us. We also continue to focus on at enhancing our operational efficiencies and human capital, which is critical in any service driven industry such as retail.

Our Vision

"To be a global retailer in India and maintain its No. 1 position in the Indian Market in the Department Store Category."

We are clearly focusing on the Indian market, which we believe offers tremendous opportunities to department stores. At the same time, we benchmark ourselves with the leading retailers in our segment worldwide. It is our constant endeavour to bring in global best practices into our business and consistently upgrade ourselves to offer to our customers an international shopping experience.

Our Background

Ivory Properties & Hotels Ltd ("IPHL"), commenced its retail operations in the year 1991 under the brand name '*Shoppers' Stop*' with its first store at Andheri, Mumbai. It started off with ready to wear men's wear and thereafter added women's wear in 1992, children's section and cosmetics, perfumes and accessories in 1993.

The retail business division of IPHL launched a loyalty program for its customers in 1994 under the name of First Citizen's Club and opened its second store in Bangalore in 1995.

Prior to incorporation, two of our existing stores at Mumbai and Bangalore were run by a division of Ivory Properties & Hotels Limited (IPHL)under the brand named Shoppers' Stop. Soon after our incorporation, IPHL executed a conducting agreement with us dated November 3, 1997 giving us a right to participate in running the departmental stores. This agreement was terminated and a fresh Conducting Agreement was executed with IPHL dated March 31, 2000. The brands, trademarks and goodwill of Shopper's Stop division of IPHL were also assigned through a separate agreement.

Our third store was opened in 1998 at Hyderabad. In the same year, we were inducted as a member of the Intercontinental Group of Departmental Stores (IGDS).

As we expanded, we decided to enhance our technology platform, and started implementing the JDA Retail Merchandise Management System and Windows Distributed Store System in 1999, one of the leading ERP systems globally for the retail industry. In the same year, we opened our fourth and fifth stores at Jaipur and Delhi respectively.

We also opened our sixth & seventh stores in Chennai and Chembur, Mumbai respectively in 2000.

We placed 3,750,000 Equity Shares of Rs 10/- each by way of a private placement at a price of Rs 160 per Equity Share to raise Rs 600 mn. For further details, please refer to Section titled "Capital Structure" of this Prospectus. We received the Images Fashion Award for the Most Admired Retailer of the Year in 2000.

We went through difficult times in FY 2000, and FY 2001 and reported losses in both the years. These were the years when we pursued an aggressive growth plan, by launching 4 new stores in a time span of 15 months between September 1999 and December 2000 on a base of 3 stores, simultaneously changing our technology, logistics and distribution system and entering into new ventures such as Shoppers' Stop .Com and Shoppers' Stop Services and our acquisition of Crossword. These initiatives were then not backed up by the requisite systems and processes and management band width to manage this growth.

Since our ERP implementation had not stabilized, we did not have adequate information on our inventory levels across the stores and distribution centers, which led to overbuying. Coupled with a slowdown in the economy and retail spend in the second half of FY 2001, this led to an overstocking situation and we had to resort to significant markdowns to clear our inventory.

Our gross margins were impacted while overheads had increased due to new initiatives, leading us to report our first ever loss of Rs 83 mn in FY 2000 and Rs 230 mn in FY 2001.

We took corrective action immediately thereafter and revamped our business processes and systems. Our ERP system also had by that time stabilized. At the same time in 2001, we inducted new members into our management team and appointed the erstwhile M/s Arthur Andersen to audit our systems and processes, to review the ERP and suggest changes.

Major steps taken then included:

1. More accurate seasonal sales forecasting and inventory control
2. Improving margins on bought out merchandise through better negotiations and induction of new vendors
3. Reduction in own inventory and related risks by getting into consignee relationship with some of the brands
4. Derisking the business by tying up conducting arrangements and concessionaires to get a minimum assured income for part of our space.
5. Enhanced focus on cost rationalization across the organization
6. Focusing on reduced shrinkage, introduction of perpetual inventory count system (PICS) management (under which our entire inventory is periodically physically checked across all our locations)
7. Enhancing revenues by evaluating alternative revenue streams such as sponsorship from in store promotions and space on hire.

We revamped our systems and processes and implemented the Warehousing Module of JDA. We also implemented Auto Replenishment and Auto Purchase Order system and launched our business to business connectivity with our vendors using BConnectB.

As a result of corrective measures taken by the management as well as an improvement in market conditions, we turned around in FY 2002 wherein we reported a net profit of Rs 1 mn (before re-statement) .Our performance improved in FY 2003 wherein we reported a net profit of Rs 106 mn (before re-statement). Our gross retail sales increased from Rs 2,098 mn in FY 2001 to Rs 2,402 mn in FY 2002 and Rs 2,949 mn in FY 2003. Our operating profits (earnings before interest, depreciation, tax and exceptional and non-recurring items) changed from a loss of Rs 105 mn in FY 2001 to a profit of Rs 108 mn in FY 2002 and Rs 196 mn in FY 2003 and our shrinkage declined from 0.66% in FY 2002 to 0.54% in FY 2003. Further our gross retail sales increased to Rs 3,953 mn in FY 2004. Our operating profits (earnings before interest, depreciation, tax, exceptional and non-recurring items) increased to Rs 246 mn in FY 2004 and our net profit increased to Rs 120 mn (before re-statement) while our shrinkage declined to 0.40 % in FY 2004. For the 8 months ended November 30, 2004 our restated Net Profit after tax is Rs. 109 mn.

Meanwhile, we launched our eighth and ninth stores in Pune and Bandra, Mumbai respectively in 2001.

We opened our tenth store in the year 2002, at Kandivali, Mumbai. We and our management team received various awards from the Clothing Manufacturers Association of India (CMAI) in the same year for our performance, including:

- Best Retailer of the Year
- Best Individual Retail Outlet of the Year for our Delhi Store
- Best Advertising Campaign of the Year, for the 7 Wonders of the World Event
- Best CEO of the Year
- Best Top Management Team of the Year

In the year 2003, we made preferential allotment of Equity Shares at Rs.10/- each to some of our existing shareholders excluding our Promoters and Managing Director and CEO (For further details, please refer to Section titled "Capital Structure" on page number 16 of Prospectus) to bringing down their cost of acquisition of shares.

We launched three stores in the year 2003 at Mulund (Mumbai), Kolkata and Gurgaon and launched the 14th store in February 2004 at Malad, Mumbai and 15th store at Kolkata on June 6, 2004. Our 16th store was recently launched in October in Bangalore.

We received the IT user award from Nasscom for Best IT Practice in Retail Category in 2003. We received the Lycra Images Fashion Award for the Most Preferred Retail Chain of the Year in February 2004 and have recently received the Retailer of the Year, Store of the Year (for our Hyderabad store) and the Retail Professional of the Year Awards from CMAI in August 2004.

We have also received Images Retail award for the "Most favoured retail destination of the year" – September, 2004 and the "Organization With Innovative HR Practices" award at the HR Excellence Awards organized by Mid-Day, Big Break & Daks – November 2004.

Our Success Factors

We believe the following factors have helped us emerge as a leading domestic retailer:

Experienced professional management team

We have an experienced professional management team led by Mr. B S Nagesh, who is one of the leading professionals in the retail sector in the country and has been the first Chairman of the CII Committee on Retail in 2001 and has received various awards over the years, with the recent being the Lycra Images Fashion Award for the 'Most Admired Retail Professional of the Year' in February 2004 and 'Retail Professional of the Year' for the years 2003 & 2004 by CMAI.

Our EXCOM consists of 6 professionals and is supported by a team of professional with relevant domain expertise and retail oriented functional specializations from FMCG and service industry background with professional qualification in their respective fields.

This team was awarded the 'Best Top Management Team of the Year' in 2002 by CMAI.

The management team is complemented by a committed work force. Our Human Resources policies aim to create an engaged and motivated work force, which is essential for success in any service oriented industry such as ours.

Strong focus on systems and processes

We have a strong focus on systems and processes. We have been able to capture our learnings over the years and use them to create Standard Operating Procedures ('SOPs') for each of our activities, right from planning and setting up of new stores to their day to day operations. Our SOPs are available on our Intranet, which helps our employees to access them whenever required helping us achieve consistency in our decision making process across the chain. We also have a Manual of Authority, outlining the framework of financial and legal decision making authority at all levels in our Company, right up to the CCA, MD & CEO.

We believe this will help us as we embark on our growth strategy and enhance our reach with our customers and help us provide them a consistent brand experience across our stores.

Extensive use of Information Technology (IT) systems

We have deployed state of the art international IT systems for retail operations across our business processes and operations. Most of our processes are linked, online, and utilize some of the leading technologies available to deliver overall control and efficiency.

With changing customer aspirations and requirements, immediate monitoring of information on sales trends is critical. Our IT systems help us not only to monitor customer purchase patterns, but also allows our organization to quickly respond to it by facilitating decision making and providing us the tools to adjust our operational strategy accordingly. Our systems also facilitate us to conduct our business efficiently by helping us optimize our resources including our store space, inventory, manpower and overall capital deployed in our business. We have received the IT user award from NASSCOM for Best IT Practice in Retail Category in 2003.

Strong distribution and logistics network and supply chain

We have created a strong distribution and logistics network, with our four Distribution Centres covering 82,000 sq ft, handling over 260,000 SKUs per year, and working 24x7.

The distribution and logistics set up is networked and on line allowing us to deliver merchandise to the store within 48 hours of receipt / generation of auto replenishment order, which has helped us optimize in store availability of merchandise. The Distribution Center management is outsourced to service providers such as Sembcorp. We believe our existing Distribution Centres, which have been designed to scale up, will be able to meet our growth requirements as we expand the number of our stores.

We have undertaken various initiatives in further improving the efficiencies of our supply chain, which we believe is critical for any retailer. These aim at meeting the conflicting requirements of reducing our inventory whilst ensuring availability of products at all stores as per customer needs, as well as reducing our operational costs.

Vast range of lifestyle products and services

Our merchandise ranges across apparel, accessories, perfumes, cosmetics, home & kitchen products with over 260,000 SKUs, which are complemented by our services offerings.

We offer our customers a variety of national and international brands as well as our in-store brands (private labels) under one roof.

Internationally benchmarked shopping environment

We believe our focus on providing our customer a globally benchmarked shopping environment with the best in class service has been instrumental in our success. We engage international designers such as Kingsmen Projects Pte Ltd (Singapore) and JHP Design Limited (UK) to design our stores, sourcing the fixtures in domestic as well as international markets. We periodically provide our managers international department store exposure through IGDS to be able to capture and implement best practices in our operations.

This has helped us create a special niche in the customers' mind, and enhance our brand equity. It is because of this service and ambience that we offer, that we have been able to create a differentiation in the mind of the customer versus our competitors where similar products and brands are available.

Strong understanding of the real estate business

We benefit from our promoters association with the real estate business and their relationships with developers, which has helped us acquire preferred properties at competitive rates.

We enjoy Anchor Tenant status in most of the malls that we are presently located in due to our high brand awareness and trust, ability to draw a large number of customers and occupy a significant space in the mall. As Anchor Tenants, we occupy a prime location in the malls on terms we believe favourable to us as compared to the other occupants.

Large base of loyal customers

We had 12.21 mn customer entries in our stores in the year ended March 31, 2004. We believe that the emotional connect that we have been able to create with our customers through our service offering and special promotions has helped us convert many of them into loyal customers.

We had 410,673 members of our loyalty programme as on March 15, 2005. First Citizens contributed to about half of our Retail Sales in FY 2004.

Changing demographics in India

India is benefiting from a young population. A young population with increasing disposable income and a propensity to spend has led to a higher current consumption spend vs. savings, which has been a direct booster for the retailing industry.

Also, the Indian consumer is now better exposed to international trends with growing overseas travel and media proliferation, which has led to a higher demand for aspirational or lifestyle products and services. This has, along with our focus on offering our customers an international shopping experience, contributed to our success.

Availability of quality real estate

Pro-active steps taken by the Government permitting use of land for commercial development has contributed to increased availability of retail space in the country, while a decline in interest rates has enhanced the economics of property developments and its leasing out. These changes will help us in obtaining the requisite sites at appropriate costs.

Our Growth Strategy

We believe that the department store format offers significant opportunities in the country with the changing consumer aspirations and drive for a better lifestyle. We believe that a younger population with higher disposable income would drive customer aspirations for lifestyle products.

We are thus focused on the Indian markets in the department store format. At the same time, we consistently evaluate other opportunities and may look at alternative delivery formats or product categories or even within our existing offerings should we find the opportunity compelling or to strengthen our existing format.

Our growth strategy is based on:

1. Increasing our penetration in existing cities and expanding our reach across the country
2. Furthering *Shoppers' Stop* as an experiential retail brand through differential service and unique national and international promotions
3. Enhancing our merchandise width by adding product categories
4. Introducing new brands and developing private labels to offer a better depth in each category
5. Increasing our First Citizen base
6. Utilising economies of scale as we grow in size and expand our reach
7. Enhancing our operational efficiencies
8. Enhancing our human capital

Increasing our penetration in existing cities and expanding our reach across the country

Increasing our penetration in existing cities with a larger number of stores, increasingly of larger size, will enable us to penetrate into new catchment areas within these cities and optimize our infrastructure.

Enhancing our reach to cover additional cities amongst the top 21 cities of the country, will enable us to reach out to a larger population and become a preferred shopping destination for them.

This will help us provide a platform to domestic and international brands wanting to reach out to domestic consumers with the same profile as our customers.

Furthering *Shoppers' Stop* as an experiential retail brand through differential service and unique national and international promotions

We are continuously inducting and training our CCAs to deliver a differential service, which we measure and improve through our customer satisfaction studies done through CSMM Walker. We continue to focus on unique events and promotions to reinforce the Shoppers' Stop experience and our brand image amongst our customers to become a destination of choice for them.

Enhancing our merchandise width by adding product categories

Consumers tastes are shifting and the propensity to spend on new categories of merchandise like mobiles, Personal Data Assistants, digital cameras, writing instruments, designer clothing, etc, is increasing along with needs for new services.

Our focus will be to add on such new categories in our stores along with developing existing categories to increase our share of the spend of not only existing customers, but also acquire new customers.

Introducing new brands and developing private labels to offer a better depth in each category

We continuously focus on enhancing the depth and width of our merchandise. Our private label and private brands initiative is part of such focus and offers us a differentiating factor as compared to competition at the same time helping us enhance margins.

We have a tie up with Austin Reed (UK) wherein we are their exclusive licensee for India for men's outerwear. We continue to evaluate such opportunities for tie ups with national and international brands, which can be introduced in India through our stores. We may, in the future, also offer these brands to the customer through independent chain of stores that we may promote, should the market opportunity justify the setting up of the same.

Increasing our First Citizen base to enhance our base of loyal customers

A higher base of First Citizens exposed to the *Shoppers' Stop* experience, would help us to build customer loyalty. We believe, our new business intelligence software (called Business Objects) will help us understand the customer at an individual level, which may help in making more profitable sales to them, as well as meeting their needs in a focused manner.

We believe with the addition of new stores and initiatives at our existing stores, we will increase the base of First Citizens. A higher base of loyal customers would attract various brands to join hands with us and use our stores to reach out to these customers.

Utilising economies of scale as we grow in size and expand our reach

We believe that our existing corporate infrastructure and software systems have been designed for a higher scale of operations than our current size, and can help us with our grow plans with out the need to significantly increase costs.

We have in place our core distribution and logistics infrastructure, which can handle larger business volumes at marginal addition to costs. Higher business volumes will also improve our negotiating powers and help us get further economies of scale in our buying with opportunities of incremental margins.

Enhancing our operational efficiencies through better systems and processes

We have a consistent focus on enhancing our operational efficiencies and monitor key operational parameters on an ongoing basis using concepts such as GMROF, GMROL and GMROI to improve our productivity on space, labour and inventory (For further details, please refer to Section titled "Management Discussion and Analysis on our Financial Statements" on page number 210 of Prospectus).

We benchmark our stores within the chain on performance parameters on historical as well as comparable basis to seek areas for improvement to reduce our operating costs and enhance our productivity levels.

Enhancing our human capital

We have engaged SHL Limited (UK), a leading consultancy specializing in competency and assessment centers to map competency for all key jobs. We periodically assess our CCAs across all levels through assessment centers to identify competency gaps and use development inputs (i.e. training, job rotation etc.) to bridge them.

Validation of improvements is done through Customer Satisfaction and Employee Satisfaction studies. This ensures that there is a constant endeavour to align human capital to organizational objectives.

Our Option to acquire a controlling shareholding in Hypercity Retail (India) Pvt Ltd (formerly Rainbow Retail Private Limited)**, set up to venture into food and value retailing**

One of our promoter companies, Inorbit Malls Private Limited has incorporated a wholly owned private limited company, Rainbow Retail Private Limited. The name of the company has been subsequently changed to Hypercity Retail (India) Pvt Ltd, with effect from March 4, 2005. The objects of the said company inter alia include the running and managing of hypermarkets, supermarkets, etc. Inorbit Malls Private Limited has clarified and indicated that the said company will not carry on the business of running departmental stores or a format competing with Crossword Bookstores Limited or Shopper's Stop Limited and that the business of the said company would be limited to the business of food and value retailing, i.e. to provide all kinds of products to consumers at competitive prices through a hypermarket, supermarket or other format but not through the format of a departmental store.

The Company has entered into an Option Agreement dated August 6, 2004 with the said Inorbit Malls Private Limited and Rainbow Retail Private Limited now known as Hypercity Retail (India) Pvt Ltd. Under the terms of which the Company has an option (in the form of a right and not an obligation) to acquire upto 51% of the equity share capital of Hypercity Retail (India) Pvt Ltd in one or more tranches from the said Inorbit Malls Private Limited (or other companies promoted by the Promoters) at any time before December 31, 2008 at a price (to be determined by a independent reputed chartered accountancy firm which is one amongst the big 4 firms and / or by a reputed Merchant Banker) which is the fair market value or a price which provides a return of 10% p.a. (compounded annually) of the investment made by Inorbit Malls Private Limited (or other companies promoted by the Promoters), whichever is lower.

In the event of the said Inorbit Malls Private Limited inducting any other company promoted by the Promoters into the said Hypercity Retail (India) Pvt Ltd prior to the exercise of such option, the said Promoter group company would also have to execute a deed of adherence agreeing to be bound by the said Option Agreement in favour of Shopper's Stop Limited. Further, the said Inorbit Malls Private Limited and other Promoter group companies would be free to transfer the share capital of Hypercity Retail (India) Pvt Ltd at any time including to the Promoters or to any other entity promoted by the Promoters, however ensuring that the Promoters and the companies promoted by the Promoters shall always have sufficient equity shares held by them to enable the Company to exercise the option.

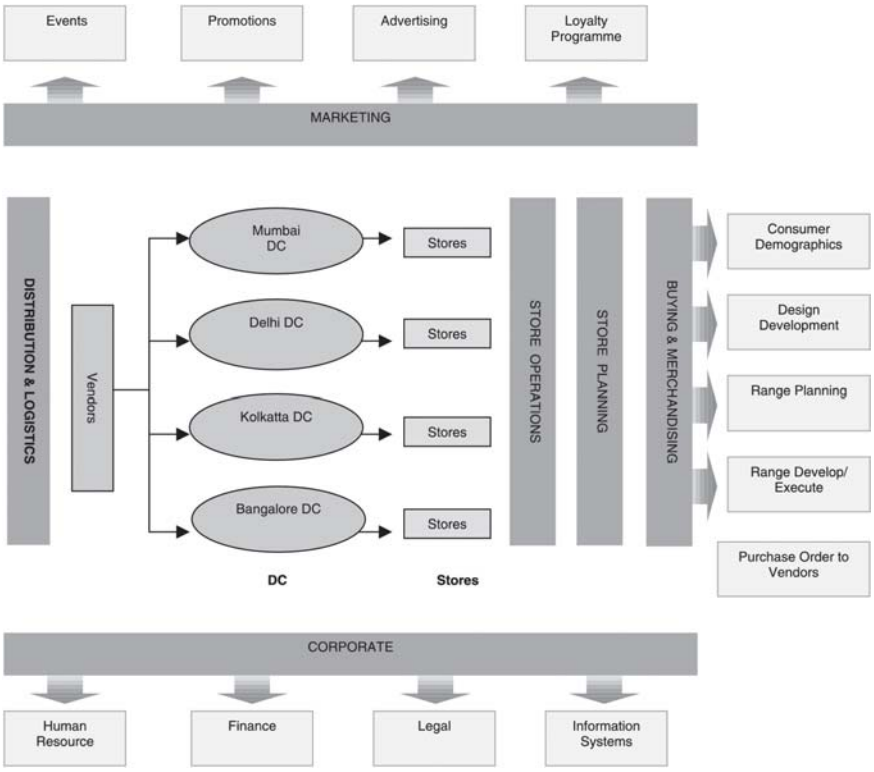
On exercise of such option if the Company becomes the single largest shareholder of Hypercity Retail (India) Pvt Ltd, the Company would also be required to replace the guarantees, if any, provided by third parties in respect of liabilities of the said Hypercity Retail (India) Pvt Ltd. The price to be determined by the said independent chartered accountant / merchant banker shall consider the same as part of the valuation.

In the event that the Company views that the investment in Hypercity Retail (India) Pvt Ltd would be beneficial to the Company, then the Company may acquire such shares. We believe that this option would be beneficial to the Company as it would allow the Company to participate in such new possible formats at such time as the Company considers such a venture profitable to the Company. As and when the Company does acquires shares in Hypercity Retail (India) Pvt Ltd the same would be subject to regular market risk as any other equity investment.

Hypercity Retail (India) Pvt Ltd has initiated work on its business plan and key recruitments. Four properties have been identified and signed, with the opening of the first hypermarket planned during the year ending March 31, 2006.

Our operations

We currently operate 17 stores with an aggregate area of 797,463 sq. ft. The real estate in which we operate our stores is taken on long term lease, leave and license, conducting or other contractual arrangements.



Our stores are located at:

Sr. No	City	Location	Area (sq ft)	Year of starting
1	Mumbai	Andheri (W)	55,226	1991
2	Bangalore	Ashok Nagar	36,873	1995
3	Hyderabad	Begumpet	72,287	1998
4	Jaipur	Malviya Nagar	19,892*	1999
5	Delhi	Andrews Ganj	49,000#	1999
6	Chennai	Chetpet	52,181	2000
7	Mumbai	Chembur (W)	38,109	2000
8	Pune	Shivaji Nagar	49,556	2001
9	Mumbai	Bandra (W)	48,962	2001
10	Mumbai	Kandivali (W)	35,000	2002
11	Mumbai	Mulund (W)	36,969	2003
12	Kolkata	Elgin Road	52,578	2003
13	Gurgaon	Mehrauli-Gurgaon Road	31,860	2003
14	Mumbai	Malad (W)	69,600	2004
15	Kolkata	Salt Lake City	52,603	2004
16	Bangalore	Banergatta	52,152	2004
17	Pune	Nucleus Mall	44,615	2005
			797,463	

(*Rounded off)

Note: All the above areas of the stores refer to chargeable/built-up area as mentioned in the contractual agreements.

An area of 2,706 sq ft at the existing store at Delhi and area of 6,350, sq ft at the existing store in Malad has not been included in the table above because the lease deed for both of the additional area is yet to be executed and registered.

We intend opening additional 10 stores over FY 2005, FY 2006 and FY 2007 (For further details, please refer to Section titled "Objects of the Issue" in this Prospectus).

We review our store opening plans from time to time, and may open additional stores as per our competitive strategy for different markets in India. We have entered into contractual arrangement for thirteen additional stores sites, aggregating an area of 1,084,500 sq ft with the stores likely to be opened by FY 2008. We intend funding these and any additional stores that we may sign up from our internal accruals and any incremental borrowings.

We also periodically review our space requirements in existing stores and if required, may negotiate for additional space to meet our growth requirements.

We have four Distribution Centers (DCs) servicing our stores across the country.

S No	City	Region	Stores Serviced
1	Mumbai	Western	Mumbai, Pune
2	Delhi	Northern	Delhi, Gurgaon, Jaipur
3	Bangalore	Southern	Bangalore, Hyderabad, Chennai
4	Kolkata	Eastern	Kolkata

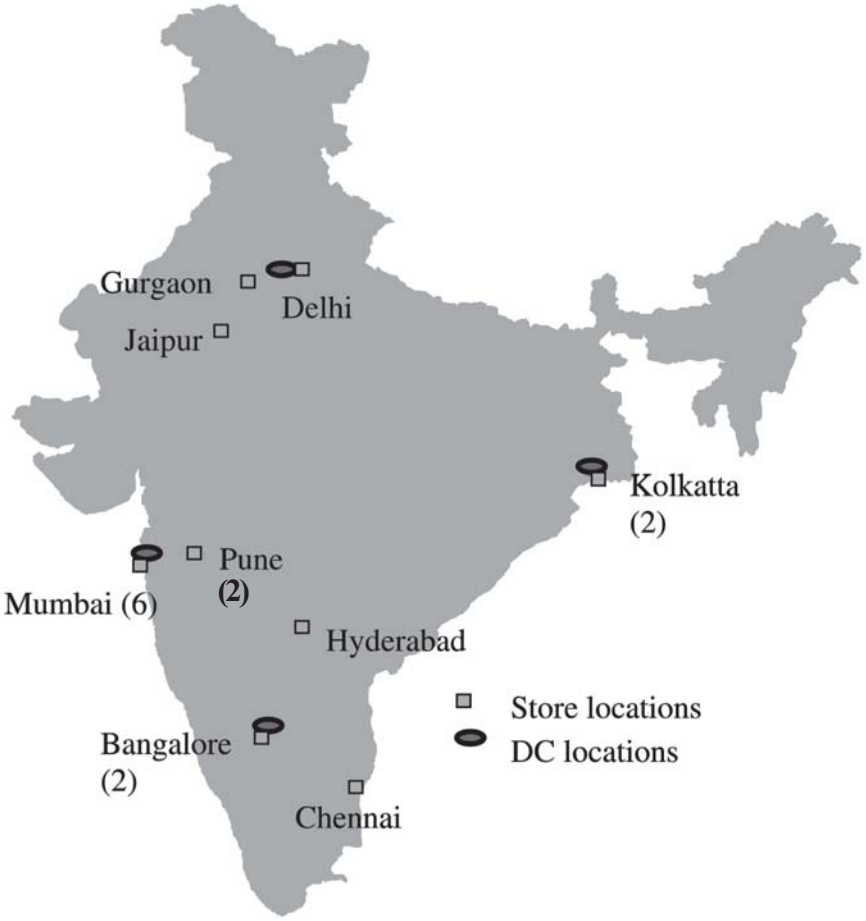
Our Service Office housing our corporate functions is located in Mumbai.

Store Planning and Set up

Planning and starting a store takes approximately between 6-24 months, depending on the stage at which the construction is when we sign on the property.

Selecting the location

Our choice of cities and location where we open our stores is based on the demographic data available and through our own commissioned market surveys. We are currently focusing on 21 cities in the country, based on market potential. We select sites within the city after commissioning wardrobe and catchment studies in identified locations, with agencies such as AC Nielsen ORG Marg.



Site selection & documentation

We have stores in malls as well as stand alone stores. In all of the malls where we have signed on space for our stores, we have come in as "Anchor Tenants", which we believe provides us advantages in terms of favourable terms. We also sign on properties for stand alone stores in some of our locations.

The real estate in which we presently operate our stores and other commercial premises are taken on long term lease, leave and license, conducting and other contractual arrangements, some of which are with companies promoted by our Promoters. Normally, such arrangements are structured with options to renew them at our discretion for upto 24 years. We also optimize our investment in the store by getting the property developer to provide us with utilities such as air conditioning, escalators, lifts and electricals etc.

Store planning

We have a centralized Store Planning and Projects Team comprising of Engineers and Architects. This team focuses on setting up of new stores as well as upgradation of existing stores to:

- Create a store ambience that helps present the desired image to the market
- Facilitate customer convenience, circulation and store space productivity by Internal arrangement of selling/non-selling areas

We have currently engaged international architects and retail designers to design our stores. Kingsmen Projects Pte Ltd (Singapore) and JHP Design Limited (UK) form the panel of architects that work with us for concept design and are supported by a panel of domestic architectural firms. This allows us to capture international trends and developments, and continuously bring in latest designs on retail store fixtures, lighting, building materials, signages and related elements.

Hence, each of our stores may have a different look and feel, with improvements targeted at providing the customer with an enhanced international shopping experience.

The store planning process begins approximately 2-3 months before planned handing over of the store shell to us by the property developer / our landlord. Since every store may have a different geometry and floor configuration, and also have a different space allocation for different departments and services, we draw up an independent plan for each store.

Store Set Up / Projects

The Projects Team thereafter focuses on the project once the planning is completed. The Project function encompasses project costing, tendering, material procurement, vendor selection, construction management and vendor management.

Completing a store after receipt of the store shell typically takes between 3-4 months for fit out, wherein usually no occupancy charge is paid.

The project supervision is done by professional project management companies appointed for each project. We have extensively defined operating procedures for all our activities governing the entire process as part of our SOPs.

Recruitment and Training

Our recruitment for any new store being opened begins 3 months before the store opening with only the store head being recruited six months in advance.

Our employees go through a classroom training and orientation, and are subsequently trained at our other existing stores. We conduct mock runs at the store before it is opened to the public.

Store Operations

Our stores are where we deliver to our customers the *Shoppers' Stop* experience. Hence our store operations are one of our most critical functions. Our processes are designed to ensure that each aspect of the stores' functioning adds up to delight the customer and reinforce the Shoppers' Stop brand.

Each of our stores is headed by a Store Manager, reporting to the Area Controller who looks after a group of stores. The Store Manager is responsible for the day to day operations of the store and is assisted by a team comprising of retail as well as back office personnel.

The retail team is responsible for sales and consists of the CCAs responsible for serving the customer. The back office team comprises of support functions such as administration, security and house keeping and store level representatives of corporate functions such as human resource, marketing, visual merchandising and accounts. The corporate functions executives report to both, the Unit Head as well as the functional head at the Services / Corporate office to ensure perfect synchronization.

Store Processes

We have defined processes for all our functions for day-to-day operations, and to ensure consistency in customer experience across our chain of stores. Functions such as security and house keeping which are outsourced are also covered under the process manuals, with strict control to ensure that they are rigorously followed.

This enables us to meet our Service Vision Statement 'It's Magical, It's Comfortable, It's My Store'. Our CCAs follow our operational guidelines and help customers to shop in a non-intrusive manner.

Customer assistance

Our CCAs are regularly trained on product knowledge as well as selling and inter personal skills to ensure that our customers are well serviced and have an unforgettable experience within the store. We use in-store directories, size charts, signages and ticketing to make it easier for the customers to shop and find their way about, in line with our philosophy of non-intrusive service in line with international standards.

Cashiering, alterations and exchanges are critical service areas that we focus on to ensure that the time taken with respect to each of these aspects helps us meet customer expectations.

Cashiers are trained and tested regularly on their speed to ensure quick checkout for the customer at the same time ensuring that customers in the queue are well attended

Similarly, we provide alteration services on purchase free of cost. We also permit our customers to exchange the merchandise purchased at our stores, which they are not satisfied with.

We value customer feedback and view customers' complaints as an opportunity to learn and build better ties with our customers. We have a well-defined complaint management process and strive to respond to all complaints within 72 hours of the complaint being received.

Visual Merchandising

We use our Visual Merchandising (VM) skills to present our merchandise at it's best, in order to appeal to the customer. This is a critical in store activity with our Visual Merchandising Team deciding on the theme as well as the manner in which the merchandise is proposed to be displayed across our stores nation wide.

Scope of VM includes setting up of window displays as well as in-store areas to display merchandise.

We draw up our annual VM calendar at the beginning of the financial year based on the planned merchandise seasons and launches. This calendar is then used to draw up a complete VM plan along with designs, vendors and other details. Doing this centrally allows us to ensure a common visual merchandising theme across the chain of stores.

Distribution and Logistics

The distribution and logistic team handles all our merchandise movement and warehousing requirements, including inbound and outbound logistics, functioning on a 24x7 basis.

For this, we have extensively used technology to ensure on-line movement of information and have integrated most of our partners in the supply chain including our various departments, vendors, and some of the other service providers into our information system. We have implemented JDA's Warehouse Management System (WMS) along with the Merchandise Management System to manage our inventory.

The operations of the Distribution Centers are outsourced to third party service providers such as Sembcorp Logistics (India) Pvt Limited pursuant to contractual arrangements through our wholly owned subsidiary, Upasna Trading Limited ("UTL"), for which it pays the service providers a fixed sum per article handled.

Key features of UTL's agreements with service providers as applicable to us:

- Service providers to receive goods from our vendors through the nominated carriers on door delivery
- Service providers to be fully responsible for any loss or any damages to the goods, if it fails to follow the prescribed procedure
- The title of all the goods shall be at all times with us till they are sold to a third party
- The service providers shall be responsible for maintaining all waybills , updating records in the register and also submitting them back to the Sales Tax Department.

Insurance

- The insurance for the warehouse premises, furniture and fixture will be taken by the service providers. UTL or our Company will insure it's the stock during storage and transits as well as our equipment, if any placed at the warehouses.

Penalties

- If attention of UTL is brought to the fact that there is a shortage in stock /goods lying in the premises of the service provider, UTL has the right to recover the amount from the service provider
- If any loss or damages is suffered by UTL or us on the happening of any of the events specified the service provider shall make good all the loss suffered by UTL and us

Statutory Compliance

- All statutory compliance with regard to labour laws, rent and other charges including tax for running and operation of the premises shall be borne by the C&FA

Termination

- In the event of any breach of any of the terms and conditions of this Agreement and the service provider fails to remedy such breach within 30 days of receipt of notice from UTL, UTL has the option of terminating the Agreement

Either party shall be entitled to terminate this agreement by giving the other three months notice in writing. While the infrastructure facilities for our DCs are set up by the service provider, these DCs work exclusively for us and employ our software systems.

Stocks are delivered to stores on a daily basis or once in two days (as per their needs) in the morning, to the Receiving Bay Incharge who verifies the stock and keeps it on the floor, which is then displayed on the shelves, before customers enter. We do not have any stocking point at our stores.

This ensures that the desired service levels are effectively delivered, costs are variable, allows capturing economies of scale that the service provider is able to bring in. The service providers are accountable for all shrinkages in the distribution system.

Buying & Merchandising

Buying and Merchandising ('B&M') is an important function, under which our team plans the product offering for our customers, and procures them. They are responsible for ensuring product availability for the customers in the style and design desired by them.

The B&M team work closely with the store planning, marketing and visual merchandising teams and influence the marketing plan and capacity allocation.

The B&M function works on the basis of two seasons (Spring-Summer and Autumn-Winter). Each season is broken down into 26 weeks, with planning and monitoring done at the weekly level.

Based on market research, past performance analysis and forecasts for fashions and trends in the ensuing season as available from various industry bodies and research agencies, the B&M team plans and sources the product range for all our stores.

Financial Planning

The B&M team converts the corporate financial plan into divisional and department plans covering sales, margin, markdown and inventory.

Range Planning

Range planning is where our teams decide what to buy, how many options (types of merchandise) to buy and how much to buy of each option, and when to put it on sale. This is derived from the financial plans formulated for each season, for each division and department.

Our B&M team with the help of the software can fine tune the range for each store.

Product Development and Ordering

Generally, each brand makes a brand offering for the season. The merchandiser, based on trends and past data, selects the range and places the order.

For private label, we prepare the design brief for each season based on the trends and fashion forecasts. The design brief is converted into samples by our vendors, based on which we place the orders.

In Season Management

We monitor actual performance of our merchandise against the plan on a weekly basis during the season, and accordingly decide on the short term strategy to be adopted. These include additional markdowns and special promotions, in excess of what had been initially budgeted.

This may also require us to revise our plans, and also our purchase orders with our vendors, wherever possible.

Our private labels

We have a strong focus on our in-store brands, which are also called private labels. These help us complement the product range that we receive from national and international brands and allow us to offer to our customer an enhanced range across price points.

Since we do not advertise our private labels, our costs are lower enabling us higher margins as well as permitting us to offer our customers quality products at lower price points.

Private labels accounted for 16 % of our sales in FY 2004 and 17.4% for the 8 months period ended November, 2004. It is our endeavour to enhance the share of our private label portfolio in our total sales.

Our Gift Vouchers

We also sell gift vouchers, which are purchased by our customers for gifting purposes. These gift vouchers can be used in any of our stores for purchase of merchandise. Various corporates have purchased our gift vouchers for their gifting purposes.

Our arrangements with our vendors

We have various types of arrangements with our vendors for the merchandise they supply to us. These include:

Bought Out Merchandise

We purchase the merchandise from the vendor under this arrangement, and hence own the inventory. All our private label products and some of the brands that we retail form part of this arrangement.

Merchandise on Consignment Basis

Under this arrangement, the consignor remains the owner of the inventory and bears all inventory related risks. All unsold stock can be returned to the consignor, with our responsibility being limited to stock that may get damaged or lost while in our warehouses or stores. The consignor receives the payment for the merchandise only after it is sold.

Other Arrangements

In order to provide our customers with an enhanced range of products and services, which require specialized skills, we also enter into Conducting and Concessionaire arrangements. This also helps us shift our risks on inventory.

Concessionaires

These are arrangements under which we provide our concessionaires with a demarcated space within our store to sell its products. The concessionaire is responsible for its inventory and also employs its own staff at its counters. We monitor the product range as well as the sales staff to ensure consistency with the *Shoppers' Stop* offering. The concessionaire uses our billing and cash collection system. We get a percentage of sales under such arrangements, with a fixed minimum amount.

Conducting arrangements

Under this arrangement, we permit others to conduct their business in our stores in demarcated areas, and in return pay us a conducting fee. The conductor has its own billing and cash collection system, and independently manages its operations. The conducting fee that we receive from such arrangements is generally fixed as a percentage of the revenues generated by the conductor subject to a fixed minimum amount.

Advertising & Promotions

Our advertising strategy is based on creating a bond with the customer and enhancing their trust in *Shoppers' Stop*. Our advertisements thus promote the *Shoppers' Stop* brand and moods and not the merchandise, store or the property location. We extensively use promotions and events to further our relationship with our customers. We have a central marketing team at our service office in Mumbai, supported by representatives at our stores.

Promotions

We use promotions as an important part of our marketing tool to reinforce the brand positioning 'Feel the experience, while you shop'. The promotions are targeted at enhancing the fun in shopping and providing the customer with a unique shopping experience and not just on offering discounts and bargains. Our belief is to give more for same and not same for less.

We plan our annual promotions calendar and carry out these promotions simultaneously across all our stores.

Some of our promotions and events include:

- Parikrama: Festival celebrating Indian tradition and culture, which not only serves to bring the consumers closer to culture, but also provides a platform to promote upcoming artisans from remote and rural areas giving them an opportunity to showcase their art and craft at Shoppers' Stop.
- Men in Vogue: Event showcasing apparel and accessories for men with offers ranging from gifts to trips to international destinations and discounts etc. with every buy that they make. The event serves to bring men into the stores.
- Wardrobe Exchange: A charity promotion under which customers donate their old garments and accessories and earn discounts on new purchases at *Shoppers' Stop*. The old garments are donated to Concern India Foundation.

Besides these, we have organized several other festivals such as:

- Disney Carnival, in 1993, with official Disney characters from Disney Inc (Mickey, Minnie, Donald and Goofy) participating.
- The Tycoon Tie Festival in 1994, in which the largest tie in the world was displayed and featured in the Guinness Book of World Records.
- Festival of Britain, in 1996 in collaboration with the Government of Great Britain.
- The Buy and Fly to Seven Wonders of the World, in 2001 which provided customers an opportunity to win a trip to the Seven Wonders.

We also hold sales at the end of each season wherein we offer a range of discounts on our merchandise. These not only help us clear our inventory, but also bring in larger number of customers into our stores.

First Citizen's Club

Started in April 1994, the First Citizen Club is the center of our loyal customer management process.

We had 410,673 First Citizens as on March 15, 2005. First citizens accounted for about half of our sales for the period ended March 31, 2004.

We have three levels in our First Citizen membership namely Classic Moments, Silver Edge and Golden Glow, depending on the spend in our stores:

First Citizens receive:

- Reward points on their spend in our stores, which can be exchanged for merchandise as well as gift vouchers
- Special schemes and promotions available only to First Citizens.
- Extended or exclusive shopping hours, specially during festivals
- Invitations to select events and celebrations
- Home delivery of alterations.
- Comfort Lounges at select stores.

We have now made it a tradition to invite our First Citizens to inaugurate our new stores.

'First Update' from *Shoppers' Stop*

'First Update' is a complimentary bi-monthly magazine sent to Golden Glow and some of Silver Edge First Citizens. The articles are written keeping in view the lifestyle preference of the customer covering various topics such as health, shopping, specific product information, new season merchandise, fashion trends, store updates, contests/offers, entertainment and travel.

First Citizen Co-branded credit card

We have introduced Co-Branded cards as an extension of the First Citizen Club. We currently offer (subject to fulfillment of conditions) a First Citizen Citibank –co branded card to our Golden Glow and Silver Edge First Citizens. This card provides additional points over the regular reward points besides other benefits such as free insurance, offer alerts, EMI schemes, etc. The reward point system allow the customer the flexibility to earn reward points by shopping at any place of their own choice and still have them redeemed at *Shoppers' Stop*.

Systems and Processes

We have a strong focus on systems and processes. We believe that this is a strong differentiator for us and is a critical success factor in our growth strategy.

We have created a Manual of Authorities (MOA), which governs decision making authority. We also have extensive Standard Operating Procedures (SOPs) created into manuals to govern most of our activities including site selection, store planning, store operations, buying & merchandising, distribution and logistics etc.

Our SOPs are available on our Intranet, which helps our employees to access them whenever required helping us achieve consistency in our decision making process across the chain.

The SOPs provide guidelines for most of our business activities and define the steps to be undertaken as well as responses for a variety of situations that may arise. We believe this offers us significant advantages and enables us to:

1. Provide our customers with a consistent service delivery across our organization, which helps us strengthen our brand and bondage with the customer
2. Respond to situations and developments in a predictable manner
3. Capture learnings and best practices from across the organization and enhance efficiencies in our operations
4. Reduce operational risks by permitting us to identify issues and areas of concerns and deviations from set processes
5. Reduce our dependence on individuals, including those in critical functions
6. Induct new employees faster

We rank our stores based on their compliance with the SOPs. We believe our thrust on systems and processes will help us manage our growth better.

Management Information Systems (MIS)

We have strong MIS capabilities that make use of our technological investments to generate valuable insight for us and help us in improving our operations, as well as in enhancing our speed of response to what the customers want.

We are thus able to monitor our performance on a day to day basis, across stores, departments and product categories and compare the same with other stores as well as across periods. This helps us take corrective action on a timely basis, and optimise our stock.

We are in the process of implementing a business intelligence software called Business Objects, which we believe will further enhance our capabilities to extract and analyse our business data.

Measurement of Customer Satisfaction

We have been measuring and tracking drivers of customer satisfaction since 1999, and have devised a Customer Satisfaction Index (CSI). The CSI score as well as feedback received as part of the survey done of our customers provides us with valuable information. We use this for our strategic planning as well as operational improvements.

We carry out two studies in a year, with our First Citizens and walk in customers at the store, with CSMM Walker International, a leading global research agency, conducting the studies for us. Our CSI scores for the previous two years are given below:

	Consumer Satisfaction Index				
	May-02	**Dec-02**	**May'03**	**Dec'03**	**Aug'04**
Process Index	48.27	50.73	49.38	54.50	48.87
Overall Index	**58.19**	**62.43**	**60.30**	**63.15**	**62.53**

The Process Index covers factors within the control of the Company whilst the Overall Index also covers additional factors that may be outside the control of the Company but may have an impact on customer satisfaction.

CSI scores are made available at the unit level for each of the above parameters as well as for the chain. This allows us to track performance on customer expectation at overall, segment and unit levels, determine critical improvement areas at all levels and also identify opportunities that we can leverage upon. We use the CSI score as an indicator of employee performance with several of our managers having the CSI score as a Key Result Area (KRA) in their performance appraisal.

Measurement of Employee Satisfaction

We actively measure employee satisfaction as we believe that employee satisfaction has a direct relationship with customer satisfaction. Satisfied and motivated employees are critical for the success of any service intensive business like ours.

We carry out an annual online survey in which all our employees participate, based on which we determine the Employee Satisfaction Index (ESI), on store as well as chain level. We have linked ESI to management performance and have made it a KRA for several of our managers. Our ESI scores for the previous two years are given below:

	Employee Satisfaction Index		
	Dec-02	**Dec-03**	**Variance**
Work Factor Index	55.6	64.9	9.3
Overall Index	**71.6**	**78.8**	**7.2**

(Source: IMRB, an affiliate of CSMM Walker International)

The Work Factor Index covers parameters that directly impact the employee whilst the Overall Index covers additional factors such as company loyalty and image, which also influence employee satisfaction, but are outside the purview of the immediate manager.

We are one of the first Indian retailers to use external research agencies to track Employee Satisfaction scores. We also participated with Walker International in one of its world wide researches that links customer satisfaction with employee satisfaction.

Measurement of Vendor Satisfaction

We have also completed our first vendor satisfaction study covering all our trade vendors, conducted by IMRB (an affiliated of *CSMM Walker International).* This will be an annual study and will help us monitor our vendors' satisfaction level and their commitment and loyalty to us through the Partner Satisfaction Index.

We have also instituted awards for our vendors called 'Pinnacle Awards' for the top performing partners in various categories.

Technology

We are a technology oriented organization and use information systems extensively across our operations, to enable us to optimally benefit from our systems and processes.

Our focus on technology dates back to the time we started business, even whilst we were a single store company. Since then, we have remained abreast of the developments in IT usage in the retail sector globally and have progressively introduced new software solutions across various functions.

Beginning with a computerized cash memo in our first store in 1991, to use of FoxPro for operations & accounting and eventually, implementation of a complete ERP from JDA, we have gradually extended the use of technology in our various areas of operations.

Most of our critical functions such as Supply Chain, Operations, Finance & Accounts, Customer Loyalty Program & Human Resources are linked through a computer network. This has enabled us to reduce our time to market and respond to the changing customer requirements. This has also helped us reduce our costs of operations through both, reduction in wastages and missed opportunities as well as a consequent reduction of the overall costs of operations.

Our IT Backbone

Our entire organization is networked and connected with the 17 stores and 4 Distribution Centers (warehouses) linked up to the Services Office through high speed leased line. We have almost 250 point of sales machines and over 525 desktops or laptops connected to 25 servers spread across our different locations, through leased lines and Integrated Services Digital Network (ISDN).

We have data and network security systems in place with HCL COMNET managing the same. We have deployed some external third party packaged software solutions (from some of the leading global vendors), while some of the software systems have been developed in house.

We continue to invest in IT systems to upgrade the same to be able to better serve our requirements and enhance our operational efficiencies.

Functional Area	Software Used	Year installed	Comments
Merchandising Buying, product ordering, Receipt confirmation, Stock transfer, Inventory Management, Sales Management, Markdown, Auto replenishment, Merchandise event management	JDA ERP	1999	JDA is one of the leading ERP systems used by many retailers for multiple business models in regards to retailing. The system is fully integrated and takes care of the Supply chain from a manufacturer to the end customer by using back-end and front end systems like MMS (Merchandise Management System) & WinDSS (Windows Distributed Stores Systems).
Internal communication	Lotus Notes & Online Chat	1999	One of the first installation of Lotus Notes Release 5
Financial Accounting	Oracle Financials	2000	Completely integrated with our retail ERP-MMS, allows us to get online integrated financials.
Human Resources	RAMCO HRMS	2001	Our system supports Personnel Management, Payroll Management, Employee Benefits Management, Training Management and Executive Information.
Distribution and Logistics	WMS	2001	WMS enable the space planning and also integrated SKU location which enable faster picking and putting of merchandising
Vendor B2B	B-connect-B	2002	Information portal, which helps our partners (vendors) know information about their purchase orders, stock levels, sales data, payments and ledger data.
Merchandising Planning	Arthur Planning	2003	An integrated planning and decision making tool.
CRM	Business Objects	2004	Enables customer profiling and provide us the platform for designing the customer segment specific offering.

Human Resources

Our human resource policies are targeted at creating an engaged and motivated work force.

We have a fairly young team with the average age of the organization being 25 years. Managing a young team engaged in a service intensive business with largely repetitive work is one of the challenges that we face.

With competition from other service companies including retailers and ITES/BPO companies, retaining our CCAs is another challenge that we face, and therefore we view retention of key personnel as a priority task.

Our efforts in building a conducive work atmosphere has helped us in having lower attrition rates than the rest of the industry. Our attrition level in FY 2003 for the front end Customer Care Associates was 33% and has increased to 46% in FY 2004.

We provide a conducive work atmosphere and opportunities for our employees to learn and grow.

Our corporate values include:

"We will not take what is not ours."
"The obligation to dissent."
"We will have an environment conducive to openness."
"We will have an environment for innovation."
"We will have an environment for development."
"We will have a willingness to apologize & forgive."
"We will respect our customers' rights."
"Value of trust."
"We will be fair."
"We will contribute to society."

As part of our annual performance review system we also try to capture the values each associate has practiced for the past review period while on job.

We have 1835 employees working with us as on March 15, 2005. Additionally, we have 129 employees in our subsidiaries.

Age wise break up of our employees.

Age Group	No of employees
18-25	995
25-35	848
35 and above	121
Total	1964

Of these,1586 associates were engaged in Store Operations.

Educational background of our employees

Education	No of employees
Post-Graduate	239
Graduate and specialized courses	1167
Under-Graduate	558
Total	1964

Employee Development Policy

Our Human Resource vision is to create an committed workforce through people enabling processes and knowledge sharing practices based upon our value system.

We believe that learning and development is an integral part of business operations. Each of our employees has training of subordinates and mentoring as a critical part of his KRAs. This enables us also to share our learnings across the organization as well as bring in the SSL values to the employees.

We also focus on our top 100 associates under which the development needs of these employees are tracked and a six monthly review conducted by the CCA, MD and CEO. We have annual assessment centers for every level within the organization, including the top management. Under this, employees are subject to certain tests and areas of development identified and focused on in the coming year, based on the employee's career plan. We also use these assessment centres to carry out promotions at all levels, through a completely transparent process. The processes have been developed in-house along with support provided by SHL (India) Pvt. Ltd., a wholly owned subsidiary of SHL Group (UK), a leading global player in competency and assessment centre technology.

35% of our job positions are filled from personnel within the organization through a process of scientific selection based on assessment centers. This is mainly due to the reason that we strongly believe in providing the associates with career paths within the Company through cross functional exposure and role enhancement as part of the developmental process.

Training

Our corporate objective is to provide every associate with an average of 60 hours of training per annum through internal and external resources.

All senior management members are required to contribute 12 days per annum towards training. This is in addition to 45 trained and certified internal trainers who conduct training on an ongoing basis. Providing training is one of the mandatory leadership competencies for promotion.

In order to support a learning culture, we provide at our discretion, reimbursement for fees for relevant professional courses that eligible associates enroll in. Executive development is enhanced through strategic tie-ups with management institutes such as IIM, Ahmedabad. We have tied up with City and Guilds, UK, to provide a distance learning and certification program for Customer Care Associates who have been identified as having potential to grow into supervisory roles.

International exposure is provided to associates with potential. On an average, annually about 50 associates get an opportunity to visit retail establishments in different parts of the world through the International Group of Department Stores (IGDS). Internationally acclaimed professors are brought into India to train SSL associates on strategic issues of retail management.

Compensation Policy

Our compensation policy reflects our continuing efforts to build a world class performance driven culture. We benchmark ourselves on compensation externally through William Mercer (a compensation consulting firm) biannually, and aspire to be on the upper quartile of our target segment, comprising of FMCG companies and other retail companies and are currently at the 73rd percentile.

Variable pay is an important component of total compensation, with all our associates covered under our Profit Linked Reward Scheme (PLRS), linking individual performance and Company profitability. Almost 60% of Customer Care Associates earned PLRS in the year ended March 31, 2004. We also have Employee Stock Option Plans (ESOPs). 65 employees held stock options under our ESOPs as on January 22, 2005.

We also have a non monetary reward scheme called 'Jo Jeeta Woh Sikander' which recognizes excellence in work under various categories i.e. Best CCA, Supervisor, Store, etc. Winners in each category are recognised through awards and ceremonies and are given individual prizes such as Trophies and Gift Vouchers.

Communication to Employees

We also have a bi monthly in-house magazine called Re-Tale. , which helps us in our endeavour to enhance transparency and communication across levels. Associates are encouraged to write in to the editor with their concerns and the MD & CEO is required to respond with a solution through this magazine.

We also conduct focus groups wherein we have participation from cross functional and cross level associates where they can voice their thoughts, issues or opinions to the facilitator.

Competition

We retail a range of branded apparel, footwear, perfumes, cosmetics, jewellery, leather products, accessories, home products, electronics, books, music and toys in our stores. We also retail our own private label apparel, footwear, fashion jewellery, leather products, accessories and home products. This is complemented by cafe, food, entertainment, personal care and various beauty related services. Promotions and events are an integral part of our service offering to our customer, which helps us create a unique shopping experience.

We face competition from other retailers of similar products and services. These include stand alone stores in the organized and unorganized sector, as well as other chains of stores including department stores.

We focus on offering our customers a unique shopping experience with a combination of promotions and events. It is because of this and the service and ambience that we offer, that we believe we have been able to create a differentiation in the mind of the customer vis-à-vis our competitors where similar products and brands are available.

Our Social Responsibilities

We are a responsible corporate citizen and make a conscious effort to contribute to society at large. We support NGOs such as Child Relief and You (CRY) and Concern India Foundation.

We have, in association with CRY, launched eco-friendly bags and donate part of the proceeds from their sale to CRY supported projects. We also periodically conduct 'exchanges' as part of our promotions and donate the old garments collected to Concern India Foundation.

Capacity Utilisation

We are into the business of retailing of goods and services where capacity and capacity utilization can not be quantified.

Synopsis of Restrictive Covenants of the Lenders' Agreements

Set out below are details of restrictive/negative covenants contained in certain loan agreements executed between our Company and the banks below.

S. No.	Name of Bank	Date of Loan Agreement	Restrictive /Negative Covenant
1.	UTI Bank Ltd.	Short Term Loan Agreement dated October 3, 2003	Clauses 7 II) and 7 III) of the said agreement provide that the borrower covenant with UTI Bank II) Not to permit any change in the ownership or control of the borrower which may change the effective beneficial ownership or control of the borrower and also not to effect any material change in the management of the business, not to make any amendments in the borrower's Memorandum and Articles without the prior written consent of the bank; III) Not to assume guarantee, endorse or any manner become directly or contingently liable for or in connection with the obligation of any person, firm or corporation except for transactions in the ordinary course of business.
2.	IDBI Bank Ltd.	Facilities Agreement dated November 5, 2003	Clause 9.4 of the said agreement provides that the borrower shall not during the subsistence of the liability of the borrower to the bank under or in respect of any of the facilities, without the written consent of the bank: (A) Change or in any way alter the capital structure of the borrower. (B) Effect any scheme of amalgamation or reconstitution. (C) Implement a new scheme of expansion or take up an allied line of business or manufacture. (D) Declare dividend or distribute profits except where the installments of principal and interest payable to the bank in respect of the facilities are being paid regularly and there are no irregularities whatsoever in respect of the facilities. (E) Enlarge the scope of the other manufacturing / trading activities if any undertaken at the time of the application and notified to the bank as such.

S. No.	Name of Bank	Date of Loan Agreement	Restrictive /Negative Covenant
			(F) Withdraw or allow to be withdrawn any monies brought in by the promoters and directors or relatives and friends of the promoters or directors of the borrower. (G) Invest any funds by way of deposits, or loans or in share capital of any other concerns (including subsidiaries) so long as any money remains due to the bank; the borrower will however be free to deposit funds by way of security with third party in the normal course of business or if required for the business. (H) Borrow or obtain facilities of any description from any other bank or credit agencies or banks or enter into any hire purchase arrangement.
3.	Kotak Mahindra Bank Ltd.	Agreement dated August 3, 2004 read with letter addendum dated August 6, 2004	Clause 10 of the said agreement provides that the borrower/s agrees and covenants as under: 10.1 The borrower/s shall manage its finances in a sound and prudent manner and shall not impair its ability to perform the said agreement. 10.2 The borrower/s shall not guarantee or pay or provide any collateral for obligations of others [which results in the borrowers debt equity ratio after taking into consideration such guarantee and/or payment or provision of collateral to exceed 1:1. For computation of this ratio, carried forward losses if any would also be included. Further, the availing of borrowings in excess of accessed working capital limits as also any secured term loans without prior approval of the bank and the availing of unsecured loans without intimating the bank within the multiple banking arrangement, shall be an event of default on part of the borrower. 10.3 Without the bank's prior written consent, the borrower/s shall not enter into, or be a party to, any transaction with any affiliate of the borrower/s, except in the ordinary course of and pursuant to the reasonable requirements of the borrower's/s' business and upon fair and reasonable terms which are fully disclosed to the bank in advance. 10.4 In case the borrower/s is a partnership firm or a sole proprietary concern, the borrower/s shall not change or permit any change or permit any change of its constitution (which term includes the admission of any partner or the retirement of any partner for any reason other than the demise of that partner) without the bank's prior written consent. 10.5 In case the borrower/s is a company, there shall be no change in the shareholding pattern of the promoters / shareholders mentioned in the schedule annexed to the said agreement (including by issue of new shares and transfer of shares) or in the borrower's/s' management without the bank's prior written consent. 10.6 The borrower/s shall not change its name or trade name without the bank's prior written consent. 10.7 No change whatsoever in the constitution of the borrower/s regardless of whether the same is with or without the consent of the bank shall impair or discharge the liability of the borrower to the bank. 10.8 The borrower/s shall notify the bank in writing atleast 60 days in advance of any intended changes in the location of its office or principal place of business. The borrower/s shall take such action as is required by the bank prior to making the change. 10.9 The borrower/s shall do and / or shall ensure that third parties shall do all such acts, matters and things and execute such documents as the bank may from time to time require. The borrower/s / third parties to do so as to ensure that the secured assets and / or the secured third party assets are not in any manner prejudiced. 10.10 The borrower/s agree/s that from time to time upon the bank calling upon the borrower/s to do so, the borrower/s shall create and / or shall procure the creation by third parties in favour of the bank to secure the repayment / payment of the borrower/"s dues. The provisions of the said agreements to the extent applicable, shall apply also to such additional security.

S. No.	Name of Bank	Date of Loan Agreement	Restrictive /Negative Covenant
			10.11 The borrower/s agree/s to accept as conclusive proof of the correctness of any sum claimed to be due from him/her/it/them to the bank under the said agreement, a statement made out from the books of the bank and signed by the manager / agent / accountant and / or other duly authorized officer of the bank without the production of any other voucher, document of paper if within three days of receipt of such statement etc the borrower having noticed any error therein, has not pointed out such error to the bank. 10.12 The borrower/s shall conduct its business operations in compliance with all applicable laws and shall pay all taxes and other obligations when due. 10.13 The borrower/s shall notify the bank immediately of any: (a) Lawsuits, governmental proceedings, or claims which, individually or in the aggregate, involve an amount exceeding 10% of the borrower's/s' net worth or which may impair the borrower's/s' ability to perform the said agreement if the relief requested were granted. (b) Occurrence of any event of default or any event which with the passage of time or the giving of notice may result in an event of default. 10.14 All payment by the borrower/s to the bank hereunder or pursuant hereto shall be made without any deduction set off or counterclaim (except such deduction of tax, if any, as may be required by law). 10.15 All the unsecured loans (including promoters' loans) of the borrower shall be subordinated to the loan / facility obtained by the borrower from the bank. 10.16 If the borrower/s is a private company (and not a subsidiary of a public company) at the time of execution of the said agreement and, at any time hereafter, the borrower's becomes a public company, then the borrower/s shall forthwith inform the bank thereof in writing and shall also forthwith pass the required resolution under Section 293(1)(d) of the Companies Act, 1956 to the satisfaction of the bank and deliver a certified true copy thereof to the bank.
4.	ICICI Bank Ltd.	Credit Facility Agreement dated April 11, 2000 read with supplemental agreement dated April 11, 2000	Clause titled 'Negative Covenants' in 'General Conditions' GC-I of the said agreement provides that the borrower(s) covenant not to do the following except with the prior written consent of the bank: - The undertake any new project, diversification, modernization. - To issue any debentures, raise any loans, issue equity, preference capital or warrants, change its capital structure or create any charge on its assets or give any guarantees or borrow or obtain credit facilities of any description from any other bank or credit agency or money-lenders or enter into any hire-purchase arrangement during the subsistence of the liability of the borrower(s) to the bank. - To pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any financial assistance obtained for or by the borrower(s) or in connection with any financial assistance obtained for or by the borrower(s) or in connection with any other obligation undertaken for or by the borrower(s) for the purpose of their business. - To declare or pay any dividend to its shareholders during any financial year unless it has paid all the dues to the bank upto the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions, therefore. - To undertake or permit any merger, consolidation, reorganization, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. - To make any investments by way of deposits, loans, equity or otherwise in any company, organization or business unit so long as any monies are due and payable to the bank. The provision shall not apply to temporary loans and advances granted to staff or contractors or suppliers or deposits by way of unsecured loans, and acceptance

S. No.	Name of Bank	Date of Loan Agreement	Restrictive /Negative Covenant
			of deposits under relevant statutes or rules or regulations applicable to the borrower(s) from time to time. - To recognize or register any transfer of shares in the borrower(s)'s capital made or to be made by the promoters, their friends or associates except as may be specified by the bank. Provided however that the approval of the bank shall not be required in case of transfer of shares within the C.L. Raheja Group so long as not less than 51% of the paid up capital of the borrower is held with the C.L. Raheja Group at all times. For the purpose of this clause, the Group means the group of companies under the same management as defined under section 370(1B) of the Companies Act, 1956 and including the Companies as specified in Schedule I. Further the group shall also include C.L. Raheja Group which means Mr. Chandru L. Raheja, Mrs. Jyoti C. Raheja, Mr. Ravi C. Raheja, Mrs. Sumati R. Raheja, Mr. Neel C. Raheja and his spouse and their lineal descendents and the entity/ies (whether incorporated or not) controlled by them individually or jointly by any two or more of them or collectively or by or through entity/ies (whether incorporated or not) that they or either of them (whether singly, jointly or collectively) control, or as per Schedule I attached. The meaning of the word control used herein with respect to C.L. Raheja Group means the possession, directly or indirectly of power to direct or cause the direction of the management and policies of the entity/ies (whether incorporated or not) through the ownership of voting power of at least 51% of such entity/ies or by through the ownership of voting power of at least 51% of such entity/ies or by contract or otherwise. Further provided that in computing the 51% of the paid up capital of the borrower to be compulsorily held by the C.L. Raheja Group, the shareholding of the overseas corporate body will be considered alongwith the shares held by the persons belonging to the C.L. Raheja Group. To create any encumbrance or sell the moveable and immoveable assets of the borrower(s) and or guarantor(s).
5.	Citibank N.A.	Facility Agreement dated January 30, 2003 and Facility Agreement dated April 26, 2004	Clause 11 of the said agreement provides that the borrower covenant and agrees that so long as the facility or any part thereof is outstanding and until full and final payment of all money owing hereunder, it shall not, without the prior written consent of the bank: (a) Create or permit to subsist any encumbrance, mortgage or charge over all or any of the present or future moveable, current assets and fixed assets of the borrower; (b) Sell, transfer, charge encumber or otherwise dispose of its right title or interest in the brand "Shopper's Stop; (c) Sell, transfer or otherwise dispose of any of its properties or assets or undertakings including the brand otherwise than in the ordinary course of its business; (d) Incur or assure any further indebtedness except any indebtedness which arises in the ordinary course of business; (e) Assume, guarantee, endorse or in any manner become directly or contingently liable for or in connection with the obligation of any person; (f) Make any loan, grant any credit (except in the ordinary course of its business) to or for the benefits of any person. (g) Make or permit any change in its management or a reduction in the promoters' existing shareholding to below 75% (seventy-five percent) of the paid-up equity capital for the time being of the borrower; (h) Install or retain any electronic data capture ("EDC") machines of any credit card issuer other than the bank excluding AMEX unless there is a technical problem in the EDC machines of the bank, which the bank is unable to rectify.
6.	HSBC	Banking Facility Sanction letter dated March 14, 2005	a. Any changes in the capital structure, schemes of amalgamation/re-construction must be agreed by the Bank prior to being undertaken. b. Expenditure in new projects must be agreed by the Bank unless this is covered by the Company's net cash accruals after providing for dividends, taxes, investments etc., or is covered by long term funds received for financing projects/expansions.

S. No.	Name of Bank	Date of Loan Agreement	Restrictive /Negative Covenant
			c. The Company must not invest by way of share capital in, or lend, advance funds to, place deposits with or undertake guarantee obligations on behalf of any other concern. Normal trade credit or security deposits in the usual course of business, or advances to employees, are not covered by this covenant. d. The Company must not enter into borrowing arrangements, of any sort with any other bank, financial institutions, company or otherwise, save and except to the extent of working capital arrangements approved by the [existing consortium of] bank[s] and term loans sanctioned by banks/financial institutions. e. Dividends declared must be only out of profits relating to that year. f. Monies brought into the Company by principal shareholders/directors/ depositors will not be withdrawn without the bank's prior approval. g. The Company should keep the bank, informed about the happening of any event such as labour problems, power cuts, litigation, government actions etc., or such events that are likely to adversely affect the financial health of the Company or its subsidiaries, if any. h. The Company is required at all times to maintain sufficient long term funds to cover all long term assets and a minimum of 25% of current assets. i. Credit facilities must be utilized only for the specific purposes for which they have been granted. j. Equity infusion including share premium of Rs.1000 mn latest by 30 September 2005. A certificate by the company's CA to validate the same must be provided. k. The company will advise the consortium bankers of the facilities availed from HSBC. l. Disbursals under limit 1 will remain within the drawing power of the company, at all times. m. The tenor of limit 2 will be restricted to the maximum credit period offered by the suppliers, as evidenced from the actual invoices held by the company. A default at any point of time by the firm in all respect of any one or more of the above covenants/conditions will make all bank facilities payable immediately without any further invoice having to be served on the firm.

OUR HISTORY, CORPORATE MATTERS AND EVOLUTION

Incorporated as a private limited company on June 16, 1997, we beacme a deemed public limited company on December 8, 1997. Pursuant to an amendment to the Companies Act in the year 2000, our Company was converted from a deemed public company to a full fledged public company with effect from October 6, 2003.

Prior to incorporation two of our existing stores at Mumbai and Bangalore were run by a division of Ivory Properties & Hotels Limited (IPHL) under the brand named Shoppers' Stop. Soon after our incorporation, IPHL executed a conducting agreement with us dated November 3, 1997 giving us a right to participate in running the departmental stores which included the right to use (i) the Mumbai Shopper's Stop property (ii) the Bangalore Shoppers' Stop property (iii) the agreements and arrangements with various parties relating to purchases, sales, franchises and co-sponsorship (iv) the brands developed (v) the diverse modes of rendering services to the customers (vi) the data bank of Shopper's Stop, the membership of the First citizen's Club etc; (vii) the software, various systems and training programmes (viii)books and cassettes providing knowledge for retail trade,(ix) the business sport systems and (x) the names of the stores and logos of the stores.

This agreement was terminated and a fresh Conducting Agreement was executed with IPHL dated March 31, 2000.

IPHL signed a Deed of Assignment dated March 31, 2000 with us for transferring the ownership of certain trademarks, trade names, goodwill and brand names in our favour known as SHOPPER' STOP (label), STUDIO KRT (label), STOP (label with color schemes)STOP(device), STOP(label), FIRSTCITIZENS'CLUB, BLUESBIZAAR, BLUES BIZARRE, BLUESBIZAR (word & label) BLUES BIZAAR (word & complete label) I(in-house brand), i (in-house brand), B (in-house brand).

Out of the various trademarks under which we presently market our in-house products only ten are registered in our name. Three of the trademarks we presently market some of our in-house products are registered in the name of our Promoter, Ivory Properties and Hotels Pvt. Ltd. and applications are yet to be made to register them in the name of our Company. For the rest, applications for the registration of these trademarks in the name of our Company have been submitted to the relevant trademark authorities and are still pending with them.

We initially acquired 790 equity shares of Rs 100 each in UTL from some of the existing shareholders and increased our stake in the company to 1265 Equity Shares (25.3% of the equity capital) on March 23, 1999 at a purchase price of Rs 100 per share. UTL was a trading company, and was one of our suppliers for garments and accessories. We enhanced our stake in UTL to 100% in February 2000.

UTL has discontinued its trading operations from January 2003. UTL handles our distribution and logistic function since February 2000 and now operates through four distribution centers located in Mumbai, Bangalore, New Delhi and Kolkata.

Shoppers' Stop Services (India) Ltd was incorporated as our wholly owned subsidiary in March 2000 to provide shared services and consultation, in accounting and logistics operations. Currently, this subsidiary has limited operations.

Shoppers' Stop .Com (India) Ltd was incorporated in February 2000 as our wholly owned subsidiary to provide on-line shopping facilities to our customers. As this venture did not yield desired results, its operations were discontinued in February 2001.

Profound Readers' Choice Trading (India) Ltd was incorporated in November 1999 as our subsidiary and acquired 'Crossword', a chain of books and music stores, from India Book House Ltd (IBHL) under trademark and style of Crossword, as a going concern by way of slump sale on March 31, 2000. The Crossword Division from IBHL was acquired at a purchase consideration of Rs.137.5 mn for the whole of the acquired business undertaking. The Deeds of Assignment between IBHL and Profound Readers' Choice Trading (India) Ltd were signed on March 31, 2000 & July 5, 2000 for assignment of trademarks of Crossword.

Profound Readers' Choice Trading (India) Ltd changed its name to Crossword Bookstores Ltd (Crossword) and has ICICI Trusteeship Services Ltd a/c ICICI Emerging Sectors Fund as it's equity investor holding 49% of its equity, and is governed by a separate shareholders' agreement.

Milestones of Our Business

Year	Events
1991	IPHL opened its first *Shoppers' Stop* store selling men's wear at Andheri (Mumbai)
1992	Ladies section added
1993	Children and non apparel accessories sections added
	Disney carnival organized, with official Disney characters (Mickey, Minnie, Donald and Goofy) participating, In house Retail Management Trainee Programme started
1994	First Citizen Club loyalty card launched
1995	Second store opened (Bangalore)
1996	Festival of Britain celebrated in association with the Commercial Department of the British Consulate
1997	Shopper's Stop Limited was incorporated on June 16
1997	Festival of Indian tradition and culture, *'Parikrama'*, launched
	Co-branded credit card launched for FCC members in partnership with HSBC
1998	Third store opened (Hyderabad), the then largest with 72,287 sq. ft of retail area
	SSL co-opted as India's only member to the Intercontinental Group of Department Stores (IDGS)
1999	Implemented JDA Retail ERP (a global leader in retail ERP packages)
	Fourth and Fifth stores launched (Jaipur & Delhi)
2000	Sixth & Seventh stores opened (Chennai & Chembur, Mumbai)
	Placed equity with external investors to raise Rs 600 mn
	Acquired Crossword, one of India's leading book retailing chain, from India Book House in partnership with ICICI Trusteeship Services Limited (A/c ICICI Emerging Sectors Fund)
2001	Implemented Warehousing Module of JDA, Auto Replenishment and Auto Purchase Order system and business to business connectivity
	Eight and Ninth store launched (Pune & Bandra, Mumbai)
	Profit Linked Reward System (PLRS) introduced for all employees
2002	Tenth store opened (Kandivali, Mumbai)
2003	Received various industry awards from CMAI (including Best Retailer of the Year) and from Nasscom (Best IT Practice in Retail Category)
	Signed Austin Reed licence for men's outerwear for India exclusively
	Three stores launched taking the total number of stores to 13 (Mulund, Mumbai, Gurgaon and Kolkata)
2004	Fourteenth, fifteenth and sixteenth stores launched in February 2004 (Malad, Mumbai), June 2004 (Salt Lake City, Kolkatta) and October 2004 (Bangeratta Bangalore) respectively taking total retail area to 752,848 sq ft
	Received Superbrand status for 2003 and 2004
	Received Images Retail award for the "Most favoured retail destination of the year" – September, 2004
	Received the "Organization With Innovative HR Practices" award at the HR Excellence Awards organized by Mid-Day, Big Break & Daks – November 2004
	Reveived Top retailer 2004 India Bronze award given by Retail Asia-Pacific Top 500 awards
2005	Seventeenth store launched in April 2005 at Nucleus Mall, Pune.

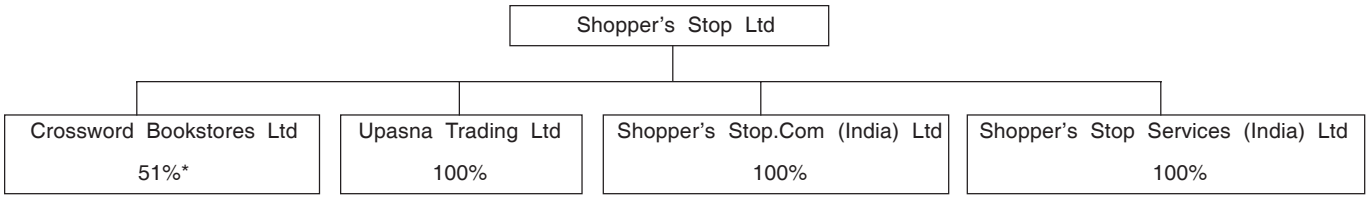
Auditor Qualifications': Statutory Auditor "Deloitte Haskins & Sells" vide its report dated February 23, 2005 has mentioned the following qualification in respect of operations of Upasna Trading Limited which is being reproduced from their report as follows:

(i) The operations of Upasna, a 100% subsidiary of SSL are entirely dependent on SSL and SSL is committed to provide the necessary level of financial support to Upasna to enable it to operate and pay its debts, if required. We are informed that management plans to enhance Upasna's role in the distribution and logistics operations of group companies and it will therefore be able to repay SSL's dues in the near future. Of the Rs.39.30 million and Rs.39.84 million outstanding as at 30 November 2004 and 31 March 2004 respectively, Rs.26.42 million and Rs.25.30 milion respectively, had been advanced to meet certain disputed liabilities which have been paid by Upasna under protest and SSL has correspondingly included such amounts under contingent liabilities, [see note 2 in Annexure III (a)]. In respect of the balance of Rs. 12.88 million and Rs. 14.54 million respectively, since the impact of non-recovery, if any, cannot be quantified the Summary Statements [Annexures I (a) and II (a)] have not been adjusted.

For further details, please refer to section "Consolidated Financial Information" in this Prospectus.

Our corporate structure:

Our existing corporate structure is as under:



* An agreement dated February 28, 2005 has been entered into between Shoppers Stop, ICICI Trusteeship Services Ltd. (in its capacity as trustee of ICICI Emerging Sectors Fund a scheme of ICICI Emerging Sectors Trust /Mutual Fund) (hereinafter "ICICI") and Crossword Bookstores Limited. Pursuant to the provisions of the said agreement our Company has agreed to purchase 4685625 equity shares of Crossword from ICICI not later than June 30, 2005. Pursuant to clause 4 of the said agreement in the event that the sale and purchase of the abovmentioned shares is not completed by June 30, 2005 (unless otherwise extended by mutual consent) the said agreement shall terminate and cease to have effect.

Our Main objects

The main objects of our Company to be pursued on its incorporation are:

1. To own, construct, take on lease or in any other manner and to run, render technical advice in constructing, furnishing, running and management of retail business including departmental stores, direct to home & mail order catalogue for all category of products and services dealing in all kinds of goods, materials and items in India or any other part of the world.
2. To deal in all kind of garments, fabrics, accessories and allied goods in India and abroad.

The main objects clause and the objects incidental or ancillary to the main objects of the Memorandum of Association of our Company enable us to undertake our existing activities for which the funds are being raised through this Issue.

Changes in our Memorandum of Association

1) Change in 'Other Objects' Clause: The 'Other Objects' clause of our Company was amended vide a special resolution passed in the AGM held on May 5, 1998 and the following clause no 134 under 'Other Objects' ancillary to main objects was added:

   'Subject to the provisions of any law for the time being in force, to do business of money changers and to deal in foreign exchange, either in cash or traveler's cheques or credit cards'.

2) Increase in Authorized Capital

Since our Incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholder Approval	Change
September19,1997	The authorised share capital of our Company was increased from Rs.0.5 mn comprising of 5,000 Equity Shares of Rs.100/-each to Rs.7.5mn comprising of 75,000 Equity Shares of Rs.100/-each
February 26, 1999*	Sub division of Equity Share capital comprising of 75,000 Equity Shares of Rs.100/-each aggregating to Rs.7.5mn to 750,000 Equity Shares of Rs.10/-each aggregating to Rs.7.5mn. and
	The authorised share capital of our Company was increased from Rs.7.5 mn comprising of 750,000 Equity Shares of Rs.10/- each to Rs. 17.5 mn comprising of 1,750,000 Equity Shares of Rs.10/-each.
March 20, 1999	The authorised share capital of our Company was increased from Rs. 17.5 mn comprising of 1,750,000 Equity Shares of Rs.10/-each to Rs.225 mn comprising of 22,500,000 Equity Shares of Rs.10/- each
December 28, 1999	The authorised share capital of our Company was increased from Rs. 225 mn comprising of 22,500,000 Equity Shares of Rs.10/-each to Rs.280 mn comprising of 28,000,000 Equity Shares of Rs.10/-each
24, November, 2003	The authorised share capital of our Company was increased from Rs.280 mn comprising of 28,000,000 Equity Shares of Rs.10/-each to Rs. 400 mn comprising of 40,000,000 Equity Shares of Rs.10/-each
March 31, 2004 #	Sub division of Equity Share capital comprising 40,000,000 Equity Shares of Rs.10/- each aggregating to Rs.400 mn to 80,000,000 Equity Shares of Rs.5/- each aggregating to Rs.400 mn
July 30, 2004 #	Consolidation of the Equity Share capital comprising of 80,000,000 Equity Shares of Rs.5/- each aggregating to Rs.400 mn to 40,000,000 Equity Shares of Rs.10/- each aggregating to Rs.400 mn

* At an Extra Ordinary General Meeting held on February 26, 1999, a sub division of equity shares was approved by our shareholders resulting in each equity shares of Rs.100/- being sub divided into 10 Equity Shares of Rs.10/- each and consequently, the authorized share capital of the Company was altered from Rs. 17,500,000 divided into 175,000 equity shares of Rs.100/- each to Rs. 17,500,000 divided into 1,750,000 Equity Shares of Rs.10/-each.

At an Extra Ordinary General Meeting held on March 31, 2004, a further sub division of Equity Shares was approved by our shareholders resulting in each Equity Share of Rs.10/-each being sub divided into two shares of Rs.5/- each and consequently the authorized share capital of the Company was Rs.400Million divided into 80,000,000 equity shares of Rs. 5/- each.

At an Annual General Meeting held on July 30, 2004, a consolidation of Equity Shares was approved by our shareholders resulting in two Equity Shares of Rs. 5/- each being consolidated into one share of Rs. 10/- and consequently the authorized share capital of the company was Rs.400 mn divided into 40,000,000 Equity Shares of Rs. 10/- each.

The details of the capital raised by our Company are given in the section entitled 'Capital Structure" on page no 16 of this Prospectus.

Credit Rating:

In March 2003, our Company received a credit rating of F1 (Ind) from Fitch for its short-term debt requirement of Rs. 100 Million. The rating is valid for a period of one Year. Fitch has reviewed the rating in 2004 and reaffirmed its rating of F1 (Ind) through its letter dated February 25, 2004 which is valid for a period of one year and has subsequently enhanced the same to cover Commercial Paper issuance of upto Rs 200 mn in April 30, 2004 and has subsequently reaffirmed its rating of F1(Ind) for one year through its letter dated March 15,2005. Our rating of F1 (Ind) denotes the highest safety.

Investment and Share Purchase Agreements

The Company had entered into the Investment Agreement in respect of the shareholding of 1,875,000 equity shares of Rs. 10/- each of the Company by ICICI Trusteeship Services Limited (A/c ICICI Emerging Sectors Fund). The Company was also a party to 3 Share Purchase Agreements, one agreement dated March 28, 2000 and two agreements dated April 3, 2000 and Supplement Agreements all dated April 27, 2002 between the Promoters and ILFS Trust Company Limited and Sara Fund Trustee Company Limited for purchasing 170,000, 455,000 and 312,500 Equity Shares respectively from the Promoters of the Company. The Investment Agreement, Share Purchase Agreement and their respective Supplementary Agreements contain certain provisions for management of the Company and restrictions on the Promoters including restrictions on transfer of their shareholding etc. However, these agreements will terminate upon listing of Equity Shares of the Company pursuant to an initial public offering

Therefore these agreements have no force or effect post the completion of the Issue and the listing of our Equity Shares on the Stock Exchanges.

MANAGEMENT

Our Managing Director & CEO, Mr. B.S. Nagesh manages our day to day operations under the supervision, direction and control of our Board of Directors. As per our Articles of Association we cannot have less than three nor more than twelve Directors. Currently we have ten Directors on our Board.

Board of Directors : The following table sets forth details regarding other directorships of our Directors

Name, Designation, Father's Name, Address Occupation and Tenure	**Age (years)**	**Name of Bodies Corporate in respect of which notice has been given by him of other directorship**
Mr. Chandru L. Raheja	64	K. Raheja Private Limited
Chairman and Non-Executive Director		K. R Consultants Private Limited
(S/o Late Mr. Lachmandas Raheja)		K. Raheja Trusteeship Private Limited
Raheja House, 53 A Pali Hill,		Rendezvous Estates Private Limited
Bandra, Mumbai - 400 050 (India)		S. K. Estates Private Limited*
Business		Ivory Properties and Hotels Pvt. Ltd
Tenure *-Permanent Director*		Asiatic Properties Limited
Nationality: Indian		Beach Haven Properties Private Limited
		Amber Apartment Makers Pvt. Ltd.
		BKC Constructions Pvt. Ltd.
		Nandjyot Properties & Hotels Pvt. Ltd.
		K. Raheja Corp Private Limited
		Juhu Beach Resorts Limited
		Hill Queen Estate Development Pvt. Ltd.
		Sevaram Estates Private Limited*
		Sea Breeze Estate Development Pvt. Ltd.
		Palm Shelter Estate Development Pvt. Ltd.
		Debonair Estate Development Pvt. Ltd.
		Chalet Hotels Limited
		Neel Estates Private Limited*
		Peninsular Housing Finance Pvt. Ltd.
		Suruchi Trading Private Limited
		Wiseman Finance Private Limited
		Casa Maria Properties Private Limited
		Fems Estate (India) Private Limited*
		Oyster Shell Estate Development Pvt. Ltd.*
		K. Raheja Hotels & Estates Private Limited
		Juhuchandra Agro & Development Pvt. Ltd
		Formost Granite Exports Private Limited
		Cape Trading Private Limited
		Raghukool Estate Development Pvt. Ltd.
		Anbee Constructions Private Limited
		Capstan Trading Private Limited
		Carlton Trading Private Limited
		K. Raheja Development & Construction Pvt Ltd
		K.R. Developers Private Limited
		Springleaf Properties Private Limited*
		Touchstone Properties & Hotels Pvt. Ltd.
		K. Raheja Services Private Limited
		Inorbit Malls (India) Private Limited
		Carin Hotels Limited
		Dindoshila Estate Developers Private Limited*
		Rockfort Estate Developers Limited

Name, Designation, Father's Name, Address Occupation and Tenure	Age (years)	Name of Bodies Corporate in respect of which notice has been given by him of other directorship
		Knight Frank India Private Limited
		BKC Properties Private Limited
		K Raheja IT Park (Hyderabad) Private Limited
		Mind Space IT Park Private Limited
		Neerav Properties and Hotels Private Limited
		Serene Properties Private Limited
		Hypercity Retail (India) Pvt Ltd (formerly known as Rainbow Retail Private Limited)

*In this regard see notes to the chart of directors given in respect of each of the companies in Mumbai Undivded Entities section of the Prospectus.

Mr. Ravi C Raheja	33	Suruchi Trading Private Limited
Non-Executive Director		K. Raheja Private Limited
(S/o Mr. Chandru L Raheja)		S.K. Estates Private Limited*
Raheja House, 53 A, Pali Hill,		Palm Shelter Estate Development Pvt. Ltd.
Bandra, Mumbai – 400 050 (India)		Anbee Constructions Private Limited
Business		Asiatic Properties Limited
***Tenure**: Permanent Director*		Juhuchandra Agro & Development Pvt. Ltd.*
Nationality: Indian		Chalet Hotels Limited
		Euroweave Exports Private Ltd.
		BKC Constructions Pvt. Ltd.
		K.R. Consultants Private Limited*
		Rendezvous Estates Private Ltd*
		K. Raheja Hotels & Estates Private Limited
		Sea Breeze Estate Development Pvt. Ltd.
		Touchstone Properties & Hotels Pvt. Ltd.
		Beach Haven Properties Private Limited
		Ivory Properties and Hotels Private Limited
		K Raheja Services Private Limited
		K. Raheja Corp Private Limited
		Inorbit Malls (India) Private Limited
		Casa Maria Properties Private Limited
		Cape Trading Private Limited
		Capstan Trading Private Limited
		Raghukool Estate Development Pvt Ltd.
		Carin Hotels Limited
		Crossword Bookstores Limited
		MID - DAY Multimedia Limited
		Rockfort Estate Developers Limited
		Louisiana Investment & Finance Pvt Ltd.
		BKC Properties Private Limited
		K Raheja IT Park (Hyderabad) Private Limited
		Mind Space IT Park Private Limited
		Neerav Properties and Hotels Private Limited
		K. Raheja Development & Constructions Pvt. Ltd.
		Serene Properties Private Limited
		Hypercity Retail (India) Pvt Ltd (formerly known as Rainbow Retail Private Limited)

Name, Designation, Father's Name, Address Occupation and Tenure	Age (years)	Name of Bodies Corporate in respect of which notice has been given by him of other directorship
		Grandwell Properties and Leasing Pvt. Ltd.
		Uptown Properties and Leasing Pvt. Ltd.
		Newfound Properties and Leasing Pvt. Ltd.
		Hornbil Trading Company Pvt. Ltd.
		Gesco South Realty Pvt. Ltd.
		G:Corp Neerav Developers Private Limited

* In this regard see notes to the chart of directors given in respect of each of the companies in Mumbai Undivided Enitities section of the Prospectus.

Mr. Neel C Raheja	30	Peninsular Housing Finance Private Limited*
Non-Executive Director		Cape Trading Private Limited
(S/o Mr. Chandru L Raheja)		K. Raheja Corp Private Limited
Raheja House, 53 A, Pali Hill,		Beach Haven Properties Private Limited
Bandra, Mumbai - 400 050 (India)		Carlton Trading Private Limited
Business		K. Raheja Private Limited
Tenure: *Permanent Director*		Fems Estate (India) Private Limited*
Nationality: Indian		Asiatic Properties Limited
		Oyster Shell Estate Development Private Ltd*
		Sevaram Estates Pvt Limited*
		K.R. Developers Pvt Ltd.
		Raghukool Estate Development Private Ltd
		Touchstone Properties & Hotels Pvt Ltd
		Chalet Hotels Ltd
		Ivory Properties and Hotels Private Limited
		K. Raheja Hotels & Estates Pvt Ltd
		Palm Shelter Estate Development Pvt Ltd
		K. Raheja Services Private Limited
		Dindoshila Estate Developers Private Limited*
		Inorbit Malls (India) Private Limited
		Anbee Constructions Private Limited
		Casa Maria Properties Private Limited
		Capstan Trading Private Limited
		Carin Hotels Limited
		IL&FS Investsmart Limited
		Louisiana Investment & Finance Pvt Limited
		Rockfort Estate Developers Ltd
		K. Raheja IT Park (Hyderabad) Private Limited
		BKC Properties Private Limited
		Crossword Bookstores Limited
		Mind Space IT Park Private Limited
		Neerav Properties and Hotels Private Limited
		Serene Properties Private Limited
		Hypercity Retail (India) Pvt Ltd (formerly known as Rainbow Retail Private Limited)
		Grandwell Properties and Leasing Pvt. Ltd.
		Uptown Properties and Leasing Pvt. Ltd.
		Newfound Properties and Leasing Pvt. Ltd.
		BKC Constructions Pvt. Ltd.

Name, Designation, Father's Name, Address Occupation and Tenure	Age (years)	Name of Bodies Corporate in respect of which notice has been given by him of other directorship
		Gesco South Realty Pvt. Ltd.
		Hornbil Trading Company Pvt. Ltd.
		G:Corp Neerav Developers Private Limited

*In this regard see notes to the chart of directors given in respect of each of the companies in the Mumbai Undivided Entities section of the Prospectus.

Mr. Basavanhalli S Nagesh	45	Crossword Bookstores Limited
CCA, Managing Director & CEO		Upasna Trading Limited
(S/o Mr. B. K. Satyanarayan)		Shoppers' Stop.Com (India) Limited
Park Plaza, 81 & 82, 8th Floor,		Shoppers' Stop Services (India) Limited
B Wing, Opp. Central Institute of Fishery		Avacado Properties & Trading (India) Private Limited
Education, New Yari Road,		BSN Consults Pvt. Ltd.
7 Bunglows, Versova, Andheri (W)		
Mumbai – 400 061(India)		
Service		
Tenure: Liable to retire by rotation		
Nationality: Indian		
Mr. Vittorio Radice	47	Mc Arthur Glen UK Limited
Independent Non-Executive Director		
(S/o Mr. Luigi Radice)		
17a, Belsize Lane,		
London NW3 5AD, U.K		
Service		
Tenure: Liable to retire by rotation		
Nationality: Italian		
Mr. Gulu L Mirchandani	61	MIRC Electronics Limited
Independent Non-Executive Director		Guviso Holdings Limited
(S/o Lalchand Gehimal Mirchandani)		Ador Welding Limited
131, Tahnee Heights, 'D', Block,		Adino Telecom Limited
13th Floor, Petit Hall,		Gulita Securities Limited
Napean Sea Road, Mumbai – 400 006 (India)		Akasaka Electronics Limited
Service		KEC International Limited
Tenure: Liable to retire by rotation		Adino Research Foundation
Nationality: Indian		Blow Plast Limited
		Imercius Technologies Limited
Mr. Shahzaad Siraj Dalal	46	IL & FS Finvest Limited
Non-Executive Director Nominee of IL&FS		Noida Toll Bridge Company Limited
(IL & FS Investment Managers Limited		IPF Online Limited
S/o Late Mr. Siraj Ali Mohammed Dalal)		Indraprastha Gas Limited
Rashmi Apartments, 4th Floor,		iMetrix Technologies Ltd
'D' Wing, 11, Carmichael Road,		Datamatics Technologies Limited
Mumbai - 400 026 (India)		Max Telecom Ventures Ltd
		Consolidated Transportation Networks Limited
Service		Development Investment Trustee Company Pvt Ltd
Tenure: Liable to retire by rotation		AIG Indian Equity Sectoral Fund LLC, Mauritius
Nationality: Indian		AIG Indian Equity Advisor LLC, Mauritius

Name, Designation, Father's Name, Address Occupation and Tenure	Age (years)	Name of Bodies Corporate in respect of which notice has been given by him of other directorship
		Bharat Serums & Vaccines Limited
		Ethypharm LL Private Limited
		SARA Fund Trustee Company Limited
		IL & FS Investment Managers Limited
		IL & FS Education and Technology Services Limited (Earlier Known as School Net India Limited)
		Tejas Networks India Limited
Mr. Nitin J Sanghavi	56	Sanghavi Associates Limited
Independent Non-Executive Director		
(S/o Mr. Jagubhai Sanghavi).		
15, Sunningdale Avenue,		
Alwoodley, Leeds LS17 7SD, (UK)		
Professor/ Consultant		
Tenure: Liable to retire by rotation		
Nationality: British		
Ms. Bala Deshpande	40	Deccan Aviation Limited
Non-Executive Director		Traveljini.com Limited
D/o Mr. Veeragnanta Venkata		Billjunction Payments Limited
Ramana Subrahmanyam		Crossword Bookstores Limited
202, Cozy Dell, 191, St. Andrew's Road,		Indus League Clothing Limited
Bandra (West), Mumbai - 400 050 (India)		Welspun India Ltd
Service		Pantaloon Retail (India) Limited
Nominee Director of ICICI Venture.		Subhiksha Trading Services Limited
Tenure: :Liable to retire by rotation		Team Four Hospitality Services Private Limited
Nationality: Indian		Arvind Brands Limited
		MITRA Technology Foundation
		Arvind Fashions Limited
		Arvind Clothings Limited
		Nagarjuna Constructions Company Ltd
Mr. Deepak Ghaisas	47	Ebz Online P Ltd.
Non-Executive Independent Director		i-flex solutions Pte.
(S/o Mr. Keshav V Ghaisas)		i-flex America Inc.
7/118, Parleshwar Society,		Flexcel International P Ltd.
Ville Parle(East),		USV Limited.
Mumbai 400 057		
Service		
Tenure: Liable to retire by rotation		
Nationality: Indian		

Brief Biography of our Directors

For further information on Mr. Chandru L. Raheja, Mr. Ravi C Raheja and Mr. Neel Raheja our directors who are also our Promoters, please refer to section titled "Our Promoter" on page no 74 of this Prospectus.

Mr. B.S. Nagesh, 45, is Customer Care Associate (CCA), Managing Director & CEO of our Company and has been with *Shoppers' Stop* since the inception of the business as a division of IPHL in July 1991, and has been with us since our inception in 1997. He has over 23 years of experience and had earlier worked with Blow Plast, Orson and Carona before joining us. Mr. Nagesh holds an MBA from Benares Hindu University.

Mr. Nagesh is credited for infusing the latest retail techniques into our Company and for blending the best of national and international talent within the Company. Mr. Nagesh has been awarded a number of awards over the years including "Most Admired Apparel Retail Professional of the Year" at the inaugural Images Fashion Awards 2000, the "Top CEO Award 2001" instituted by Institute of Marketing Management. He was also awarded the "CEO of the Year (2003) – Retail" by Clothing Manufacturers Association of India. He was also awarded the Teachers Achievement Award in the field of Business in November 2004.

Apart from this, Business India voted Mr. Nagesh as one of the top 50 managers in India who will influence the Indian business scenario in the 21st century. Mr. Nagesh was amongst the 30 nominees for the Ernst & Young Entrepreneur of the Year Award in 2000.

Mr. Vittorio Luigi Radice, 47, is the director of Mc Arthur Glen UK Limited. He was until recently Executive Director of the home group of Marks & Spencer, the U.K. based global retailer. Prior to this he was the Managing Director of Selfridges, another retail organization in U.K. Besides these assignments he had also served as buying director and later Managing Director of Habitat International.

Mr. Gulu L Mirchandani, 61, is the chairman and managing director of MIRC Electronics Limited. He is a Bachelor in Mechanical Engineering from BITS, Pilani. As Chairman and Managing Director of MIRC Electronics, Mr. Mirchandani is responsible for formulating, incubating and delivering emerging technologies and services in the area of colour televisions. Under his leadership and guidance, Mirc Electronics won an "Award for Excellence in Electronics" in 1999. He is also a member of the Board of Directors of KEC International Limited and Blow Plast Limited.

Mr. Shahzaad Siraj Dalal, 46, is the Vice Chairman and Managing Director of IL&FS Investment Managers Limited. He is a Management Graduate with over 20 years of experience. Mr. Dalal is also on the Board of various IL&FS Group Companies such as IL&FS Finvest, IL&FS Education and Technology Services Limited, Noida Toll Bridge Company Limited. Previously Mr. Dalal was responsible for the overall planning and raising of resources for finance for Infrastructure Leasing & Financing Services Limited (IL&FS) sponsored infrastructure projects. Prior to joining IL&FS Mr. Dalal was responsible for structured leasing and hire purchase products, marketing and credit evaluation with erstwhile ICICI Ltd.

Mr. Nitin J Sanghavi, 56 is a professor of Retail Marketing and Strategy, Manchester Business School, University of Manchester. He is also a director of The Retail Centre, Manchester Business School, University of Manchester. He runs several electives for full time and Executive MBA Programmes. He has directed and taught on many executive programmes for major retail and retail related organisations as well FMCG organisations and financial institutions in the UK, USA, Europe and far east focusing on strategic issues on retailing /consumer marketing. He is a fellow of the Royal Society of Arts, Commerce and Manufacturing and a member of the International Society of Franchising and of the American Collegiate Retail Association. He has also been a special advisor /consultant to the British Council and Common Wealth Secretariat. He has also been a special advisor to the Boards of Tesco Stores Plc., House of Fraser Plc. as well as advisor to the Boards of Argos Plc., and Homebase Plc. He is also a member of the Advisory Council of the Gordon Brothers, USA/Europe. He has been recently appointed special advisor on retailing for the World Bank.

Ms. Bala Deshpande, 40 completed her Bachelors of Arts in Economics from St. Xavier's College, Master of Arts in Economics from the Department of Economics, Bombay University and MBA in Marketing from Jamnalal Bajaj Institute of Management Studies. She brings more than ten years of multi industry experience to ICICI Venture Funds Management Company Limited. She has worked for Cadbury India Limited, ICI India Limited and International Best Foods Limited. She was part of Strategic Planning team for four years in International Best Foods and was also nominated for the Woman Leadership Forum held in Best Foods, New York. At ICICI Limited, she was involved in shaping the e-commerce ventures such as Traveljini.com Limited and Billjunction Payments Limited. At ICICI Venture Funds Management Company Limited, Ms Bala Deshpande focuses on investments in the retail, media and brand related sectors.

Mr. Deepak Ghaisas, 47, is the CEO – India Operations, CFO and Company Secretary of I-flex Solutions Ltd. Mr. Ghaisas is B.Com, A.C.A, F.C.S, A.I.C.W.A, Mr. Ghaisas is an Executive Member of the NASSCOM Executive Council. He is also the Chairman of the IT committee of CII. Mr. Ghaisas was also a member of the Internet Banking Committee of the Reserve Bank of India, which formulated guidelines on Internet banking and security in India. Mr. Ghaisas is a visiting faculty at management campuses in India and on the advisory board of a number of business schools. Mr. Ghaisas has won CFO Asia Award in the category – Managing Finance in a Small and Medium Enterprises.

Compensation of Managing Director / Wholetime Director

Our Board of Directors at its meetings held on March 6, 2000 had approved the appointment and remuneration payable to Mr. B.S. Nagesh as Managing Director and CEO for a period of 5 years w.e.f April 01, 2000. For further details please refer to the section titled 'Statutory and other Information" on page in 411 of this Prospectus. Further, our Board of Directors at its meetings held on April 19, 2004 had approved the re-appointment and remuneration payable to Mr. B.S. Nagesh as Managing director and CEO for a period of 5 years w.e.f April 01, 2005. Our other Directors do not receive any remuneration from us except for the sitting fees for attending the Board of Directors Meetings by way of gift vouchers.

Corporate Governance

The provisions of the listing agreement to be entered in to with the Stock Exchanges including with respect to Corporate Governance will be applicable to us immediately upon listing of our Equity Shares on the Stock Exchanges. We undertake to comply with the provisions of amended clause 49 of the listing agreement by December 31, 2005.

Audit Committee

An Audit Committee was approved and constituted by a meeting of the Board of Directors held on December 1, 2001 and reconstituted on July 24, 2004. The terms of the Audit Committee comply with requirements of Clause 49 of the Listing Agreement to be entered into with Stock Exchanges. The Committee consists of only non-executive directors,. The Committee currently comprises of Mr. Ravi Raheja, Mr. Shahzaad Dalal and Mr. Deepak Ghaisas. Mr. Shahzaad Dalal is the Chairman of the Committee.

The principal functions of the Committee are:

a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on;

   a. Reviewing with the management, external and internal auditors and the adequacy of internal control systems.

   b. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

   c. Discussion with internal auditors on any significant findings and follow up there on

   d. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

d) Discussions with external auditors before the audit commences on the nature and scope of audit as well as have post audit discussion to ascertain any area of concern.

e) Reviewing the Company's financial and risk management policies.

f) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

g) To monitor the utilization of the funds to be raised through this proposed issue of Equity Shares.

Remuneration Committee

The Remuneration Committee (also known as the Compensation Committee) was constituted on April 28, 2001 and includes independent non-executive directors.

The Committee currently comprises of Mr. Ravi Raheja, Mr. G.L. Mirchandani, Mr. Vittorio Radice and Ms. Bala Deshpande. Mr. G. L. Mirchandani is the Chairman of the Committee.

The Committee performs the functions of the Remuneration Committee as recommended in the Listing Agreements to be entered into with the Stock Exchanges. This Committee will determine our Company's policy on specific packages for directors/ managerial remuneration. This Committee will also determines the grant of stock options to employee and other related policies aimed at attracting, motivating and retaining personnel.

Investors Grievances & Share Transfer Committee

The Investors Grievances & Share Transfer Committee was constituted on March 29, 2004. The Committee currently comprises of Mr. Ravi Raheja, Mr. Neel Raheja and Mr. B. S. Nagesh. Mr. Ravi Raheja is the Chairman of the Committee.

This Committee looks in to redressal of shareholder and investor complaints, issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and reference to statutory and regulatory authorities and such other authorities as may be granted by the Board of Directors from time to time.

Shareholding of Directors

The Company's Articles do not require our Directors to hold any Equity Shares as qualification shares in our Company. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as at the date of this Prospectus.

Sr. No	Name of the Directors	Face Value	No. of Equity Shares Pre-Issue	% of Pre-Issue Share Capital
1	Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	Rs.10/-	348,750*	1.27%
2	Mr. Ravi C. Raheja jointly with Mr. Chandru L. Raheja and Mrs. Jyoti C. Raheja	Rs.10/-	550,000*	2%
3	Mr. Neel C. Raheja jointly with Mr. Chandru L. Raheja and Mrs. Jyoti C. Raheja	Rs.10/-	575,000*	2.09%
4	Mr. B.S. Nagesh jointly with Mrs. Shailaja Nagesh	Rs.10/-	225,000	0.82%

* Includes shares transferred from single name to joint names

Interest of the Directors

All Directors of Shopper's Stop may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under our Articles. The CCA, Managing Director and CEO is interested to the extent of remuneration paid to him for services rendered by him. All our Directors may also be deemed to be interested to extent of Equity Shares held, if any, already held by them or their relatives in Shopper's Stop, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts forming part of the Promoters, in which they are interested as directors, members, partners or trustees.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by us with any other company in which they hold Directorships or any partnership firm in which they are partners.

Except as disclosed in this Prospectus we have not entered into any contracts in the last two years from the date of this Prospectus, in which our Directors are interested, directly or indirectly, and no payments have been made to them in respect of these contracts, or is proposed to be made to them other than as mentioned in "Financial Statements - Related Party Transactions.", "Objects of the Issue" and "Management's Discussion and Analysis of Financial Condtions and Results of Operations" and except for IL&FS Investsmart Limited who have been appointed as Co-Book Running Managers, Syndicate Members and Underwriters to this Issue. Mr. Neel C Raheja, who is our Director is also a director on the board of IL&FS Investsmart Limited.

Term of Office

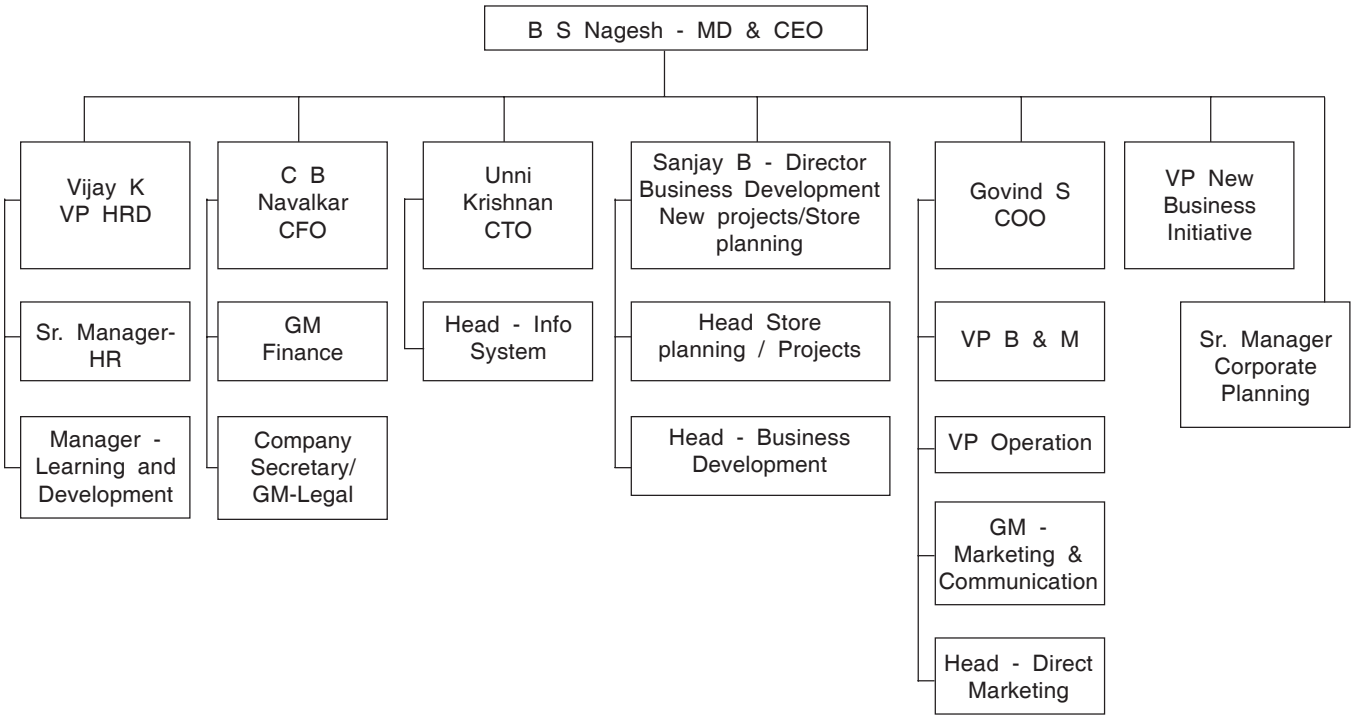
In accordance with the provisions of the Companies Act and our Articles of Association all our Directors are required to retire by rotation except Mr. C. L. Raheja, Mr. Ravi Raheja and Mr. Neel Raheja. For details of the terms of appointment of the Directors, please refer to the section titled "Statutory and Other information" on page no 411 of this Prospectus.

Change in Board of Directors in the Last Three Years

Name	Date of appointment	Date of Cessation	Reason
Mr. Nitin Sanghavi	25.01.2003	-	Appointed as Independent Director
Mr. Deepak Ghaisas	24.07.2004	-	Appointed as Independent Director

Our Management Organization Structure

Our CCA, Managing Director and CEO, Mr. B.S. Nagesh, manages our day-to-day operations with his team under the overall supervision, direction and control of Board of Directors.



Key Managerial Personnel:

The Details of our Key Managerial Personnel are as follows:

Mr. B.S. NAGESH, Customer Care Associate, Managing Director & Chief Executive Officer

(For further details please refer to the section titled "Brief Biography of directors" on page no 69 of this Prospectus)

Mr. SANJAY BADHE, 48 Years, is Customer Care Associate & Director – Business Development, Projects & Store Planning of our Company. He has been with us since August 2002. Mr. Badhe has over 24 years of experience in marketing, marketing consultancy and retail, in India as well as abroad

Mr. Badhe holds a MBA degree from Benedictine University/DePaul University, Chicago.

He heads the Operations Team of our Company, which is responsible for a number of activities; right from store site selection to the actual running of our store chain.

Prior to joining our Company Mr. Badhe has worked for Raymond Ltd. where he was responsible for the day-to-day operations of their retail chain. He also worked for the Al Futtaim Group (UAE) where he was responsible for business operations including developing, marketing plans for brands. He has also worked for Marketing and Research Group Pvt. Ltd (MARG), and Marketing & Business Associates Pvt. Ltd.

For year ending March 2004 he received annual emolument of Rs. 1,986,284

Mr. VIJAY KASHYAP, 37 years, is the Customer Care Associate & Vice President - Human Resources (H. R.) of our Company. He has been with us since March 2002.

He is a BA (Hons.) in Economics and a PGDPM & IR from XLRI.

Prior to joining our Company Mr. Kashyap had worked with Hindustan Lever Ltd., Coca-Cola, United Breweries and Indian Hotels.

Mr. Kashyap has more than 12 years of experience across the FMCG industry (H.L.L) and Service Industry (I.H.C.L). His experience has also been across functions (Sales & Marketing, Production/Factory) as well as in Human Resources. His areas of interest in H.R. include assessment center technology, outbound training and strategic H.R.

For year ending March 2004 he received annual emolument of Rs. 1,570,992.

Mr. GOVIND SHRIKHANDE, 44 Years, is the Customer Care Associate & Chief Operating Officer - of our company. He has been with us since April 2001.

He is a bachelor in Textile Technology from VJTI and Master of Business Administration (Marketing) from Symbiosis, Pune.

Mr. Shrikhande is responsible for business deliverable from Buying and Merchandising, retail operations, marketing & communications and direct marketing.

Prior to joining our Company Mr. Shrikhande worked at Bombay Dyeing, Mafatlal, Arvind Clothing. At Arvind Clothing he was involved in marketing and merchandising planning. He has also worked for Johnson & Johnson, Cornerstone Brands, where he was involved in Product Development. He was also part of the team that launched Arvind Denim & Arrow and has headed the retail chain of fabric & apparel stores in Bombay Dyeing.

For year ending March 2004 he received annual emolument of Rs. 2,735,344.

Mr. C.B. NAVALKAR, 38 Years, is the Customer Care Associate & Chief Financial Officer of our Company. He has been with us since November 2001. He is a Bachelor of Commerce and A.C.A. from the Institute of Chartered Accountants of India. Prior to joining our Company, Mr. Navalkar has worked for Blue Dart Express Ltd., and Morarjee Gokuldas Spinning and Weaving Limited. He has more than 16 years of hands on experience on finance and corporate treasury operations and in particularly credited with a strong focus on processes.

For year ending March 2004 he received annual emolument of Rs. 2,218,981.

Mr. UNNI KRISHNAN T.M, 33 Years, is the Customer Care Associate and Chief Technology Officer. He joined our Company in May 2004.

He holds a MBA in Finance from Queensland University of Technology and Rensselaer, USA. Prior to joining our Company, Mr. Krishnan was the Vice President (Business Development & Client Relationship) of Global Freight Exchange. He has also managed global client relationships and technology deployments for Swiss Air, CargoLux, GeoLogistics, American Airlines and Continental Airlines. In the past 10 years Mr. Krishnan has worked for large manufacturing MNC's like Nortel, Kone, Diebold, E-one, HUSCO and Akzo-Nobel.

He draws a gross annual salary of Rs 1,705,791

Shareholding of the Key Managerial Personnel

Except for Mr. B.S. Nagesh our CCA,MD and CEO who holds 225,000 Equity shares of face value of Rs. 10/- each none of the key managerial personnel holds any Equity Shares in our Company. Our key managerial personnel hold stock options in our Company, for details please refer page 23 in this Prospectus.

Bonus or Profit Sharing Plan for Key Managerial Personnel

There is no bonus or profit sharing plan for any key managerial personnel of the Company. Mr. B.S. Nagesh, CCA, MD and CEO and several other Key Managerial Personnel are entitled to receive performance linked incentives.

Changes in our Key Managerial Personnel in the last three years

Following are the changes in our key managerial personnel in the last three years (other than superannuation) upto the date of filing this Prospectus with RoC:

Name of the Employee	Last Designation	Date of Joining	Date of Leaving	Reason for change
Mrs. Brigitta George	General Manager – Human Resources	24.10.1993	01.07.2002	Resignation
Mr. Sanjay Badhe	Director – Retail & Marketing Services	1.08.2002	-	Appointed as Director Operations
Mr. Unni Krishnan TM	Vice President – Business Development and client relationship	21.05.2004	-	Appointed as Chief Technology Officer

The key managerial personnel are on the rolls of the Company as employees of permanent nature. None of the Directors and key managerial personnel have any family relationship between themselves except for our Promoters. Except to the extent of nomination of Directors on the Board of our Company by our major shareholders, there is no arrangement or understanding with any of our major shareholders, customers, suppliers, pursuant to which any Director or key managerial personnel was selected.

OUR PROMOTERS

We have been promoted by the 'K. Raheja Corp Group (Chandru L Raheja Group)', one of the leading business houses in the country in the sector of real estate development and hotels which is led by Mr. Chandru L Raheja.

Some of the entities constituting the K Raheja Corp Group were initially part of a larger business house founded by (late) Mr. L. S. Raheja, the father of Mr. Chandru L Raheja which had interests in real estate development. In the year 1996, pursuant to a family business restructuring, a distinct identity known as 'K. Raheja Corp' was created under the leadership of Mr. Chandru L. Raheja.

One of the major real estate development projects launched under this new identity comprising the development of commercial and residential buildings is known as "Mindspace", and is located at Malad (West), Mumbai, Maharashtra. About 1 million sq. feet has already been developed in the last five years. As a part of Mindspace, a large shopping mall known as "Inorbit" has recently been launched in February 2004 and houses, amongst others, retail stores such as *Shoppers' Stop*, Crossword, Lifestyle, Giant and Planet M.

The K. Raheja Corp Group also has diverse interests in the Indian hotels industry which includes The Renaissance Mumbai Hotel & Convention Center (Mumbai), Marriott Executive Apartments, (Powai, Mumbai), JW Marriott Hotel, (Juhu, Mumbai) and The Resort, (Malad, Mumbai). All these are 5 Star Hotels and are professionally managed. Recently, the K. Raheja Corp Group has launched a project at Hyderabad called "Mindspace, Cyberabad".

Our Promoters include the following:

Mr. Chandru L. Raheja, 64, LLB (Voter ID. No. MT/08/036/196090*) is our Chairman. He is also the Chairman of K. Raheja Corp. Group, and has been engaged in the business of real estate development for more than four decades. Under his leadership the 'K Raheja Corp Group' has built several structures all over the country comprising residential, commercial buildings, and hotels. His vision and futuristic outlook lead the group into integrated township development called Mindspace in Malad at Mumbai.Apart from being involved with the real estate, hospitality and retail business Mr. Chandru Raheja also takes keen interest in charitable organizations.

Mrs. Jyoti C. Raheja, 53, B.Com (Voter ID. No. MT/08/036/196004, Driving License No. MH02-99/49029*,) is the wife of Mr. Chandru L Raheja who took keen interest in the initial stages of setting up of all the K. Raheja Corp Group. She was actively involved in the administration and personnel function of the real estate business in the formative stages of the Group. She continues to assist Mr. Chandru L Raheja in many of the day-to-day activities.

Mr. Ravi C. Raheja, 33, B.Com and MBA from London Business School (Voter ID No. MT/08/ 036/195498, Driving License No. MH-02-91-19774*,) son of Mr. Chandru L Raheja is our Director. He has more than 12 years of experience in the real estate hospitality industry and the retail industry. Apart from being fully involved with the real estate, and hotel business of the Group is the key promoter overlooking the Shoppers' Stop business. He takes a keen interest in the retail business and was directly involved with Shoppers' Stop in the initial stages of establishing the Shoppers Stop business and our Company. He has worked towards building the organization structure providing impetus to growth. He guides the Shopper's Stop team on corporate strategy and planning, and he is actively involved in charting the future growth strategies of the retail business. His experience in real estate and financial planning and structuring has guided the Shoppers' Stop team in all its expansion strategies.

Mr. Neel C. Raheja, 30 , M.Com, LLB (Driving License No. MH-02-92-20788*,), son of Mr. Chandru L. Raheja is our Director. He has over nine years of experience in the real estate development and hospitality industry and in the retail industry. He on behalf of the promoters overlooks the day to day functioning of the hospitality business of the Group.He has visualized and developed the "Inorbit" shopping Mall at Malad. He is also involved in the "Crossword" retail business and takes active interest in the customer satisfaction and human development part of the Shoppers' Stop business.

*permanent account number/ bank account number and passport number will be submitted to the Stock Exchanges on which securities are being proposed to be listed.

ANBEE CONSTRUCTIONS PRIVATE LIMITED

This company was incorporated under the Companies Act on June 14, 1985. It is currently a member of our Company. As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, contractors and the development of land.

It is a part of the K Raheja Corp Group and is a partner in various partnership firms which form part of the K. Raheja Corp Group (Chandru L Raheja Group) through which firms as a partner it is engaged in the business of real estate development.

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Mr. Ravi C. Raheja Jointly with Mrs. Jyoti C. Raheja	74
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	13
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	13
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mrs. Jyoti C. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	1.05	0.03	0.12
Profit/(Loss) after tax	(6.97)	(4.89)	(4.24)
Equity Capital	0.1	0.1	0.1
Reserves and Surplus	0.003	(4.88)	(9.12)
Earning (Loss) per share	(6969.78)	(4886.59)	(4239.55)
Book value per share	103.3	(4783.28)	(9022.82)

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses and depreciation charges in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

CAPE TRADING PRIVATE LIMITED

This company was incorporated under the Companies Act on September 22, 1994. It is currently a member of our Company.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on business as traders, dealers, agents of inter alia merchandise, goods, articles, commodities, produce for the purpose of local trade and exports and to deal in as exporters, importers, buyers, sellers and merchants of inter alia hardware, building materials and consumer products.

It is a part of the K Raheja Corp Group and is a partner in various partnership firms which form part of the K. Raheja Corp Group (Chandru L Raheja Group) through which firms as a partner it is engaged in the business of real estate development.

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja	74
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	13
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	13
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mrs. Jyoti C. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	0.82	0.02	0.11
Profit/(Loss) after tax	(8.02)	(6.18)	(5.25)
Equity Capital	0.1	0.1	0.1
Reserves and Surplus	(5.78)	(11.96)	(17.20)
Earning(Loss) per share	(8024)	(6176.89)	(5247.45)
Book value per share	(5679.93)	(11855.77)	(17102.18)

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses to retain in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

CASA MARIA PROPERTIES PRIVATE LIMITED

This company was incorporated under the Companies Act on June 26, 1982. It is currently a member of our Company.

As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of builders, contractors, erectors, constructors, developers of buildings, offices, townships, hotels, decorating and maintaining amongst others flats, factories, shops, offices, hospitals and to deal in land and house property.

It is a part of the K Raheja Corp Group and is a partner in various partnership firms comprising the K. Raheja Corp Group (Chandru L Raheja Group) through which firms as a partner it is engaged in the business of real estate development.

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	48.5
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	51.0
Mr. Chandru L. Raheja HUF Jointly with Mrs. Jyoti C. Raheja	0.5
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mrs. Jyoti C. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	0.06	0.28	0.13
Profit/(Loss) after tax	(6.84)	(0.89)	(4.55)
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	3.30	2.40	(2.14)
Earning (Loss) per share	(6841.08)	(892.14)	(4547.18)
Book value per share	3394.61	2502.76	(2044.14)

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses and depreciation charges in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

CAPSTAN TRADING PRIVATE LIMITED

This company was incorporated under the Companies Act on October 21,1994. It is currently a member of our Company.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on business as traders, dealers of inter alia merchandise, goods, articles, commodities, produce for the purpose of local trade and exports and to specifically deal in as exporters, importers, buyers, sellers and merchants of inter alia hardware, building materials and consumer products.

It is a part of the K Raheja Corp Group. In addition to carrying on trading activities, as a partner in various partnership firms which part of the K. Raheja Corp Group (Chandru L Raheja Group) it is engaged in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	50
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	50
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mrs. Jyoti C. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	0.01	16.50	0.21
Profit/(Loss) after tax	(7.57)	5.88	(2.95)
Equity Capital	0.1	0.1	0.1
Reserves and Surplus	(14.81)	(8.93)	(11.88)
Earning (Loss) per share	(7567.99)	5878.16	(2953.91)
Book value per share	(14712.31)	(8833.04)	(11785.85)

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses to retain in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

IVORY PROPERTIES AND HOTELS PRIVATE LIMITED

This company was incorporated as Ivory Properties and Hotels Private Limited under the Companies Act on February 18, 1982. Subsequent to incorporation pursuant to the then prevailing provisions of section 43A of the Act, the company became a deemed public company with effect from July 1, 1995. Further pursuant to an amendment in the year 2000 to the Companies Act, this company became a full-fledged private company on March 23, 2001. This company is currently a member of our Company.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on business of builders, contractors, erectors, constructors, developers of buildings, offices, townships, hotels, decorating and maintaining amongst others flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property.

It is engaged in the business of real estate development.

It is a part of the K Raheja Corp Group and is a partner in various partnership firms comprising the K. Raheja Corp Group (Chandru L Raheja Group) through which firms as a partner it is engaged in the business of real estate development.

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	8.51
Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja	6.00
Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja	1.00
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	9.00
Raghukool Estate Development Pvt. Ltd.	15.00
Casa Maria Properties Pvt. Ltd.	15.00
Cape Trading Pvt. Ltd.	17.49
Anbee Constructions Pvt. Ltd.	12.51
Capstan Trading Pvt. Ltd.	15.49
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mrs. Jyoti C. Raheja, Mr. Ravi C. Raheja Mr. Neel C. Raheja and Mr. Nandlal K. Rohira

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	489.06	951.34	1226.06
Profit/(Loss) after tax	(55.57)	26.70	142.30
Equity Capital	0.1	0.1	0.23
Reserves and Surplus	(374.85)	(371.80)	(229.51)
Earning (Loss) per share	(5556.75)	2670.24	7126.95
Book value per share	(37,475.24)	(37,170.34)	(10190.24)

This company has incurred losses as a consequence of interest expenses, overheads and depreciation charges. However this company has got ongoing real estate development projects which are yielding income from time to time, based on the stage of development and/or sale / lease transactions.

Significant Qualifications in the Auditors Report:

For the year ended 31 March, 2002

Significant notes of the Auditors are (i) that the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except in the case of certain items of furniture and fixtures where unit wise aggregate cost and location are only recorded. (ii) with regard to impracticability of using percentage completion method as prescribed by the Accounting Standard 7 by the Institute of Chartered Accountants of India in view of the size and the nature of development of the company's project and further the company has adopted the method of recognizing income as a percentage of accrued collections.

The company's response

- In view of the nature and size of development it is impracticable to follow Accounting Standard 7 prescribed by the Institute of Chartered Accountants of India. In any case with effect from April 01, 2003 the new Accounting Standard is not made applicable to real estate developer which is the company's business activity.
- In respect of very old items of furniture and fixtures itemwise details are not available and therefore totals of location wise details have been kept. However, the quantum is not material.

For the year ended March 31, 2003

- Significant notes of the Auditors are (i) that the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except in the case of certain items of furniture and fixtures where unit wise aggregate cost and location are only recorded. (ii) with regard to impracticability of using percentage completion method as prescribed by the Accounting Standard 7 by the Institute of Chartered Accountants of India in view of the size and the nature of development of the company's project and further the company has adopted the method of recognizing income as a percentage of accrued collections.

The company's response

- In view of the nature and size of development it is impracticable to follow Accounting Standard 7 prescribed by the Institute of Chartered Accountants of India. In any case with effect from April 01, 2003 the new Accounting Standard is not made applicable to real estate developer which is the company's business activity.
- In respect of very old items of furniture and fixtures itemwise details are not available and therefore totals of location wise details have been kept. However, the quantum is not material.

INORBIT MALLS (INDIA) PRIVATE LIMITED

This company was incorporated as a public limited company with the name K. Raheja Malls Limited under the Companies Act on January 01, 1999. Subsequently, its name was changed to Inorbit Malls (India) Limited and thereafter it was converted into a private limited company and its name was changed to Inorbit Malls (India) Private Limited on March 13, 2003. This company is currently a member of our Company.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of owning, construction, take on lease or in any other manner, any land or buildings and to conceptualise, plan, design, market, construct, furnish, run and manage malls for the purpose of inter alia licensing of retail space.It is a part of the K Raheja Corp Group.

It is currently owning and managing the 'Inorbit Mall' situated at Malad (West), Mumbai.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Mr. Chandru L. Raheja	0.10
Mr. Ravi C. Raheja	0.10
Mr. Neel C. Raheja	0.10
Mrs. Jyoti C. Raheja	0.10
Mr. Chandru L. Raheja with Mrs. Jyoti C Raheja	1.80
Mrs. Jyoti C Raheja with Mr. Chandru L. Raheja	1.80
Mr. Ravi C. Raheja with Mr. Chandru L. Raheja and Mrs. Jyoti C Raheja	1.80
Mr. Neel C. Raheja with Mr. Chandru L. Raheja and Mrs. Jyoti C Raheja	1.80
Anbee Constructions Pvt. Ltd.	9.4
Cape Trading Pvt. Ltd.	9.4
Capstan Trading Pvt. Ltd.	8.4
Raghukool Estate Development Pvt. Ltd.	8.4
Casa Maria Properties Pvt. Ltd.	8.4
Palm Shelter Estate Development Pvt. Ltd.	8.4
Rockfort Estate Developers Ltd.	40.0
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja, Mr. Neel C. Raheja and Mr. K. G. Krishnamurthy.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	5.78	NIL	14.95
Profit/(Loss) after tax	0.44	(0.05)	(36.78)
Equity Capital	0.007	1	1
Reserves and Surplus	(0.61)	(0.68)	(37.46)
Earning (Loss) per share	6287.33	(8.26)	(3678.37)
Book value per share	(9682.46)	(139.55)	(3646.59)

This company is in the business of setting up and running malls. The company has incurred losses for the years mentioned in the above table on account of interest and overheads incurred before and during the period when the mall was under construction.

K. RAHEJA PRIVATE LIMITED

This company was incorporated under the Companies Act on November 17, 1973. This company is currently a member of our Company.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of inter alia builders, contractors, erectors, constructors, developers of buildings, offices, townships, hotels, decorating and maintaining amongst others flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property and is engaged in the business of real estate development, buying and selling, leasing of immovable properties.

It is a part of the K Raheja Corp Group and is in the business of real estate development.

It is a partner in various partnership firms forming part of the K. Raheja Corp Group (Chandru L Raheja Group) through which firms as a partner it is engaged in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Chandru L. Raheja Jointly with Jyoti C. Raheja	9.875
Jyoti C. Raheja Jointly with Chandru L. Raheja	9.875
Chandru L. Raheja HUF Jointly with Jyoti C. Raheja	9.875
Neel C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	8.125
Ravi C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	8.125
Cape Trading Pvt. Ltd.	9.875
Anbee Constructions Pvt. Ltd.	9.875
Casa Maria Properties Pvt. Ltd.	9.875
Raghukool Estate Development Pvt. Ltd.	9.875
Capstan Trading Pvt. Ltd.	9.875
Palm Shelter Estate Development Pvt. Ltd.	4.75
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	209.21	165.29	156.29
Profit/(Loss) after tax	(52.13)	(2.50)	6.22
Equity Capital	185.2	185.2	185.20
Reserves and Surplus	(192.63)	(188.90)	(182.69)
Earning (Loss) per share	(28.15)	(1.35)	3.36
Book value per share	(4.26)	(2.20)	1.21

This company has incurred losses for the years mentioned in the above table as a consequence of interest expenses, overheads and depreciation charges. However this company has got ongoing real estate development projects which are yielding income from time to time, based on the stage of development and/or sale / lease transactions.

K. RAHEJA CORP PRIVATE LIMITED

This company was incorporated with the name Paramount Hotels Private Limited. under the Companies Act on November 08,1979. Subsequently, after becoming a deemed public company pursuant to the then prevailing provisions of section 43A of the Act its name was changed to K. Raheja Corp Limited on March 1, 2001. Pursuant to an amendment in the year 2000 to the Companies Act, it became a full-fledged private limited company and its name was changed to K. Raheja Corp Private Limited on March 29, 2001. This company is currently a member of our Company.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of owning, constructing, rendering technical advice, running of, take over, manage inter alia hotels, restaurants, clubs. It is currently in the business of real estate development, and running of hotels. This company currently owns and runs the hotel "The Resort".

It is a partner in various partnership firms which forms a part of the K. Raheja Corp Group (Chandru L Raheja Group) through which firms as a partner it is engaged in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Palm Shelter Estate Development Pvt. Ltd.	9.76
Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	9.76
Chandru L. Raheja Jointly with Jyoti C. Raheja	9.76
Casa Maria Properties Pvt. Ltd.	9.76
Raghukool Estate Development Pvt. Ltd.	9.76
Capstan Trading Pvt. Ltd.	9.76

Names of Shareholder	Percentage Shareholding (%)
Anbee Constructions Pvt. Ltd.	9.76
Cape Trading Pvt. Ltd.	9.77
Chandru L. Raheja, Karta of Chandru Lachmandas HUF Jointly with Jyoti C. Raheja	3.81
Ravi C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	9.05
Neel C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	9.05
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja , Mr. Neel C. Raheja and Mr. Nandlal K. Rohira.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	826.98	488.10	683.41
Profit/(Loss) after tax	87.72	7.25	24.25
Equity Capital	201.60	201.60	201.60
Reserves and Surplus	226.61	214.03	238.27
Earning per share	43.51	3.59	12.03
Book value per share	212.15	205.96	218.04

Significant Qualifications in the Auditors Report:

For the year ended 31 March, 2002

Auditors qualification draws reference to notes forming part of accounts with regard to income from construction activity of the company's Tungwa project as a percentage of the company's sales collections (including installments due as per the respective agreements with the flat/unit purchasers) and income so declared is added to work in progress and carried forward. Similarly, the sales collections are carried forwarded under current liabilities. In the year of completion of the project, the total work in progress will be set-off against total sales.

The company's response

The company feels it is impracticable to follow accounting standard 7 issued by the Institute of Chartered Accountants of India in view of the size, nature and long duration of the company's real estate development project.

For the year ended 31 March, 2003

Auditors qualification draws reference to notes forming part of accounts with regard to income from construction activity of the company's Tungwa project as a percentage of the company's sales collections (including installments due as per the respective agreements with the flat/unit purchasers) and income so declared is added to work in progress and carried forward. Similarly, the sales collections are carried forwarded under current liabilities. In the year of completion of the project, the total work in progress will be set-off against total sales.

The company's response

The company feels it is impracticable to follow accounting standard 7 issued by the Institute of Chartered Accountants of India in view of the size, nature and long duration of the company's real estate development project.

PALM SHELTER ESTATE DEVELOPMENT PRIVATE LIMITED

This company was incorporated as Palm Shelter Estate Development Private Limited under the Companies Act on June 26, 1982. Subsequently, it became a deemed public company pursuant to the then prevailing provisions of section 43A of the Act with effect from March 27, 1999. Pursuant to an amendment in the year 2000 to the Companies Act, it became a full-fledged private limited company on March 23, 2001. This company is currently a member of our Company.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, contractors, erectors, constructors, developers of land, buildings, offices, townships, hotels, decorating and maintaining amongst others flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property.

It is a partner in various partnership firms which forms a part of the K. Raheja Corp Group (Chandru L Raheja Group) through which firms as a partner it is engaged in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	50
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	50
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	17.82	9.22	6.05
Profit/(Loss) after tax	7.83	2.43	1.24
Equity Capital	0.1	0.1	0.1
Reserves and Surplus	53.60	56.03	57.27
Earning per share	7834.05	2425.10	1242.13
Book value per share	53538.48	55990.96	57260.48

RAGHUKOOL ESTATE DEVELOPMENT PRIVATE LIMITED

This company was incorporated under the Companies Act on June 04, 1984. This company is currently a member of our Company.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, contractors, erectors, constructors, developers of townships, hotels, decorating and maintaining amongst others flats, factories, shops, offices, buildings, hospitals and to deal in, buy and sell, lease land and house property.

It is a partner in various partnership firms which forms a part of the K. Raheja Corp Group (Chandru L Raheja Group) through which firms as a partner it is engaged in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Mr. Ravi C. Raheja jointly with Mrs. Jyoti C. Raheja	0.2
Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	49.9
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	49.9
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mrs. Jyoti C. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	0.06	NIL	0.13
Profit/(Loss) after tax	(6.76)	(6.16)	(6.75)
Equity Capital	0.1	0.1	0.1
Reserves and Surplus	(12.53)	(18.70)	(25.44)
Earning(Loss) per share	(6764.23)	(6164.6)	(6748.29)
Book value per share	(12430.74)	(18595.34)	(25343.63)

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses and depreciation charges in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

OUR SUBSIDIARIES

We have the following subsidiaries:

Upasna Trading Limited (UTL)

UTL was incorporated on December 8, 1995, as a private limited company under the Companies Act with the name Upasna Trading Private Limited. The registered office of the company is situated at Construction House 'A', 24th Road, Khar (West) Mumbai - 400 052.

UTL became a deemed public limited company with effect from March 23, 1999 pursuant to the then prevailing provisions of Section 43A of the Companies Act. Pursuant to an amendment in the year 2000, to the Companies Act, UTL was converted from a deemed public company to a full-fledged public company with effect from March 12, 2003 and a fresh Certificate of Incorporation was issued by the Registrar of Companies Maharashtra, at Mumbai.

The main objects of UTL are to carry on business as traders, dealers, agents, of merchandise, goods, articles, commodities, produce, substances and materials for the purpose of local trade and exports and to specially deal in as exporters, importers, buyers, sellers and merchants of hardware, building material, metal ware, tools, fixtures, implements and any other industrial, non industrial, and consumer products and all other products in India and abroad.

We initially acquired 790 equity shares of Rs 100 each in UTL from some of the existing shareholders and increased our stake in the company to 1265 Equity Shares (25.3% of the equity capital) on March 23, 1999 at a purchase price of Rs 100 per share. We subsequently enhanced our holding in UTL to 100% by acquiring the balance 3725 equity shares from the K Raheja Corp Group (Chandru L Raheja Group) at par on February 29, 2000.

A Deed of Assignment dated April 6, 2000 was executed between Shopper's Stop Limited and UTL wherein certain trademarks like STOP (Label and Color Scheme), STOP (Device), STOP (Label) and I (In-house brand) were assigned in favor of Upasna Trading Limited for a consideration of Rs.500,000 (Rupees five hundred thousand only). UTL was one of our suppliers for garments and accessories and discontinued its trading operations from January 2003.

A Deed of Assignment dated March 29, 2004 was executed between UTL and Shopper's Stop Ltd for assigning the trademarks STOP (label with colour schemes), STOP (device), STOP (label), ! (Label), ! (in-house brand), STOP, LIFE, KARROT, KASHISH for a total consideration of Rs. 900,000 (Rupees nine hundred thousand only).

UTL now handles our distribution and logistic function since February 2000 and operates through four Distribution Centers located in Mumbai, Bangalore, New Delhi and Kolkatta.

Shareholding Pattern

The shareholding pattern of UTL as on the date of filing this Prospectus with RoC is :

Sr. No	Name of Shareholders	No. of Shares of face value of Rs. 100 each
1	Shopper's Stop Limited	4,970
2	Shopper's Stop Limited & Ravi C Raheja	5
3	Shopper's Stop Limited & Chandru L. Raheja	5
4	Shopper's Stop Limited & Neel C. Raheja	5
5	Shopper's Stop Limited & B.S. Nagesh	5
6	Shopper's Stop Limited & Shoppers' Stop Services (India) Limited	5
7	Shopper's Stop Limited & Shoppers' Stop. Com (India) Limited	5
	TOTAL	**5,000**

Upasna is a 100% subsidiary of Shopper's Stop Limited.

Board of Directors

The Board of Directors of UTL as on the date of filing this Prospectus with RoC consists of Mr. B.S. Nagesh, Mr. C. B. Navalkar, Mr. Yasin Virani, Mr. Sanjay Badhe and Mr. Govind Shrikhande.

The financial performance of UTL as restated is given below:

(Rs. 000's, except per share data)

Particulars	For the period from 1 April to 30 November 2004	Year ending March 31				
		2004	2003	2002	2001	2000
Sales of products traded in by the company	Nil	Nil	1153493	1369384	1438106	387958
Other Operating Income	30841	27340	550	Nil	Nil	Nil
Other Income	395	2143	2906	7084	13142	49
Total Sales, Operating and other income	31236	29483	1156949	1376468	1451248	388007
Profit/(Loss) after tax	902	38	389	1058	(14669)	16
Equity Capital	500	500	500	500	500	500
Profit & Loss Debit Balance	(12246)	(13148)	(13186)	(13575)	(14633)	36
Net Worth	(11746)	(12648)	(12686)	(13075)	(14133)	531
Earning (Loss)per share	180.4	7.60	77.80	211.60	(2933.80)	3.20
Book value per share	(2349.2)	(2529.60)	(2537.20)	(2615.00)	(2826.60)	106.20

Shoppers' Stop Services (India) Limited (SSSIL)

SSSIL was incorporated on March 15, 2000 as a private limited company under the Companies Act, as Shoppers' Stop Services (India) Private Limited with its registered office at Construction House 'A', 24th Road, Khar (West), Mumbai - 400 052.

SSSIL became a deemed public limited company under the then prevailing provisions of section 43A of the Companies Act. Pursuant to an amendment in the year 2000 to the Companies Act, this company became a full-fledged private company and thereafter pursuant to a resolution passed at an EGM held on November 26, 2002 it was converted into a full-fledged public limited company and its name was changed to SSSIL with effect from March 12, 2003. The main objects of the company to be pursued on its incorporation are to engage in the business of providing services, render advice, undertake consultation in the areas of accounting, operations, business and other fields as well as in the areas of all types of project implementation, project financing, fund structuring, working capital management, to group companies, firms and any other company or person within or outside India.

SSSIL is currently engaged in providing accounting services and consultation to Shopper's Stop Limited. Currently this subsidiary has limited operations.

Shareholding Pattern

The shareholding pattern of SSSIL as on the date of filing this Prospectus with RoC is:

Sr. No	Name of Shareholders	No. of Shares of face value of Rs. 10 each
1	Shopper's Stop Limited	49,988
2	Shopper's Stop Limited & Ravi C Raheja	2
3	Shopper's Stop Limited & Chandru L. Raheja	2
4	Shopper's Stop Limited & Neel C. Raheja	2
5	Shopper's Stop Limited & B.S. Nagesh	2
6	Shopper's Stop Limited & Upasna Trading Limited	2
7	Shopper's Stop Limited & Shoppers' Stop . Com (India) Limited	2
	TOTAL	**50,000**

SSSIL is a 100% subsidiary of Shopper's Stop Limited.

Board of Directors

The Board of Directors of SSSIL as on the date of filing this Prospectus with RoC consists of Mr. B.S. Nagesh, Mr. C. B. Navalkar, Mr. Yasin Virani, Mr. Sanjay Badhe and Mr. Govind Shrikhande.

The financial performance of SSSIL as restated is given below:

(Rs. 000's, except per share data)

		Year ending March 31			
Particulars	**For the period from 1 April to 30 November 2004**	**2004**	**2003**	**2002**	**From the date of incorporation till March 31, 2001**
Service and other income	200	315	332	360	302
Profit/(Loss) after tax	92	27	30	51	(121)
Equity Capital	500	500	500	500	500
Profit & Loss Debit Balance	79	(13)	(40)	(70)	(121)
Net Worth	579	487	460	430	379
Earning (loss) per share	1.84	0.54	0.60	1.02	(2.42)
Book value per share	11.58	9.74	9.20	8.60	7.58

Shoppers' Stop .Com (India) Limited (SSDCIL)

SSDCIL was incorporated on February 11, 2000 as a private limited company under the Companies Act, 1956 as Shoppers' Stop .Com (India) Private Limited with its registered office at Construction House 'A', 24th Road, Khar (West), Mumbai - 400 052.

SSDCIL became a deemed public limited company under the then prevailing provisions of section 43A of the Companies Act. Pursuant to an amendment to the Companies Act in the year 2000 it became a full-fledged private company and thereafter pursuant to a resolution passed by its shareholders at an EGM held on November 26, 2002 it was converted into a full-fledged public company and its name was changed to SSDCIL with effect from March 12, 2003.

The main objects of SSDCIL to be pursued on its incorporation are to carry on the business of selling through direct marketing e-commerce, internet, interactive media catalogues, television, paper based mail-order catalogues, physical departmental stores, direct to consumer business and through all other channels of business either directly or indirectly for the purpose of selling and servicing for/of all categories of products and services including travel and hospitality services, financial services and dealing in all kinds of goods, materials and items in India and any part of the world.

SSDCIL was formed for selling apparel and accessories over the Internet based on the recognition that this would be an important medium for sales, as an online extension of Shopper's Stop Ltd. The website, "www.shoppersstop.com" went live in the month of September 2000 and started transactions.

As the online sales were not commensurate with the total capital expenditure incurred, the company incurred losses. As this venture did not yield desired results, its operations were discontinued in February 2001.

Shareholding Pattern

The shareholding pattern of SSDCIL as on the date of filing this Prospectus with RoC is :

Sr. No	Name of Shareholders	No. of Shares of face value of Rs. 10 each
1	Shopper's Stop Limited	49,988
2	Shopper's Stop Limited & Ravi C Raheja	2
3	Shopper's Stop Limited & Chandru L. Raheja	2
4	Shopper's Stop Limited & Neel C. Raheja	2
5	Shopper's Stop Limited & B.S. Nagesh	2
6	Shopper's Stop Limited & Upasna Trading Limited	2
7	Shopper's Stop Limited & Shoppers Stop Services (India) Limited	2
	TOTAL	**50,000**

SSDCIL is a 100% subsidiary of Shopper's Stop Limited.

Board of Directors

The Board of Directors of SSDCIL as on the date of filing this Prospectus with RoC consists of Mr. B.S. Nagesh, Mr. C. B. Navalkar, Mr. YasinVirani, Mr. Sanjay Badhe and Mr. Govind Shrikhande.

The financial performance of SSDCIL as restated are given below:

(Rs.000's, except per share data)

Particulars	For the period from 1 April to 30 November 2004	Year ending March 31			
		2004	2003	2002	From the date of incorporation till March 31, 2001
Sales of products traded in by the company	Nil	Nil	Nil	Nil	570
Other Income	Nil	4000	Nil	Nil	31
Exceptional and non recurring items	Nil	Nil	Nil	Nil	11881
Total Sales, exceptional and other income	Nil	4000	Nil	Nil	12482
Profit/(Loss) after tax	(26)	3993	(7)	(360)	(3669)
Equity Capital	500	500	500	—-	——
Profit & Loss Debit Balance	(69)	(43)	(4036)	(4029)	(3669)
Net Worth	431	457	(3536)	(4029)	(3669)
Earning (Loss) per share	(0.52)	79.86	(0.14)	(6000)	(61150)
Book value per share	8.62	9.14	(70.72)	(67150)	(61150)

Crossword Bookstores Limited (Crossword)

Crossword was incorporated on November 3, 1999 as Profound Reader's Choice Trading (India) Private Limited under the Companies Act with its registered office at Construction House 'A', 24th Road, Khar (West), Mumbai - 400 052.

The name was changed to Crossword Bookstores Limited on February 22, 2001.

Crossword is engaged in the business of retailing of books, music and stationery.

The main objects of the company to be pursued on incorporation are:

1) to carry on the business of retailing, wholesaling, importing, exporting, franchising, indenting and distributing of all types of Books, reading aids, music, CDs, music cassettes, books, video cassettes, video CDs, DVDs, magazines, newspapers and other periodicals, CD ROMs, toys, board games, educational aids, stuffed toys, electronic toys and games, video games, stationery, writing instruments, greeting cards, and other similar products and to provide consultancy services on management of such business and franchising

2) to operate cafes and retail and wholesale various kinds of teas, coffees, soft drinks and other beverages, sandwiches, cookies, cakes and other eatables and to provide consultancy services on management of such business and franchising.

Shopper's Stop Limited and ICICI Limited (A/c. ICICI Structured Products Fund) and ICICI Trusteeship Services Limited (ICICI Equity Fund) had jointly decided to acquire the business of retailing books, magazines, periodicals, music, toys, games, greeting cards, CD ROMs, stationery and gift items through stores operated either by India Book House directly or by franchisees appointed by them under the trademark / trading name and style "Crossword" (called the 'Crossword Division') from India Book House through Profound.

Profound entered into a Deed of Assignment of the business as a going concern by way of a slump sale dated March 31, 2000 with India Book House Limited and acquired their Crossword Division for a total consideration of Rs.137,500,000 (Rupees one hundred thirty seven million and five hundred thousand only).

India Book House Limited also assigned the trademarks and copyrights pertaining to its Crossword Division to Profound vide Deed of Assignments dated March 31, 2000 and July 5, 2000.

Profound issued 5,000,000 Equity Shares of Rs. 10/- each to be subscribed by (a) Shopper's Stop and (b) ICICI Limited (A/c. ICICI Structured Products Fund) and ICICI Trusteeship Services Limited (ICICI Equity Fund) in the ratio of 51:49. We subscribed to 2,550,000 equity shares on March 29, 2000.

ICICI Limited (A/c. ICICI Structured Products Fund) and ICICI Trusteeship Services Limited (ICICI Equity Fund) signed an investment agreement dated July 11, 2000 with Profound to which we are also a party for subscribing to their portion of 2,450,000 equity shares of Rs. 10/- each of Profound. After this transaction, Profound became our 51% subsidiary.

Crossword Bookstores Ltd made a further issue of 1,562,500 equity shares of Rs.10/- each on June 20, 2001 by way of a rights issue to its existing shareholders to fund its business plans. We and ICICI Trusteeship Services Limited (ICICI Equity Fund) subscribed to the rights in the ratio of our shareholding. The portion of the rights issue of ICICI Limited (Structured Products Fund) was subscribed to by ICICI Trusteeship Services Limited (ICICI Equity Fund).

At this stage ICICI Limited (Structured Products Fund) and ICICI Trusteeship Services Limited (ICICI Equity Fund) transferred their entire shareholding in Profound to ICICI Trusteeship Services Limited (ICICI Emerging Sectors Fund). Accordingly the investment agreement dated July 11, 2000 read with Supplemental Agreement dated June 20, 2001 stood novated in favour of ICICI Trusteeship Services Limited (ICICI Emerging Sectors Fund) vide Deed of Novation dated April 26, 2003. The terms of the Investment Agreement Profound changed its name to Crossword Bookstores Ltd and made a further issue of 1,562,500 equity shares of Rs.10/- each on June 20, 2001 by way of a rights issue to its existing shareholders to fund its business plans. We and ICICI Ltd subscribed to the rights in the ratio of our shareholding.

An agreement dated February 28, 2005 has been entered into between Shoppers Stop, ICICI Trusteeship Services Ltd. (in its capacity as trustee of ICICI Emerging Sectors Fund a scheme of ICICI Emerging Sectors Trust /Mutual Fund) (hereinafter "ICICI") and Crossword Bookstores Limited. Pursuant to the provisions of the said agreement our Company has agreed to purchase 4685625 equity shares of Crossword from ICICI not later than June 30, 2005. Pursuant to clause 4 of the said agreement in the event that the sale and purchase of the above mentioned shares is not completed by June 30, 2005 (unless otherwise extended by mutual consent) the said agreement shall terminate and cease to have effect.

Crossword is one of the first book stores in India to design large, spacious, well laid out stores with bright interiors that encourage people to stay and browse. We believe this has made looking for books a more pleasurable experience.

Crossword has 22 stores all over India in Mumbai, Chennai, Hyderabad, Ahmedabad, Pune, Vadodara, Kolkata, and Bangalore with some of the stores located inside the premises of Shopper's Stop or in other malls or on stand-alone basis.

With further plans to expand its business by opening new stores, Crossword has made another rights issue amounting to Rs. 30 million, which was subscribed by us and ICICI Trusteeship Services Ltd. A/c ICICI Emerging Sector Fund in the ratio of our existing shareholding.

Shareholding Pattern

As on March 31, 2005, Shopper's Stop Limited and ICICI Trusteeship Services Limited A/c ICICI Emerging Sectors hold share capital of Crossword in the ratio of 51%: 49% respectively as below:

Sr. No	Name of Shareholders	No. of Shares of face value of Rs. 10
1	ICICI Trusteeship Services Ltd. A/c ICICI Emerging Sector Fund	4,685,625
2	Shopper's Stop Limited	4,876,822
3	Shopper's Stop Limited, Chandru L. Raheja & Neel C. Raheja	15
4	Shopper's Stop Limited & Ravi C. Raheja	4
5	Shopper's Stop Limited, Ravi C. Raheja & B.S. Nagesh	15
6	Shopper's Stop Limited & Chandru L. Raheja	4
7	Shopper's Stop Limited, R. Sriram & C.B. Navalkar	15
	TOTAL	**9,562,500**

Crossword is a 51% subsidiary of Shopper's Stop Limited.

Board of Directors

The Board of Directors of Crossword as on the date of filing this Prospectus with RoC is as below:

Mr. B.S. Nagesh, Chairman

Mr. R. Sriram, Managing Director and CEO

Mr. Ravi Raheja, Director

Mr. Neel Raheja, Director

Mr. Amit Jatia, Independent Director

Mr. Tarique Ansari, Independent Director

Ms. Bala Deshpande, Nominee ICICI Trusteeship Services Limited

Mr. C.B. Navalkar, Independent Director

Mr. Kumar Rajgopalan, Executive Director and Chief Operating Officer

The financial performance of Crossword as restated is given below:

(Rs. 000's, except per share data)

		Year ending March 31				
Particulars	**For the period ended November 30, 2004**	**2004**	**2003**	**2002**	**2001**	**From the Date of incorporation till March 31, 2000**
Sales of Products traded in by the company	225517	222123	187541	178989	144972	213
Other operating income	6150	8017	7972	5027	3233	5
Other Income	1150	2362	1119	2394	597	301
Increase (Decrease) in Inventory	26467	9798	1417	(5080)	17676	8410
Total Sales and other income	259284	242300	198049	181330	166478	8929
Profit/(Loss) after tax	(2214)	(5455)	(15441)	(18705)	(22524)	(3560)
Equity Capital	95625	65625	65625	65625	50000	25500
Reserves and Surplus	131382	131382	131382	131382	97007	41834
Profit & Loss Debit Balance	(101327)	(94337)	(81719)	(59115)	(33247)	(3560)
Net Worth	125680	102670	115288	137534	113044	63774
Earning (Loss) per share	(0.25)	(0.83)	(2.35)	(2.85)	(4.50)	(1.40)
Book value per share	13.14	15.64	17.57	20.96	22.61	25.00

Our promoter group consists of our Promoters, companies and other entities forming part of the K Raheja Corp Group, companies and other entities forming part of the Residual Entities , Mumbai Undivided Entities and the Southern Entities. Information relating to our promoter group companies and other entities including trusts and partnership firms comprising part of the K Raheja Corp Group, Residual Entities Mumbai Undivided Entities and the Southern Entities to the extent made available to our Company is set out below.

K RAHEJA CORP GROUP COMPANIES AND ENTITIES

AVACADO PROPERTIES AND TRADING (INDIA) PRIVATE LIMITED

This company was incorporated under the Companies Act on November 01, 2002.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, contractors, erectors, constructors, developers of land, buildings, offices, townships, hotels, decorating and maintaining amongst others flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property and is in the business of real estate development, buying and selling, leasing of land and house property. It forms a part of the K. Raheja Corp Group (Chandru L Raheja Group).

Shareholding pattern:

The shareholding pattern of this company as on the date of filing this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	9.92
Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	5.58
Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	5.58
Anbee Constructions Pvt. Ltd.	5.58
Cape Trading Pvt. Ltd.	5.58
Capstan Trading Pvt. Ltd.	9.92
Raghukool Estate Development Pvt. Ltd.	9.92
Casa Maria Properties Pvt. Ltd.	9.92
Rockfort Estate Developers Ltd.	38
Total	**100**

The Board of Directors of this company on the date of filing of this Prospectus with RoC comprises of Mr. G. T. Makhijani and Mr. B. S. Nagesh

Financial Performance

The financial performance of this company for last two years is as below:

Particulars	Year Ended March 31,		
	2002	2003*	2004
	(in Rs. Millions, except per share data)		
Sales and other income	N.A.	NIL	17.19
Profit/(Loss) after tax	N.A.	(0.004)	(5.70)
Equity Capital	N.A.	0.1	1
Reserves and Surplus	N.A.	(0.004)	(5.70)
Earning (Loss) per share	N.A.	(0.39)	(57.01)
Book value per share	N.A.	7.56	(47.21)

*Information is for the period ended March 31, 2003

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses and depreciation charges in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

BEACH HAVEN PROPERTIES PRIVATE LIMITED.

This company was incorporated under the Companies Act on June 26, 1982.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, contractors, erectors, constructors, developers of buildings, offices, townships, hotels, decorating and maintaining amongst others flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property and is currently engaged in the business of leasing of real estate premises.

This company is a part of the K. Raheja Corp Group.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is as under:

Names of Shareholder	Percentage Shareholding (%)
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	7.57
Capstan Trading Pvt. Ltd.	9.57
Mr. Chandru L. Raheja, Karta of Chandru Lachmandas HUF Jointly with Mrs. Jyoti C. Raheja	9.04
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	9.13
Casa Maria Properties Pvt. Ltd.	9.57
Raghukool Estate Development Pvt. Ltd.	9.56
Palm Shelter Estate Development Pvt. Ltd.	9.56
Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja Jointly withMrs. Jyoti C. Raheja	8.70
Anbee Constructions Pvt. Ltd.	9.30
Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	8.70
Cape Trading Pvt. Ltd.	9.30
Total	**100**

The Board of Directors of this company on the date of filing of this Prospectus with RoC comprises of Mr. Chandru L. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of the company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	0.12	0.12	0.12
Profit/(Loss) after tax	(0 .80)	(0 .67)	(0.69)
Equity Capital	0.58	0.58	0.58
Reserves and Surplus	(9.18)	(9.85)	(10.54)
Earning (Loss) per share	(138.70)	(115.75)	(120.07)
Book value per share	(1496.68)	(1612.43)	(1732.50)

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses and depreciation charges in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

CHALET HOTELS LIMITED

This company was incorporated with the name Kenwood Hotels Private Limited under the Companies Act on January 06, 1986. Subsequently its name was changed to K. Raheja Resorts and Hotels Limited. Thereafter its name was once again changed to Chalet Hotels Limited on May 4, 1999.

As stated in the main objects contained in its memorandum of association this company is permitted to own , construct , run, furnish, manage, carry on the business of hotels, resorts, restaurants, clubs and to provide lodging and boarding, eating houses, bar, swimming pools and other facilities to the public including tourists and carry on the business of building, erecting, constructors and contractors of all kinds of dams, canals, bridges and irrigation works and building and constructing structures and buildings .

This company owns and runs hotels – The Marriott Executive Apartments and The Renaissance Hotel & Convention Centre.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Chandru L. Raheja Jointly with Jyoti C. Raheja	0.66
Jyoti C. Raheja Jointly with Chandru L. Raheja	0.66
Neel C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	0.66
Raghukool Estate Development Pvt. Ltd.	6.55
Capstan Trading Pvt. Ltd.	6.55
Casa Maria Properties Pvt. Ltd.	6.56
Anbee Constructions Pvt. Ltd.	5.64
Cape Trading Pvt. Ltd.	5.64
Chandru L. Raheja, Karta of Chandru Lachmandas HUF Jointly with Jyoti C. Raheja	0.66
Ravi C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	0.66
K. Raheja Pvt. Ltd.	13.61
Touchstone Properties & Hotels Pvt. Ltd.	15.80
Housing Development Finance Corporation Ltd.	5.49
K. Raheja Corp Pvt. Ltd.	5.02
Ivory Properties And Hotels Pvt. Ltd.	3.92
Uptown Properties And Leasing Pvt. Ltd.	10.96
IDFC Infrastructure Fund – India Development Fund	10.96
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Rusi N. Sethna, Mr. Chandru L. Raheja, Mr. Joseph Conrad D'Souza, Mr. Hetal Gandhi, Mr. Ravi C. Raheja, Mr. Neel C. Raheja and Mr. Luis Miranda.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	330.39	680.21	931.04
Profit/(Loss) after tax	(249.03)	(98.85)	199.90
Equity Capital	793.56	811.42	811.42
Reserves and Surplus	(55.34)	(106.51)	93.39
Earning(Loss)per share	(3.14)	(1.22)	2.46
Book value per share	9.25	8.65	11.13

This company is in the business of running the Marriott Executive Apartments and Renaissance Mumbai Hotel and Convention Centre. The losses incurred are on account of interest depreciation charges and hotel operating expenses which are in excess of the revenure derived from the hotel operations

Significant Qualifications in the Auditors Report

For the year ending March 2002

1) Auditors have qualified their audit report with regard to issuance of bonus shares in the year 1998-99, aggregating to Rs.45 crores by capitalization of revaluation reserve. The issue of bonus shares out of revaluation reserve is contrary to the recommendations of the Institute of Chartered Accountants of India and the circular issued by the Department of Company Affairs in this regard.

The company's response

The recommendation of the Institute of Chartered Accountants of India and the circular issued by the Department of Company Affairs with regard to the issuance of bonus shares out of revaluation reserve is recommendatory in nature and not mandatory and further the company has received opinions in this regard and acted in accordance with those opinions.

2) The auditors have qualified stating that the company has applied to the Company Law Board for permission to depreciate fixed assets costing less than Rs.5,000 individually, at the rates prescribed under Schedule XIV to the Companies Act instead of the rate of 100% in the year of purchase. Pending approval of the Company Law Board, depreciation on such assets has been provided at the prescribed rates. The basis of depreciation is not in accordance with the Companies Act and the

Accounting Standard on Depreciation Accounting issued by the Institute of Chartered Accountants of India. In the absence of the required information, the extent of under provision of depreciation cannot be quantified.

For the year ending March 2003

Auditors have qualified their audit report with regard to issuance of bonus shares in the year 1998-99, aggregating to Rs.45 crores by capitalization of revaluation reserve. The issue of bonus shares out of revaluation reserve is contrary to the recommendations of the Institute of Chartered Accountants of India and the circular issued by the Department of Company Affairs in this regard.

The company's response

The recommendation of the Institute of Chartered Accountants of India and the circular issued by the Department of Company Affairs with regard to the issuance of bonus shares out of revaluation reserve is recommendatory in nature and not mandatory and further the company has received opinions in this regard and acted in accordance with those opinions.

For the year ending March 2004

Auditors have qualified their audit report with regard to issuance of bonus shares in the year 1998-99, aggregating to Rs.45 crores by capitalization of revaluation reserve. The issue of bonus shares out of revaluation reserve is contrary to the recommendations of the Institute of Chartered Accountants of India and the circular issued by the Department of Company Affairs in this regard.

The company's response

The recommendation of the Institute of Chartered Accountants of India and the circular issued by the Department of Company Affairs with regard to the issuance of bonus shares out of revaluation reserve is recommendatory in nature and not mandatory and further the company has received opinions in this regard and acted in accordance with those opinions.

CARIN HOTELS LIMITED

This company was incorporated under the Companies Act on September 07, 1999.

As stated in the main objects contained in its memorandum of association this company is permitted to inter alia own, purchase, operate, manage, establish and in all its aspects deal in hotels, dwelling units of every kind, restaurants, clubs, casinos amongst others. This company is a part of the K. Raheja Corp Group and is currently in the business of operating and managing hotels.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
Mr. Chandru L. Raheja	0.01
Mrs. Jyoti C. Raheja	0.01
Mr. Ravi C. Raheja	0.01
Mr. Neel C. Raheja	0.01
Anbee Constructions Pvt. Ltd.	4.20
Cape Trading Pvt. Ltd.	4.20
Capstan Trading Pvt. Ltd.	5.00
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	4.99
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	4.99
Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	4.99
Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	4.99
K. Raheja Corp Pvt Ltd	49.00
Palm Shelter Estate Development Pvt. Ltd.	17.60
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	4.62	5.72	7.22
Profit/(Loss) after tax	(1.22)	0.09	1.10
Equity Capital	1	1	1
Reserves and Surplus	(0.61)	(0.10)	1
Earning(Loss)per share	(12.24)	0.85	10.97
Book value per share	3.73	8.91	19.90

This company has incurred losses. This company is in the business of operating and managing hotels. Consequently it earns income through management fees only. The losses incurred for the years mentioned in the above table are on account of interest and overheads which fell short of the management fee earned.

GRANDWELL PROPERTIES AND LEASING PRIVATE LIMITED.

This company was incorporated under the Companies Act on May 12, 2004.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on business of builders, real estate developers, constructors of inter alia buildings (residential or industrial or commercial), development of land, leasing and renting of inter alia lands, buildings.

This company is a part of the K. Raheja Corp Group and is currently engaged in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
Chalet Hotels Ltd.	80
Chalet Hotels Ltd. Jointly with Ravi C. Raheja	10
Chalet Hotels Ltd. Jointly with Neel C. Raheja	10
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

This company has been incorporated during FY 2005, and the first financials are yet to be prepared.

HORNBIL TRADING COMPANY PRIVATE LIMITED

The company was incorporated under the Companies Act on December 19, 2000. 100% shareholding in this company was recently purchased by the K Raheja Corp Group on June 17, 2004.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on as inter alia traders, dealers, agents of merchandise, goods, articles for local trades and exports. It now forms a part of the K. Raheja Corp Group (Chandru L Raheja Group).

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Capstan Trading Private Ltd	20
Casa Maria Properties Private Ltd	20
Raghukool Estate Development Private Ltd	20
Anbee Constructions Private Ltd	20
Cape Trading Private Ltd	20
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	4.66	23.08	0.16
Profit/(Loss) after tax	(1.56)	0.28	(1.03)
Equity Capital	0.0002	0.10	0.10
Reserves and Surplus	(1.56)	(0.72)	(1.75)
Earning(Loss) per share	(77,826.14)	90.91	(102.76)
Book value per share	(78697.34)	(63.47)	(165.86)

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses and depreciation charges in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

K. RAHEJA SERVICES PRIVATE LIMITED.

This company was incorporated under the Companies Act on June 16, 1997 and is a part of the K. Raheja Corp Group.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on and is currently engaged in the activity of employing members of staff whose cost of employment are recovered on a cost reimbursement basis or any other basis from other entities. It forms a part of the K. Raheja Corp Group (Chandru L Raheja Group).

Shareholding Pattern:

The shareholding pattern of K. Raheja Services Pvt. Ltd. as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Chandru L. Raheja HUF	15
Ravi C. Raheja	10
Neel C. Raheja	10
K. Raheja Pvt. Ltd.	20
Neel Estates Pvt. Ltd.	10
K. Raheja Corp Pvt. Ltd.	10
Ivory Properties And Hotels Pvt. Ltd.	10
Anbee Constructions Pvt. Ltd.	5
Cape Trading Pvt. Ltd.	5
Raghukool Estate Development Pvt. Ltd.	5
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja, Mr. Neel C. Raheja. and Mr. Nandlal K. Rohira

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	N.A.*	N.A.*	N.A.*
Profit/(Loss) after tax	N.A.*	N.A.*	N.A.*
Equity Capital	1	1	1
Reserves and Surplus	Nil	Nil	Nil
Earning per share	N.A.	N.A.	N.A.
Book value per share	99.40	99.52	99.64

*No Profit & Loss Account has been prepared for the relevant years in view of the nature of activities of the company as mentioned herein above.

K. RAHEJA IT PARK (HYDERABAD) PRIVATE LIMITED

This company was incorporated under the Companies Act on June 02, 2003.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, contractors, erectors, constructors, developers of land, buildings, offices, townships, hotels, decorating and maintaining amongst others flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property and to deal in, buy and sell, lease land and house property and to develop land, buildings, immovable properties and real estate with a view to provide office space, infrastructure and other facililties for information technology and information technology enabled services entities. It is in the business of real estate development and dealing in /leasing of real estate. It forms a part of the K. Raheja Corp Group (Chandru L Raheja Group).

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	6
Mr. Ravi C. Raheja jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja.	4.5
Mr. Neel C. Raheja jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja.	4.5
Casa Maria Properties Pvt. Ltd.	9.5
Raghukool Estate Development Pvt. Ltd.	9.5
Capstan Trading Pvt. Ltd.	9.5
Anbee Constructions Pvt. Ltd.	8.5
Cape Trading Pvt. Ltd.	8.5
Palm Shelter Estate Development Pvt. Ltd.	9.5
K. Raheja Corp Pvt. Ltd.	9.5
Ivory Properties And Hotels Pvt. Ltd.	9.5
Andhra Pradesh Industrial Infrastructure Corporation Ltd.	11
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Mr. Yasin Virani and Mr. Lanka Venkata Subrahmanyam.

Financial Performance

The financial performance of this company for last year is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004*
	(in Rs. Millions, except per share data)		
Sales and other income	N.A.	N.A.	1.32
Profit/(Loss) after tax	N.A.	N.A.	(19.10)
Equity Capital	N.A.	N.A.	10
Reserves and Surplus	N.A.	N.A.	(19.10)
Earning(Loss) per share	N.A.	N.A.	(19.10)
Book value per share	N.A.	N.A.	(9.24)

*Information is for the period ended March 31, 2004.

This company has incurred losses for the period mentioned in the above table, as a consequence of interest expenses, overheads and depreciation charges. However this company has got ongoing real estate development projects which are yielding income from time to time, based on the stage of development and/or sale / lease transactions.

LOUISIANA INVESTMENT & FINANCE PRIVATE LIMITED

This company was incorporated with the name of Louisiana Investment & Finance Pvt Ltd under the Companies Act on December 01, 1986. Subsequently pursuant to the then prevailing provisions of section 43A of the Act, this company became a deemed public company on June 14, 2000. Pursuant to an amendment in the year 2000 to the Companies Act, this company was converted into a full-fledged private limited company on March 29, 2001.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of an investment company and to invest in, and acquire and hold, sell, buy or otherwise deal in inter alia shares, debentures, bonds, securities issued or guaranteed by Indian por foreign governments, States or public authorities, or issued or guaranteed by any company, firm or person in India or elsewhere and function as an investment company and to invest and/ or finance and/or establish in its name or as a holding company, to hold by way of investments inter alia to finance industrial enterprise and to manage stocks, securities, finance and real estate.

It is the business of managing real estate.

This company is a part of the K. Raheja Corp Group.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing this Prospectus is :

Names of Shareholder	Percentage Shareholding (%)
K. Raheja Corp Pvt. Ltd. & Chandru L. Raheja	0.1
K. Raheja Corp Pvt. Ltd.& Ravi C. Raheja	0.1
K. Raheja Corp Pvt. Ltd.	99.8
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises of Mr. Ravi C. Raheja, Mr. Neel C. Raheja and Mr. Nandlal K. Rohira.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	28.34	55.68	59.33
Profit/(Loss) after tax	(9.94)	6.13	9.22
Equity Capital	0.1	0.1	0.1
Reserves and Surplus	(14.83)	(3.24)	5.97
Earning(Loss) per share	(23787.28)	6132.73	9216.15
Book value per share	(14765.01)	(3173.78)	6045.81

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses and depreciation charges in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

MIND SPACE IT PARK PRIVATE LIMITED

This company was incorporated under the Companies Act on December 23, 2003.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, real estate developers, erectors, constructors, of buildings, houses, apartments, structures inter alia being residential, office or commercial, offices, decorating and maintaining amongst others flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property and to develop land, buildings, immovable properties and real estate with a view to provide office space, infrastructure and other facililties for information technology and information technology enabled services entities. It is in the business of real estate development. It forms a part of the K. Raheja Corp Group (Chandru L Raheja Group).

Shareholding pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	64
Mr. Ravi C. Raheja jointly with Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	18
Mr. Neel C. Raheja jointly with Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	18
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Ravi C. Raheja, Mr. Neel C. Raheja and Mr. Chandru L. Raheja.

Financial Performance

The financial performance of this company for last year is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004*
	(in Rs. Millions, except per share data)		
Sales and other income	N.A	N.A	Nil
Profit/(Loss) after tax	N.A	N.A	(0.009)
Equity Capital	N.A	N.A	0.1
Reserves and Surplus	N.A	N.A	(0.009)
Earning(Loss) per share	N.A	N.A	(0.87)
Book value per share	N.A	N.A	7.50

*Information is for the period ended March 31, 2004

This company has incurred losses for the years mentioned in the Prospectus on account of interest and overhead expenses and depreciation charges in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

NASK REALTORS PRIVATE LIMITED

This company was incorporated under the Companies Act on December 22, 2000. It is a wholly owned subsidiary of Hornbil Trading Company Private Limited and became a part of the K Raheja Corp Group when Hornbil Trading Company Private Limited was purchased by the K Raheja Corp Group on June 17, 2004.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, contractors, erectors, constructors of inter alia buildings, houses, apartment structures or residential, office, industrial or cmmercial, townships, hotels, decorating and maintaining inter alia flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property. It is in the business of real estate development. It now forms a part of the K. Raheja Corp Group (Chandru L Raheja Group).

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
Hornbil Trading Company Private Ltd	99.96
Hornbil Trading Company Private Ltd jointly with Gordhan G. Kukreja	0.02
Hornbil Trading Company Private Ltd jointly with B.S. Nagesh	0.02
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Gordhan G. Kukreja and Mr. Chandrashekhar B. Navalkar.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004*
	(in Rs. Millions, except per share data)		
Sales and other income	Nil	Nil	0.01
Profit/(Loss) after tax	(0.07)	(0.01)	(0.19)
Equity Capital	0.1	0.1	0.1
Reserves and Surplus	(0.08)	(0.03)	(0.22)
Earning (Loss) per share	(341.12)	(9.94)	(176.37)
Book value per share	11.38	59.09	(124.91)

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

NEERAV PROPERTIES AND HOTELS PRIVATE LIMITED

This company was incorporated under the Companies Act on December 23, 2003.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on on the business of builders, contractors, erectors, constructors of inter alia buildings, houses, apartment structures or residential, office , industrial or commercial, townships, hotels, decorating and maintaining inter alia flats, factories, shops, offices,

hospitals and to deal in, buy and sell, lease land and house property. It is in the business of real estate development. It forms a part of the K. Raheja Corp Group (Chandru L Raheja Group).

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing this Prospectus with RoC is :

Name of Shareholder	Percentage Shareholding(%)
Mr. Chandru L. Raheja	64
Mr. Ravi C. Raheja	18
Mr. Neel C. Raheja	18
Total	**100**

The Board of Directors of this company as on the date of filing of this with RoC comprises Mr. Ravi C. Raheja, Mr. Neel C. Raheja and Mr. Chandru L. Raheja.

Financial Performance

The financial performance of this company for last year is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004*
	(in Rs. Millions, except per share data)		
Sales and other income	N.A	N.A	Nil
Profit/(Loss) after tax	N.A	N.A	(0.01)
Equity Capital	N.A	N.A	0.10
Reserves and Surplus	N.A	N.A	(0.01)
Earning(Loss) per share	N.A	N.A	(1.43)
Book value per share	N.A	N.A	7

*Information is for the period ended March 31, 2004

NEWFOUND PROPERTIES AND LEASING PRIVATE LIMITED

This company was incorporated under the Companies Act on May 12, 2004.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on business of builders, real estate developers, constructors of inter alia buildings (residential or industrial or commercial), development of land, leasing and renting of inter alia lands, buildings.

This company is a part of the K. Raheja Corp Group and is currently engaged in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
Mr. Ravi C. Raheja	50
Mr. Neel C. Raheja	50
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

This company has been incorporated during FY 2005, and the first financials are yet to be prepared.

HYPERCITY RETAIL (INDIA) PRIVATE LIMITED (Formerly Known As Rainbow Retail Private Limited)

This company was incorporated under the Companies Act on May 27, 2004 under the name Rainbow Retail Private Limited. The name of the company has been recently changed to Hypercity Retail (India) Pvt Ltd on March 4, 2005 and a fresh certificate of incorporation consequent on change of name has been issued by the Registrar of Companies in this regard.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the retail business including inter alia supermarket, hypermarket, chainstores, undertaking retailing, trading, merchandising, franchising, supply chain management, online trading systems and to deal in inter alia confectionaries, groceries and provisions of all kind, garments, accessories and to buy and sell or prepare for market and deal in all types of retail products.

The company is a part of the K. Raheja Corp Group, and has been recently established to carry on the above activities.

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
Inorbit Malls (India)Pvt. Ltd	99.99
Ravi C. Raheja,Nominee of Inorbit Malls (India) Pvt. Ltd.	0.01
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises of Mr. Chandru L. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

This company has been incorporated during FY 2005, hence the first financials are yet to be prepared.

ROCKFORT ESTATE DEVELOPERS LIMITED

This company was incorporated as Rockfort Estate Developers Private Limited under the Companies Act on August 17, 2000.

Subsequently, pursuant to the then prevailing provisions of section 43A of the Act this company became a deemed public company. Pursuant to an amendment in the year 2000 to the Companies Act, this company became a full-fledged private company. Pursuant to a resolution passed by its shareholders at an EGM held on March 13, 2003 it became a public company and its name was changed to Rockfort Estate Developers Limited on May 08, 2003.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, contractors, erectors, constructors of inter alia buildings, houses, apartment structures or residential, office, industrial or cmmercial, townships, hotels, decorating and maintaining inter alia flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property**.** This company is a part of the K Raheja Corp Group and is a joint venture between our Promoters and Housing Development Finance Corporation and is currently engaged in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
Chandru L. Raheja	0.004
Ravi C. Raheja	0.004
Neel C. Raheja	0.004
Chandru L. Raheja jointly with Jyoti C. Raheja	4.396
Jyoti C. Raheja Jointly with Chandru L. Raheja	4.4
Ravi C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	4.096
Neel C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	4.096
Casa Maria Properties Pvt. Ltd.	8
Capstan Trading Pvt. Ltd.	8
Raghukool Estate Development Pvt. Ltd.	8
Anbee Constructions Pvt. Ltd.	5
Cape Trading Pvt. Ltd.	5
Housing Development Finance Corporation Ltd.	49
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Mr. K. G. Krishnamurthy, Mr. Suresh Menon and Mr. V. S. Rangan.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	NIL	0.0005	9.09
Profit/(Loss) after tax	(0.03)	(1.65)	2.01
Equity Capital	0.5	0.5	0.5
Reserves and Surplus	(0.07)	(1.71)	0.3
Earning (Loss) per share	(0.6)	(33.04)	40.26
Book value per share	8.55	(24.41)	15.92

This company has incurred losses as a consequence of interest expenses, overheads and depreciation charges. However this company has got ongoing real estate development projects which are yielding income from time to time, based on the stage of development and/or sale / lease transactions.

Significant qualifications in the auditors report:-

For the year ending March 31, 2003

Significant notes of the Auditors is with regard to interest receivable by this company from a party which is disputed and on the basis of the information made available to the Auditors they are unable to form an opinion on the recoverability of the amount due from the party.

For the year ending March 31, 2004

Significant notes of the Auditors is with regard to interest receivable by this company from a party which is disputed and on the basis of the information made available to the Auditors they are unable to form an opinion on the recoverability of the amount due from the party.

SERENE PROPERTIES PRIVATE LIMITED

This company was incorporated under the Companies Act on December 23, 2003.

As stated in the main objects contained in its memorandum of association this company is permitted to own, construct, lease land or buildings and to conceptualise, plan, design construct and market malls inter alia for the purpose of licensing retail space.

This company is a part of the K Raheja Corp Group and is currently engaged in the business of real estate development.

Shareholding Pattern

Shareholding pattern of this company as on the date of filing this Prospectus with RoC are :

Names of Shareholder	Percentage Shareholding (%)
Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	64
Mr. Ravi C. Raheja jointly with Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	18
Mr. Neel C. Raheja jointly with Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	18
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Ravi C. Raheja, Mr. Neel C. Raheja and Mr. Chandru L. Raheja.

Financial Performance

The financial performance of this company for last year is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004*
	(in Rs. Millions, except per share data)		
Sales and other income	N.A	N.A	Nil
Profit/(Loss) after tax	N.A.	N.A.	(0.009)
Equity Capital	N.A.	N.A.	0.1
Reserves and Surplus	N.A.	N.A.	(0.009)
Earning (Loss) per share	N.A.	N.A.	(0.87)
Book value per share	N.A.	N.A.	7.50

*Information is for the period ended March 31, 2004

This company has incurred losses for the years mentioned in the Prospectus on account of interest and overhead expenses and depreciation charges in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

TOUCHSTONE PROPERTIES & HOTELS PRIVATE LIMITED

This company was incorporated as Touchstone Properties and Hotels Private Limited under the Companies Act on October 30, 1996. Subsequently, pursuant to the then prevailing provisions of section 43A of the Act it became a deemed public company. Pursuant to an amendment in the year 2000 to the Companies Act, this company became a full-fledged private limited company with effect from February 10, 2001.

As stated in the main objects contained in its memorandum of association this Company is permitted to carry on inter alia the business of building, contracting, constructing buildings, apartments, townships hotels amongst other structures, and the developing and maintaining of real estate and providing technical, advice and managing inter alia hotels, restaurants, clubs and department stores.

It forms a part of the K Raheja Corp Group.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
Chandru L. Raheja	0.1
Palm Shelter Estate Development Pvt. Ltd.	9.5
Chandru L. Raheja Jointly with Jyoti C. Raheja	6.9
Chandru L. Raheja, Karta of Chandru Lachmandas HUF Jointly with Jyoti C. Raheja	9.5
Jyoti C. Raheja Jointly with Chandru L. Raheja	9.5
Capstan Trading Pvt. Ltd.	9.5
Raghukool Estate Development Pvt. Ltd.	9.5
Casa Maria Properties Pvt. Ltd.	9.5
Ravi C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	9
Anbee Constructions Pvt. Ltd.	9
Neel C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	9
Cape Trading Pvt. Ltd.	9
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	NIL	NIL	NIL
Profit/(Loss) after tax	(0.006)	(0.006)	(0.16)
Equity Capital	0.5	0.5	0.5
Reserves and Surplus	(0.28)	(0.28)	(0.45)
Earning per share	(1.24)	(1.19)	(32.43)
Book value per share	5.20	4.00	2.91

This company has incurred losses for the years mentioned in the above table on account of interest and overhead expenses and depreciation charges in respect of the activities of this company. The income earned by this company was insufficient to meet the above expenses and hence the losses.

UPTOWN PROPERTIES AND LEASING PRIVATE LIMITED

This company was incorporated under the Companies Act on May 12, 2004.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on business of builders, real estate developers, constructors of inter alia buildings (residential or industrial or commercial), development of land, leasing and renting of inter alia lands, buildings.

This company is part of the K Raheja Corp Group and is currently engaged in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
Mr. Ravi C. Raheja	50
Mr. Neel C. Raheja	50
Total	**100**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The company has been incorporated during FY 2005, and the first financials are yet to be prepared.

BKC CONSTRUCTIONS PRIVATE LIMITED

This company was incorporated with the name Naman BKC Constructions Pvt. Ltd. under the Companies Act on May 21, 2004. 100% of shareholding of this company has been acquired by K. Raheja Corp Pvt. Ltd. pursuant to resolutions passed

by the board of directors on December 21, 2004 and Janurary 1, 2005 and the company became a part of K Raheja Corp Group. Subsequently, its name was changed to BKC Constructions Pvt. Ltd. on February 23, 2005.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, contractors, erectors, constructors of inter alia buildings, houses, apartment structures or residential, office, industrial or commercial, townships, hotels, decorating and maintaining inter alia flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property. It is in the business of real estate development. It now forms a part of the K. Raheja Corp Group (Chandru L Raheja Group).

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is :

Names of Shareholder	Percentage Shareholding (%)
K. Raheja Corp Pvt. Ltd.	99.999
Ravi C. Raheja, Nominee of K. Raheja Corp Pvt. Ltd.	0.001
Total	**100.00**

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The company has been acquired during FY 2005, and the first financials are yet to be prepared.

MARVEL INTERNATIONAL PRIVATE LIMITED

This company was incorporated under the laws of Dubai in accordance with the Offshore Companies regulations of Jebel Ali Free Zone of 2003 in the Jebel Ali Free Zone, Dubai, UAE on August 14, 2004.

As stated in the objects contained in its memorandum of association, this company is permitted to conduct any lawful business or activity, in accordance with the Jebel Ali Free Zone Offshore Companies Regulations 2003 ("the regulations") including but not limited to investments in overseas companies and to buy, own, hold, lease, sell or otherwise deal with any real property on the Palm Islands or Jumeirah Islands or any property owned by Nakheel Company LLC or any other real property in the United Arab Emirates or in any other part of the world and to borrow and raise money with or without security on such terms and conditions as the Company shall deem fit and to do all such other things as are incidental or conducive to the attainment of all of the above objects.

This Company has been promoted by K. Raheja Corp Pvt. Ltd.

The Memorandum of Association of this company provides that K. Raheja Corp Pvt. Ltd. has agreed to subscribe to the share capital of the company consisting of 1000 shares of UAE Dihrams 100 each.

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises of Mr. Barjor Sohrab Bajan.

Financial Performance

Since this company was incorporated on August 14, 2004, the first financial year has not ended.

PARTNERSHIP FIRMS

K. Raheja Properties

The firm was constituted vide a Deed of Partnership dated December 1, 1998, under the Indian Partnership Act, 1932 and was re-constituted vide deed of partnership dated June 1, 2002. The firm is currently in the business of dealing in real estate properties.

Partners:

Names of Partner	Partner's Share (%)
K. Raheja Private Limited	10
Ivory Properties & Hotels Pvt. Ltd.	10
Chandru L. Raheja	2
Neel C. Raheja	2
Ravi C. Raheja	2
Anbee Constructions Private Limited	10
Cape Trading Private Limited	10
Capstan Trading Private Limited	10
Casa Maria Properties Pvt. Ltd.	10
Raghukool Estate Development Pvt Ltd	10
K. Raheja **Corp** Pvt. Ltd.	20
Palm Shelter Estate Development Pvt. Ltd.	4
Total	**100**

Financial Performance

The financial performance of this firm for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and other income	151.72	156.80	161.47
Profit/(Loss) after tax	0.31	0.07	0.45
Partners' Capital Account	(493.12)	(601.61)	(573.67)

K. Raheja Properties and Finance

The firm was constituted vide a Deed of Partnership dated March 16, 1984, under the Indian Partnership Act, 1932 under the name Ideal Enterprises and was re-constituted vide deeds of partnership dated June 4, 1984, November 5, 1992 and December 20, 1996 read together with supplementary deeds dated, April 6, 1993 and June 1, 2002. The firm is engaged in the business of trading in real estate.

Partners:

Names of Partner	Partner's Share (%)
K. Raheja Private Limited	15
Chandru Lachmandas (HUF)	10
Ravi C. Raheja	7
Neel C. Raheja	7
K. Raheja Corp Private Limited	15
Ivory Properties & Hotels Pvt. Ltd.	15
Palm Shelter Estate Development Pvt. Ltd.	7
Anbee Constructions Private Limited	7
Cape Trading Private Limited	7
Capstan Trading Private Limited	10
Total	**100**

Financial Performance

The financial performance of this firm for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and other income	9.80	1.58	5.81
Profit/(Loss) after tax	0.19	0.07	1.77
Partners' Capital Account	2.88	(14.44)	(8.70)

K. Raheja Sales

The firm was constituted vide a deed of partnership dated on October 03, 1981 under the Indian Partnership Act, 1932 and was re-constituted vide deeds of partnership dated September 1, 1985, December 4, 1987, November 1, 1990, April 2, 1992, November 5, 1992 and January 4, 1997 read together with supplementary deed dated April 6, 1993 and deeds of retirement dated October 31,1987, December 26, 1996. The firm is presently non operational. It was earlier engaged in the business of marketing and sales for the Group.

Partners:

Names of Partner	Partners' Share (%)
K. Raheja Private Limited	20
Neel Estates Private Limited	10
K.R. Consultants Private Limited	10
Casa Maria Properties Pvt Ltd	5
Ravi C. Raheja	10
Neel C. Raheja	10
Chandru L. Raheja	10
K. Raheja Corp Private Limited	10
Ivory Properties & Hotels Pvt. Ltd	10
Capstan Trading Pvt Ltd	5
Total	**100**

Financial Performance

The financial performance of this firm for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and other income	15.38	2.95	0.27
Profit/(Loss) after tax	(0.23)	(0.06)	(0.01)
Partners' Capital Account	(4.80)	0.42	0.25

This company was engaged in the business of marketing and sales of properties developed by the K. Raheja Corp Group. The income earned on account of its business fell short of the interest and overheads incurred which has resulted in losses for the years mentioned in the above table.

Trusts

CHARITABLE TRUST

K. RAHEJA CORP FOUNDATION

This trust was settled on February 25, 2002. The Indenture was made between "the settlor" Mrs. Jyoti C. Raheja and "the trustees" Mr. Chandru L. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja. This trust has been established for charitable purposes.

FINANCIAL PERFORMANCE

The financial performance of this trust for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and other income	NIL	0.0084	0.05
Surplus/(Deficit) after tax	NIL	0.000725	0.000608
Trust Funds	0.025	0.025	0.025
Income & Expenditure a/c	NIL	0.000725	0.001333

PRIVATE TRUST

IVORY PROPERTY TRUST

This trust was settled on July 8, 2004. The Indenture was made between "the settlor" Mr. Chandru L. Raheja and "the trustees" Mr. Chandru L. Raheja, Mrs. Jyoti C. Raheja and Ivory Properties and Hotels Private Limited. The beneficiaries are Mr. Chandru L. Raheja, Mrs. Jyoti C. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

The trust has been settled during FY 2005, hence the first financials are yet to be prepared.

OTHER ENTITIES PROMOTED BY THE PROMOTERS

The Promoters have certified that pursuant to a family arrangement dated December 9, 1996 (the "**Arrangement**") executed between G.L. Raheja, Sandeep G. Raheja, Durga S. Raheja, Sabita R. Narang (Nee Sabita G. Raheja) and Sonali N. Arora (Nee Sonali G. Raheja) representing the G.L. Raheja family (the 'G.L. Raheja family') and C.L. Raheja, Jyoti C. Raheja, Ravi C. Raheja and Neel C. Raheja representing the C.L. Raheja family (the 'C.L.Raheja family'), all the immovable properties, businesses and assets, including shareholding and ownership of companies mentioned in the said Arrangement, which were jointly owned and controlled by both the families prior to the said 9th December, 1996 (hereinafter collectively the "**Properties**"), were distributed between these two families by their mutual consent in accordance with what was agreed interalia between both the families in documents / writings dated April 5, 1996 and November 16, 1996. (the "**Writings**").

The Promoters have clarified that all the Properties have been fully and completely distributed and vested in accordance with the Arrangement including the completion of the formality of documentation.

The following are the Properties that were so distributed and vested: (As listed in the Arrangement):

1. Ivory Properties & Hotels Ltd.,
2. Kenwood Hotels Pvt. Ltd.
3. Marble Arch Properties & Hotels Pvt. Ltd.
4. K. Raheja Pvt. Ltd. (Excluding Construction House-A, Construction House-B, Rosemary, SettVilla, Matheran & A.D. Sheth T.D.R.)
5. Beach Haven Properties Pvt. Ltd.
6. Upasna Trading Pvt. Ltd.
7. Ferani Hotels Ltd.
8. Unique Estate and Development Co. Ltd.
9. Palmgrove Beach Hotels Ltd
10. 3 Flats – Girnara Front Wing – A (S.K. Estates Pvt. Ltd.)
11. Ajanta Inn & Properties Pvt. Ltd.
12. Greenfield Hotels & Estates Pvt. Ltd.
13. Paramount Hotels Ltd.
14. Palmshelter Estate Development Pvt. Ltd.
15. Tropicana Properties Ltd.
16. Parkview Developers
17. Makewaves Sea Resort Pvt. Ltd.
18. Rahi Hotels Ltd.
19. K.R. Hotels & Estates Pvt. Ltd.
20. K. Raheja Estates Pvt. Ltd.
21. Pete N. Lou, Bandra
22. Ryewood Bungalow, Lonavala
23. Sett Villa, Matheran
24. Wallace Apartments – 1 Flat
25. Nepean House – 2 Flats
26. Matulya Center – Unit
27. Mulgaonkar Bungalow, Khandala
28. Rosemary office, Bandra
29. Karishma Office, Khar
30. Daffodils Ground Floor Flat
31. Neel Apartments Flat
32. Garden View 602
33. Cupid Unit No.1
34. 6 B Navratan, Lonavala
35. Greenwood Bungalow, Matheran
36. Construction House-A, Khar
37. Construction House-B, Khar
38. Nectar Flat, Bandra

In some cases due to family disputes and differences, certain further assurances and follow-up action in relation to the companies/ entities/ properties etc. as mentioned aforesaid was not completed and is outstanding till the date of this Prospectus. These matters are more specifically:

(a) In respect of a few of the immovable properties documentation and/or possession in favour of the respective families was not completed/handed over;

(b) In respect of few of the Properties, some documents, papers, certificates and deeds in respect of the said Properties were not exchanged between the respective families;

(c) While transferring shares of certain companies that formed part of the Properties, according to the Promoters certain immovable properties and assets remained to be valued.

(d) Certain of the Properties distributed also carried with them the responsibility of making repayment of certain third party loans and liabilities. While the Properties and the loans and liabilities may have been distributed to one family group, the loans and liabilities may still be secured by certain guarantees and other securities which were provided by the other family group, which guarantees and securities had to be released as per the Arrangement. While releases in respect of such guarantees and securities have been done in most cases, there may be certain cases where the formalities of such release were not completed by the concerned family

Contentions in this regard may have been raised by the two families.

Further, as on the date of this Prospectus, apart from the Properties there are certain other properties and entities:

(a) which are jointly owned and controlled by both the families (the "**Mumbai Undivided Properties and Entities**") and are not distributed, although the C.L. Raheja family and the G. L. Raheja family had agreed to carry out the said distribution pursuant to the Writings and/or the Arrangement; and

(b) which are jointly owned and controlled by both the families together with the family of their brother-in-law (sister's family) (the "**Southern Undivided Companies and Entities**") and are not distributed, although the C.L. Raheja family and the G. L. Raheja family had agreed to carry out the said distribution pursuant to the Writings and/or the Arrangement, which has also been confirmed by the family of their brother-in-law (sister's family) in various affidavits filed in relation to pending litigations details of which are more particularly disclosed in the section titled –'Outstanding Litigations' on page 287 of this Prospectus.

The separation/distribution of which is pending due to family differences and disputes.

Consequent to the above the complete and full implementation of the aforesaid Writings was not completed. Therefore there could arise from time to time claims and counterclaims, between the C.L. Raheja family and the G.L. Raheja family with respect to such entities. The Company understands from the Promoters that the existence, value and impact of the same cannot be presently ascertained.

There are however some existing allegations, claims and counterclaims which are pending between the C.L. Raheja family and the G.L. Raheja family. For more detailed information please see section titled 'Outstanding Litigations' on page 287 of this Prospectus.

As matters relating to the above are inter se between the Promoters and the G.L. Raheja group, the Promoters believe that except for the dispute relating to the premises from which we operate our store in Bangalore referred to in the section titled "Outstanding Litigations" and the disputes relating to K. R. Trends (a division of Upasna Trading Limited, a subsidiary of the Company) referred to in the section titled "Outstanding Litigations", the same would not in any way impact the properties, business, assets and finances of our Company.

However, since these entities were co promoted by some of the Promoters, consequently they could be treated as companies promoted by the Promoters within the ambit of SEBI Guidelines. The Promoters alone are not in ownership and control of these entities and these are subject matter of the above-mentioned family differences and disputes.

Mumbai Undivided Properties and Entities

The Mumbai Undivided Properties and Entities comprise of various companies, partnership firms and trusts. The registered office / office of most of the said Mumbai Undivided Properties and Entities continues to be at the office of the Promoters at Construction House A, Khar, Mumbai (which used to be the registered office of those entities even prior to the aforesaid distribution).

The following are the Mumbai Undivided Entities and Properties that are yet to be distributed and vested:

UNDIVIDED ENTITIES

PARTNERSHIP FIRMS

Alankar Enterprises

Crystal Corporation & Everest Enterprises

Crown Enterprises

Evergreeen Construction

Honey Dew Corporation

Kenwood Enterprises

K.Raheja Financiers & Investors

K.R.Finance

K.R.Properties & Investments
K.R.Sales Corporation
Marina Corporation
Oriental Corporation
Powai Properties
R.M.Development Corporation
Ruby Enterprises
Satguru Enterprises

LIMITED COMPANIES

Canvera Properties Private Limited
Carlton Trading Private Limited
Debonair Estate Development Private Limited
Dindoshila Estate Developers Private Limited
East Lawn Resorts Limited
Fems Estate (India) Private Limited
Hill Queen Estate Development Private Limited
Juhuchandra Agro & Development Private Limited
K.R.Consultants Private Limited
K.R.Developers Private Limited
K.Raheja Trusteeship Private Limited
Lakeside Hotels Limited
Nectar Properties Private Limited
Neel Estates Private Limited
Oyster Shell Estate Development Private Limited
Peninsular Housing Finance Private Limited
Rendezous Estate Private Limited
Raheja Hotels Limited
Sea Breeze Estate development Private Limited
Sevaram Estate Private Limited
S.K.Estates Private Limited
Springleaf Properties Private Limited
Suruchi Trading Private Limited
Wiseman Finance Private Limited

ASSOCIATION OF PERSONS

K.Raheja Investments & Finance

TRUSTS

CHARITABLE TRUSTS

K. R. Foundation
Raheja Charitable Trust

PRIVATE TRUSTS

Lachmandas S. Raheja Family Trust
L.R.Combine
S.R.Combine
Reshma Associates
R.N.Associates
R.K.Associates
Various discretionary trusts (about 288 Nos.)

UNDIVIDED PROPERTIES

Bungalow No.43 at Lonavala

Busheri Plot

Jitendra Seth TDR

Girnara 'C' Wing

Agricultural land at Bangalore

Agricultural land at Pune

Agricultural land at Coimbatore

Nancy Rego Plot

IOB Bandra Premises

IOB Santacruz Premises

Nataraj TDR Project

The following are the Southern Entities that are yet to be distributed and vested:

SOUTHERN ENTITIES

Asiatic Properties Ltd.

Ashoka Apartments Pvt. Ltd.

Formost Granites Exports Pvt. Ltd.

K. Raheja Development & Constructions Pvt. Ltd.

K. Raheja Hotels & Estates Pvt. Ltd.

Mass Traders Pvt. Ltd.

K. Raheja Development Corporation

Raj Trust

R&M Trust

In respect of the Mumbai Undivided Entities, the Promoters have provided information to the extent available with them. Further information was sought from the G. L. Raheja family by the Lead Merchant Bankers vide their letters dated December 1, 2004 and December 10, 2004. G. L. Raheja responded to the same vide his letters dated December 8, 2004, December 14, 2004 and December 18, 2004, which information provided by the G. L. Raheja family has also been considered by the Promoters in preparing the disclosures in relation to the Mumbai Undivided Entities. Some or all of the information so disclosed by the Promoters are disputed by the G. L. Raheja family and correspondence has been exchanged between the two families in this regard. In the circumstances the Promoters have not certified the completeness and accuracy and therefore the correctness of the information provided in relation to the Mumbai undivided Entities.

Since the time of the said distribution, these entities are largely dormant except for certain transactions like repayment of borrowings, sale of stock in trade, suit filed for recovery of amounts and administrative overheads, etc. Further members of both the families have separately operated bank accounts of some of those entities.

Both the families have separately in their possession various documents, papers, records, assets, etc. of the said Mumbai Undivided Properties and Entities which has made the finalisation of accounts, audit, filing of various returns and forms with different authorities and various other statutory compliances difficult and has resulted in the same not having been completed for several years. Several filings and compliances have not been made due to the said family disputes and the fact that the C.L. Raheja Family alone is not in ownership and control of the said Mumbai Undivided Entities. The G. L. Raheja family has however contended that the C. L. Raheja family attempted to wrongly assume control over such Mumbai Undivided Entities.

The promoters have denied the allegations of the G. L. Raheja family as (a) under the Writings there is an understanding / agreement with regard to all the entities /assets as to each family having equal ownership / interest / right in the said entities / assets (which is irrespective of the actual shareholding / beneficial interest / ownership in each entity / asset) and (b) both the families have separately in their possession various documents, papers, records, assets, etc. of the Mumbai Undivided Properties and Entities which has made the finalisation of accounts, audit (other than Wiseman Finance Private Limited which is professionally managed), filing of various returns and forms with different authorities and various other statutory compliances difficult and has resulted in the same not having been completed for several years. In the circumstances, the Promoters have denied the allegations of the G. L. Raheja family and have maintained that C. L. Raheja family cannot exercise and hence are not in sole control of the entities and are in fact in joint control of the entities with the G.L. Raheja family. The C.L. Raheja family has maintained that the C.L. Raheja family is not solely in control of these entities which is also strongly evidenced by a number of factors: (a) Where companies have existing directors, the same interalia belong to both the families and usually equally. In this regard please see the details of directors stated provided in the chapter on Mumbai Undivided Entities between pages 110 to 178 (b) The equity shareholdings of the companies which are part of Mumbai Undivided Entities are of both families and usually where neither the G.L. Raheja family nor the C.L. Raheja family individually has a majority. In this regard please see the details of equity shareholding pattern stated in the chapter on Mumbai Undivided Entities between pages 110 to 178. Even in relation to some of the companies where the C.L.

Raheja family has a majority in such Mumbai Undivided Entities, they have not exercised unilateral control in deference to the G.L. Raheja family's request and requirement that the same should be in joint control as per the family settlement documents. (c) The partners of the partnership firms of the Mumbai Undivided Entities are inter alia of both families. In this regard please see the list of partners in partnership firms stated in the chapter on Mumbai Undivided Entities between pages 110 to 178. (d) For the last few years accounts have not been finalized and audited (other than in the case of Wiseman Finance Private Limited, which is professionally managed although the same is disputed by the G. L. Raheja family) because of lack of co-operation between both the families and in the correspondence exchanged between them, the G.L. Raheja family have time and again maintained that the accounts need to be jointly finalised. The G.L. Raheja family has in fact restrained the auditors from finalizing the accounts unless they have approved and signed the accounts of the entities. (e) Members of both the families are authorized signatories to the bank accounts and have separately operated the accounts. In the years 1997 - 2000, the G.L. Raheja family had on a number of occasions operated the Bank accounts and made number of debit / credit entries unilaterally in relation to the Bank accounts of a number of Mumbai Undivided Entities. (f) Use of letter heads relating to the said Mumbai Undivided Entities. On a number of occasions, for instance while requesting for fresh cheque books to be issued in the G.L. Raheja family's favour, letter heads in relation to the Mumbai Undivided Entities have been used by their family. (g) Further when Allied (Garments) Exports Industries Private Limited exercised their option to acquire certain flats in Ashirwad 2, Versova, Andheri (West) held by K.R. Developers Private Limited (a Mumbai Undivided Entity), both the families jointly accepted the exercise of the option and the execution of the related documents. This is only one instance of a transaction in relation to the Mumbai Undivided Entities where joint signatures were taken for the purpose of sale of properties. (h) Even in circumstances where the Promoters have made any tax filings in relation to the Mumbai Undivided Entities, they have always maintained the fact that they are not in sole control of the Mumbai Undivided Entities and that the responsibility for all the tax delays and filings is both the families. (i) Further the Promoters have learnt that the G.L. Raheja family has signed tax deduction at source certificates (Form 16A) in certain cases and the Promoters have also been informed by the G. L. Raheja that he has filed income tax returns in the case of one of the entities. (j) Further even after the Arrangement certain bank accounts have been jointly opened in relation to the Mumbai Undivided Entities. (k) Further the G.L. Raheja family has also in the year 1998 written to the Promoters and to the auditors directing not to finalise and audit the accounts unless their family had approved and signed the same.

The registered office of most of the Mumbai Undivided Entities continues to be at Construction House "A" since the Entities are yet to be divided and these companies have not been in a position to complete any of the statutory registers in the absence of meetings and sharing of data between the families.

Various private trusts were constituted, under which the members of the K. Raheja Corp Group were, along with certain other persons, beneficiaries. These private trusts were so organized such that only one trust was engaged in the carrying on of business. Some of these trusts were also partners in partnership firms (for the purpose of sharing in the profits and losses, although not involved in the day to day operation of the business of such partnership firms). The other remaining trusts were only direct or indirect beneficiaries of the aforesaid private trust carrying on business. We understand from the Promoters that while the affairs of the private trust which was carrying on business have been wound up and also the trusts which were partners in some partnership firms have ceased to be partners and complete distribution of assets has also taken place, in some of the beneficiary trusts, though the date of distribution of assets have passed, due to the pending disputes between the C. L. Raheja family and the G. L. Raheja family certain assets are yet to be distributed. Our Promoters believe that the amounts involved in these trusts are insignificant and are not expected to have any material impact on our Company or our Promoters.

The existence, value, impact and resulting liability, if any with regard to any such claims involving the Mumbai Undivided Properties and Entities cannot be ascertained as on the date of this Prospectus. Further due to the nature of the family disputes and given that follow-up action with respect to the distribution of the Mumbai Undivided Entities was not completed and is outstanding as on the date of this Prospectus the Promoters have disclosed all information available with them which will not be complete and accurate with respect to the Mumbai Undivided Entities.

MUMBAI UNDIVIDED ENTITIES

CANVERA PROPERTIES PRIVATE LIMITED

This company was incorporated under the Companies Act on March 22, 1985. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of builders, contractors, erectors, constructors, developers of housing schemes, holiday resorts, offices, townships, hotels, decorating and maintaining amongst others flats, factories, shops, offices, hospitals and to deal in land and house property.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations except compensation received in respect of a plot of land during the financial years ended March 31, 2002 and March 31, 2004. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of some of the activities mentioned in its main objects.

Shareholding Pattern

The equity shareholding pattern of this company based, on the annual return filed with the ROC containing information as of September 25, 1995 (which is the date of the annual general meeting as shown in the annual return) is set out below. To the knowledge of the C.L. Raheja Group this is the last annual return filed with the ROC prior to the Arrangement:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Rajendra Kumar Kapur	33.33	Others
Mr. Rameshchandra Nanalal Talati	33.33	
Mr. Ashok G. Raheja	33.34*	
Total	**100**	

* rounded off

Notes to the above chart:

1. On the presumption that the shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of this company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings (referred to on page 105 of the Prospectus), between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.)
2. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 25, 1995 no further shareholders meetings have been held.
3. In view of the failure to increase the paid-up capital in accordance with the provisions of section 3 of the Act, this company is deemed to be a defunct company within the meaning of section 560 of the Act, in which case the ROC would be entitled to strike off the name of this company from the register. However, to the knowledge of the Promoters, this company has not received any notice/letter from the ROC in this regard as on date of filing the Prospectus.
4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 25, 1995 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 25, 1995 (which to the knowledge of the C. L. Raheja Group is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Ashok G Raheja	Others
Mr. Rajendra K. Kapur	
Mr. Rameshchandra N. Talati.	

Notes to the above chart:

1. As per the articles of association of this private company none of the directors are liable to retire by rotation. Consequently, it may be assumed that the directorship of this company as on the date of filing of the Prospectus continues to be the same as stated in the chart above.
2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 3, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 3, 1997 may be a point of dispute between the C. L. Raheja family and the G. L. Raheja family.

Financial Performance

The financial performance of this company based on last available audited accounts is as below . The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	0.01	Nil
Profit/(Loss) After Tax	(0.005)	0.005	(0.009)
Equity Capital	0.0006	0.0006	0.0006
Reserves and Surplus	(0.04)	(0.03)	(0.04)
Earning Per Share	(888.33)	785.58	(1424.50)
Book Value Per Share	(6,313.50)	(5,528.00)	(6952.50)

The financial performance of this company for 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 the Prospectus is as below

(In Rs Million except per share date)

Particulars	Year Ended on 31st March,		
	2002	2003	2004
Sales and Other Income	0.39	Nil	0.20
Profit / (Loss) After Tax	(1.99)	(0.002)	0.04
Equity Capital	0.0006	0.0006	0.0006
Reserves and Surplus	(2.04)	(2.05)	(2.01)
Earning Per Share (In Rupees)	(332,157.80)	(300.00)	6,219.11
Book Value Per Share (In Rupees)	(341,075.96)	(341,375.96)	(335156.85)

CARLTON TRADING PRIVATE LIMITED

This company was incorporated under the Companies Act on January 4, 1995. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business as traders, dealers of merchandise, goods, articles, commodities, as exporters, importers, merchants of building materials, hardware and other products mentioned therein.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia real estate development.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 25, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Chandru L. Raheja	50	C. L. Raheja
Mr. Neel C. Raheja	50	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an Annual general meeting held on September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the Prospectus which continues to be as set out above in the shareholding pattern. This statement is subject to the understanding/ agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 27, 1997 no further shareholders meetings have been held.

4. In view of the failure to increase the paid-up capital in accordance with the provisions of section 3 of the Act, this company is deemed to be a defunct company within the meaning of section 560 of the Act. in which case the ROC would be entitled to strike off the name of this company from the register. However, to the knowledge of the Promoters, this company has not received any notice/letter from the ROC in this regard as on date of filing the Prospectus.

5. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 27, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 25, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja Mr. Sandeep G. Raheja	G.L. Raheja
Mr. Chandru L. Raheja Mr. Neel C. Raheja	C. L. Raheja

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.
2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 3, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 3, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.
3. As per the articles of association of this private company none of the directors are liable to retire by rotation. Consequently, it may be assumed that the directorship of this company as on the date of filing the Prospectus continues to be the same as stated in the chart above.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995*	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.003)	(0.0009)	Nil
Equity Capital	0.001	0.001	0.001
Reserves and Surplus	(0.003)	(0.004)	(0.004)
Earning Per Share	(291.30)	(89.00)	Nil
Book Value Per Share	(1,241.30)	(1,330.30)	(1,330.30)

*Information is for the period ended March 31, 1995

The financial performance of this company for the year ended March, 31 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	Nil	Nil	Nil
Equity Capital	0.001	0.001	0.001
Reserves and Surplus	(0.004)	(0.004)	(0.004)
Earning Per Share	Nil	Nil	Nil
Book Value Per Share	(1,330.30)	(1,330.30)	(1,330.30)

DEBONAIR ESTATE DEVELOPMENT PRIVATE LIMITED

This company was incorporated under the Companies Act on June 26, 1982. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of builders, contractors, erectors, constructors of buildings, structures or residential, commercial or industrial or developer of inter alia holiday resorts, townships, hotels, decorating, furnishing and maintaining amongst others flats, factories, shops, offices, hospitals and to purchase, sell, lease, hire, exchange or otherwise deal in land and house property.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations other than sale of flat and shares . During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia sale of shares, trading in shares, earning of interest income, cutting and polishing of marble and someof the activities mentioned in its main objects.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 25, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja jointly with Mr. Sandeep G. Raheja	10	G. L. Raheja
M/s. Greenfield Hotels & Estates Pvt. Ltd.	24	
Sub total of G. L. Raheja Group	**34**	
Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	10	C. L. Raheja
Sub total of C. L. Raheja Group	**10**	
M/s. Chandru L. Raheja on behalf of K. R. Sales Corporation.	8	Mumbai Undivided Entities
M/s. Hill Queen Estate Development Pvt. Ltd.	5	
M/s. K. R. Consultants Pvt. Ltd.	7.6	
Mr. Chandru L. Raheja Jointly with Gopal Lachmandas HUF on behalf of K. R. Finance*[1]	3	
Sub total of Mumbai Undivided Entities	**23.6**	
M/s. Raghubir Estates Pvt. Ltd.*[2]	24	Others
M/s. Fortune Hotels & Estates Pvt. Ltd.	8	
Mrs. Bindu K. Raheja Jointly withMr. Kishore L. Raheja	0.2	
Mr. Rajendrakumar Rangiram Kapur*[3]	0.2	
Sub total of Others	**32.4**	
Total	**100%**	

*[1]In the annual return of 1997 it is mentioned as Chandru L. Raheja Gopal L. Raheja on behalf of K. R. Finance.

* [2]In the annual return of 1997 it is mentioned as M/s. Raghubir Estates & Investments P. Ltd.

*[3]In the annual return of 1997 it is mentioned as Rajendra Kumar Kapur

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 26, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 26, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 26, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 26, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 25, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Chandru L. Raheja	C. L. Raheja
Mrs. Bindu K. Raheja Mr. Rajendra K. Kapur	Others

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 26, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an Annual general meeting held on the said September 26, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 2, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 2, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. As per the articles of association of this private company none of the directors are liable to retire by rotation. Consequently, it may be assumed that the directorship of this company as on the date of filing the Prospectus continues to be the same as stated in the chart above.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	6.34	19.64	3.27
Profit/(Loss) After Tax	(2.66)	(3.17)	(8.26)
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	(9.47)	(12.64)	(20.90)
Earning (loss) Per Share	(2,655.29)	(3,169.07)	(8,257.86)
Book Value Per Share	(9,368.63)	(12,537.70)	(20,795.56)

The financial performance of this company for 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.90	0.02	0.001
Profit/(Loss) After Tax	0.51	(0.08)	(0.01)
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	(57.54)	(57.62)	(57.63)
Earning (Loss) Per Share	506.11	(83.25)	(12.48)
Book Value Per Share	(57,438.45)	(57,521.70)	(57,534.18)

DINDOSHILA ESTATE DEVELOPERS PRIVATE LIMITED

This company was incorporated under the Companies Act on June 26, 1982. As stated in the main objects contained in its memorandum of association, this company is permitted to inter alia carry on business of builders, contractors, erectors, constructors of buildings, structures, residential, commercial or industrial, developers of holiday resorts, townships, hotels, preparing of building sites, decorating and maintaining amongst others flats, factories, shops, offices, hospitals, or otherwise to deal in land and house property and to carry on business as developers of land, buildings, immovable properties by leasing and disposing off the same amongst other activities stated therein.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations except sale of shares and earning of lease rent. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia sale of shares, trading in shares, and some of the activities mentioned in its main objects.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 25, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja jointly with Mr. Sandeep G. Raheja	14	G. L. Raheja
Mr. Sandeep G. Raheja jointly with Mr. Gopal L. Raheja	14	
Gopal L. Raheja (HUF) jointly with Mr. Sandeep G. Raheja	6.2	
Mr. Gopal L. Raheja jointly with Mr. Sandeep G. Raheja, Executors of the estate of Mrs. Sheila Raheja	13	
Sub total of G. L. Raheja Group	**47.2**	
Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	12	C. L. Raheja
Mrs. Jyoti C. Raheja jointly with Mr. Chandru L. Raheja	12.4	
Mr. Neel C. Raheja jointly with Mrs. Jyoti C. Raheja	10	
Mr. Ravi C. Raheja jointly with Mrs. Jyoti C. Raheja	10	
Mr. Chandru L. Raheja HUF jointly with Mrs. Jyoti C. Raheja	8	
Sub total of C. L. Raheja Group	**52.4**	
Mrs. Bindu K. Raheja jointly with Mr. Kishore L. Raheja	0.4	Others
Sub total of Others	**0.4**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 26, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 26, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 26, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 26, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 25, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja Mr. Sandeep G. Raheja	G.L. Raheja
Mr. Chandru L. Raheja Mr. Neel C. Raheja	C. L. Raheja

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing information as of September 26, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 26, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 2, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 2, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation, but this company did follow such practice prior to the Arrangement.

   In case of private companies retirement of directors depends on the provisions of the articles of association of the company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting. It may be assumed that as on the date of filing of the Prospectus, this company had no directors in view of what is stated above and in note 3 to the shareholding pattern on page 116. However, the directors may have held out as being directors after they are so assumed to have retired.

4. Mr. Ravi C. Raheja from C. L. Raheja Group was appointed as an additional director of this company with effect from May 12, 1998 by way of a resolution by circulation. His appointment is also a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard. Since Mr. Ravi C. Raheja was appointed as an additional director he was liable to retire on the date of the next annual general meeting. However, in view of what is stated in note 3 to the shareholding pattern on page 116 Mr. Ravi C. Raheja has retired as director on the last date on which the annual general meeting for the year 1998 ought to have been held. After the appointment of Mr. Ravi C. Raheja, the C. L. Raheja Group directors were in majority on the board and have passed resolutions enabling filing of the petition with the company Law Board, Western Region Bench, Mumbai. But for this majority such resolutions may not have been passed. Pursuant to the said petition the said Company Law Board Western Region Bench has issued its order dated May 29, 2000 whereby the Company Law Board gave its consent for this company to issue 6,000 (Six Thousand) 4% non-cumulative redeemable preference shares of Rs.100/- each in lieu of amount payable on redemption of existing 6,000 (Six Thousand) 4% non-cumulative redeemable preference shares of Rs.100/- each. Compliance with the said order is pending. The filing of the said petition is also a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.003	0.20	0.39
Profit/(Loss) After Tax	(0.10)	(0.07)	0.13
Equity Capital	0.05	0.05	0.05
Reserves and Surplus	(0.29)	(0.36)	(0.22)
Earning Per Share	(204.95)	(146.16)	269.17
Book Value Per Share	(475.16)	(620.70)	(350.90)

The financial performance of this company for 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.007	0.002	0.002
Profit/(Loss) After Tax	(0.09)	(0.01)	0.00004
Equity Capital	0.05	0.05	0.05
Reserves and Surplus	(0.59)	(0.60)	(0.60)
Earning Per Share	(179.92)	(20.34)	0.07
Book Value Per Share	(1076.21)	(1096.55)	(1096.48)

EASTLAWN RESORTS LIMITED

This company was incorporated under the Companies Act on January 8, 1986. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia own, construct, run, furnish, manage, hotels, holiday resorts, restaurants, clubs and to provide inter alia lodging and boarding, restaurants and other facilities to the public and others.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia trading in shares, earning of interest income and was a partner in a firm interalia engaged in the business of real estate development.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 25, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	14.28	G. L. Raheja
Mr. Sandeep G. Raheja Jointly with Mr. Gopal L. Raheja	14.28	
Mr. Gopal L. Raheja & Mr. Sandeep G. Raheja Executors of the Estate of Mrs. Sheila Raheja	14.29*	
Sub total of G. L. Raheja Group	**42.85**	
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	14.28	C. L. Raheja
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	14.28	
Mr. Ravi C. Raheja Jointly with Mrs. Jyoti C. Raheja	14.29*	
Sub total of C. L. Raheja Group	**42.85**	
Mrs. Bindu K. Raheja Jointly with Mr. Kishore L. Raheja	14.3*	Others
Sub total of Others	**14.3**	
Total	**100**	

* Rounded off

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 26, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 26, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 26, 1997 no further shareholders meetings have been held.

4. The failure to increase the paid-up capital in accordance with the provisions of section 3 of the Act, this company is deemed to be a defunct company within the meaning of section 560 of the Act. in which case the ROC would be entitled to strike off the name of this company from the register. However, to the knowledge of the Promoters, this company has not received any notice/letter from the ROC in this regard as on date of filing the Prospectus.

5. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 26, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 25, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja Mr. Sandeep G. Raheja	G.L. Raheja
Mr. Chandru L. Raheja Mr. Neel C. Raheja	C. L. Raheja

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing information as of September 26, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 26, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 2, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 2, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this company do provide that the directors have to retire by rotation. Consequently, in view of what is stated in note 3 to the shareholding pattern on page 118 as on the date of filing the the Prospectus all the directors of this company would be deemed to have retired by rotation on the applicable dates on which the annual general meeting ought to have been held as per the requirements of law. However, the directors may have held out as being directors after they would be deemed to have so retired.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.76	0.19	0.06
Profit/(Loss) After Tax	(0.17)	(0.07)	(0.21)
Equity Capital	0.00014	0.00014	0.00014
Reserves and Surplus	(0.58)	(0.65)	(0.86)
Earning Per Share	(11,916.36)	(5,109.30)	(15,069.50)
Book Value Per Share	(42,176.55)	(47,285.85)	(62,355.35)

The financial performance of this company for 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	0.0003	0.0007
Profit/(Loss) After Tax	(0.002)	(0.01)	(0.001)
Equity Capital	0.00014	0.00014	0.00014
Reserves and Surplus	(0.17)	(0.18)	(0.18)
Earning Per Share	(142.86)	(894.00)	(79.29)
Book Value Per Share	(12695.24)	(13589.24)	(13668.53)

FEMS ESTATE (INDIA) PRIVATE LIMITED

This company was incorporated under the Companies Act on January 31, 1981. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of builders, masonry, general construction and contractors and proprietors of inter alia lands, flats, dwelling houses, shops, offices, industrial estates, lessees of lands, flats and other immovable properties.

C. L. Raheja Group is not in a position to confirm the status of commercial operations in this company, as in one of the letters from the G. L. Raheja group to C. L. Raheja Group, the G. L. Raheja group has made a statement that since 1997 they are maintaining the accounts, filing the income-tax returns and are exclusively using the property of this company for themselves which C. L. Raheja Group has disputed. In this regard attention is drawn to note given on page 178 of the Prospectus. The financial performance of this company as set out below is based on the books of accounts and other records available at the registered office of this company but it does not include the effect of the above mentioned statements of the G. L. Raheja group and it also does not fully include the effect of some information provided by the G. L. Raheja group in this regard, which information and its completeness is also disputed by C. L. Raheja Group. During all or any of the financial years ended March 31, 1994, March 31, 1995 and March 31, 1996 this company's business activities comprised of inter alia trading in shares, earning of interest income, hire purchase financing and all or any of the activities mentioned in its main objects. During the financial years after the Arrangement including financial years ended March 31, 2002, March 31, 2003 and March 31, 2004 this company's business activities may be a point of dispute between the C.L. Raheja Group and the G.L. Raheja group.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 26, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Tropicana Properties Ltd.	5	G. L. Raheja
Sub total of G. L. Raheja Group	**5**	
K. Raheja Pvt. Ltd.	21.67	C. L. Raheja
Sub total of C. L. Raheja Group	**21.67**	
Mr. Gopal L. Raheja on behalf of K. R. FINANCE	3.67	Mumbai Undivided Entities
Mr. Chandru L. Raheja on behalf of K. RAHEJA FINANCIERS & INVESTORS	3.33	
Mr. Chandru L. Raheja on behalf of SATGURU ENTERPRISES	48	
Rendezvous Estates Pvt. Ltd.	18.33	
Sub total of Mumbai Undivided Entities	**73.33**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 26, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 26, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 may be a point of dispute between C. L. Raheja family and the G. L. Raheja family.
2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).
3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 26, 1997 no further shareholders meetings have been held.
4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 26, 1997 and the filing of the last annual accounts for year ended March 31, 1996 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 26, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja Mr. Sandeep G. Raheja	G.L. Raheja
Mr. Chandru L. Raheja Mr. Neel C. Raheja	C. L. Raheja

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing information as of September 26, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an Annual general meeting held on the said September 26, 1997. The convening, holding and the business transacted at the said Annual general meeting of 1997 may be a point of dispute between C. L. Raheja family and the G. L. Raheja family.
2. To the knowledge of the C. L. Raheja Group, since the date of the Arrangement no further board meetings of this company have been held.
3. The articles of association of this private company do not provide that the directors would have to retire by rotation, but this company did follow such practice prior to the Arrangement.

   In case of private companies retirement of directors depends on the provisions of the articles of association of the company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting. It may be assumed that as on the date of filing of the Prospectus, the company had no directors in view of what is stated above and in note 3 to the shareholding pattern on page 120. However, the directors may have held out as being directors after they are so assumed to have retired.

Financial Performance

The financial performance of this company based on last available audited accounts is as below

Particulars	Year Ended March 31,		
	1994	1995	1996
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.46	2.32	0.74
Profit/(Loss) After Tax	(0.27)	0.13	0.20
Equity Capital	0.30	0.30	0.30
Reserves and Surplus	(2.33)	(2.20)	(2.01)
Earning Per Share	(91.22)	42.86	65.29
Book Value Per Share	(676.89)	(634.03)	(568.74)

The financial performance of this company for 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below.

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.002	0.002	0.001
Profit/(Loss) After Tax	0.001	0.0008	0.0009
Equity Capital	0.30	0.30	0.30
Reserves and Surplus	(5.48)	(5.48)	(5.48)
Earning Per Share	0.44	0.28	0.31
Book Value Per Share	(1726.43)	(1726.15)	(1725.85)

HILL QUEEN ESTATE DEVELOPMENT PRIVATE LIMITED

This company was incorporated under the Companies Act on June 26, 1982. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of builders, contractors, erectors, constructors of buildings, structures or residential, commercial or industrial or developers of inter alia holiday resorts, townships, hotels, preparing of building sites, decorating furnishing and maintaining amongst others flats, factories, shops, offices, hospitals and purchase, sell, lease, hire, exchange or otherwise deal in land and house property and to carry on business as developers of land, buildings, immovable properties by leasing and disposing off the same amongst other activities stated therein.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1993, March 31, 1994 and March 31, 1995 this company's business activity comprised of earning of interest income.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 28, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	10	G. L. Raheja
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja Executors of the Estate of Mrs. Sheila Raheja	10	
Sub total of G. L. Raheja Group	**20**	
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	10	C. L. Raheja
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	10	
Sub total of C. L. Raheja Group	**20**	
M/s. K. R. Consultants Pvt. Ltd.	9.8	Mumbai Undivided Entities
Sub total of Mumbai Undivided Entities	**9.8**	
Mr. Brahmadutt G. Mittal	10	Others
Mr. Shankerlal G. Mittal	5	
Mr. Parmeshwar G. Mittal	15	
Mr. Maliram G. Mittal	10	
Mr. Govindram G. Mittal	10	
Mrs. Bindu K. Raheja Jointly with Mr. Kishore L. Raheja	0.2	
Sub total of Others	**50.2**	
Total	**100**	

Notes to the above chart:

1. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

2. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 28, 1996 no further shareholders meetings have been held.

3. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 28, 1996 and the filing of the last annual accounts for year ended March 31, 1995 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 28, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja Mr. Sandeep G. Raheja	G.L. Raheja
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Govindram G. Mittal Mr. Brahmadutt G. Mittal Mr. Balkrishan S. Poddar	Others

Notes to the above chart:

1. To the knowledge of the C. L. Raheja Group, since the date of the Arrangement no further board meetings of this company have been held.

2. As per the articles of association of this private company none of the directors are liable to retire by rotation. Consequently, it may be assumed that the directorship of this company as on the date of filing the Prospectus continues to be the same as stated in the chart above.

Financial Performance

The financial performance of this company based on last available audited accounts is as below

Particulars	Year Ended March 31,		
	1993	1994	1995
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.01	0.005	0.01
Profit/(Loss) After Tax	(0.01)	(0.005)	(0.001)
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	0.02	0.01	0.01
Earning Per Share	(10.49)	(5.30)	(0.98)
Book Value Per Share	114.80	109.78	109.08

The financial performance of this company for 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.10)	(0.03)	(0.002)
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	(0.17)	(0.2)	(0.2)
Earning Per Share	(103.83)	(26.95)	(2.00)
Book Value Per Share	(71.52)	(98.47)	(100.47)

JUHUCHANDRA AGRO & DEVELOPMENT PRIVATE LIMITED

This company was incorporated under the Companies Act on July 9, 1990. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of agricultural farming and business of horticulture, pisciculture, sericulture, floriculture and as cultivators of all kinds of amongst others food grains, cash crops, fruits, proprietors or orchards and sellers of and dealers in all types of agriculture products and to deal in agricultural and to create, sell, lease and deal in freehold and leasehold ground and land and to carry on business as developers of land, buildings and immovable properties and by leasing and disposing off the same.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1994, March 31, 1995 and March 31, 1996 this company's business activities comprised of inter alia sale of shares, and someof the activities mentioned in its main objects.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 26, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Chandru L. Raheja	50	C. L. Raheja
Sub total of C. L. Raheja Group	**50**	
Mr. Girdhar C. Nichani	50	Others
Sub total of Others	**50**	
Total	**100**	

Notes to the above chart:

1 The equity shareholding pattern of this company as mentioned in the annual return filed with the ROC containing information as of September 26, 1997 is not the same as that shown in the table above and is set out below which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 26, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 may be a point of dispute between C. L. Raheja family and the G. L. Raheja family.

2 This company has filed a return of allotment dated August 18, 1997 with ROC for allotment of one equity share of Rs.100/- to "Mr. Sandeep G. Raheja jointly with Mr. Ravi C. Raheja for and on behalf of Alankar Enterprises". The said allotment may be disputed between the C. L. Raheja family and the G. L. Raheja family.

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Chandru L. Raheja	40	C. L. Raheja
Sub total of C. L. Raheja Group	**40**	
Mr. Girdhar C. Nichani	40	Others
Sub total of Others	**40**	
Mr. Sandeep G. Raheja Jointly withMr. Ravi C. Raheja on behalf of Alankar Enterprises	20	Mumbai Undivided Entity
Sub total of Mumbai Undivided Entities	**20**	
Total	**100**	

3. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the Prospectus which continues to be as set out in the last chart above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

4. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 26, 1997 no further shareholders meetings have been held.

5. In view of the failure to increase the paid-up capital in accordance with the provisions of section 3 of the Act, this company is deemed to be a defunct company within the meaning of section 560 of the Act. in which case the ROC would be entitled to strike off the name of this company from the register. However, to the knowledge of the Promoters, this company has not received any notice/letter from the ROC in this regard as on date of filing the Prospectus.

6 Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 26, 1997 and the filing of the last annual accounts for year ended March 31, 1996 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 26, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Ravi C. Raheja	
Mr. Girdhar C. Nichani	Others

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 26, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 26, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 may be a point of dispute between C. L. Raheja family and the G. L. Raheja family.

2. To the knowledge of the C. L. Raheja Group, since the date of the Arrangement no further board meetings of this company have been held.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation and no such practice was followed prior to the Arrangement. Consequently, it may be assumed that the directorship of this company as on the date of filing the Prospectus continues to be the same as stated in the chart above.

   In case of private companies retirement of directors depends on the provisions of the articles of association of the company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting.

   Mr. Chandru L. Raheja and Mr. Girdhar C. Nichani (out of the directors set out in the above chart) are named as permanent directors in the articles of association. It may be assumed that in view of what is stated above and in note 4 to the shareholding pattern on page 123 the remaining directors would have retired and consequently Mr. Chandru L. Raheja and Mr. Girdhar C. Nichani would be the directors as on the date of filing of the Prospectus. However, the retired directors may have held out as being directors after they are so assumed to have retired

Financial Performance

The financial performance of this company based on last available audited accounts is as below

Particulars	Year Ended March 31,		
	1994	1995	1996
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	0.00004	0.06
Profit/(Loss) After Tax	(0.10)	(0.12)	(0.03)
Equity Capital	0.0004	0.0004	0.0004
Reserves and Surplus	(0.38)	(0.50)	(0.53)
Earning Per Share	(24,703.45)	(29,764.91)	(7,059.43)
Book Value Per Share	(95,598.50)	(125,198.21)	(132,092.44)

The financial performance of this company for 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.0003)	(0.0003)	(0.0005)
Equity Capital	0.0004	0.0004	0.0004
Reserves and Surplus	(0.92)	(0.92)	(0.92)
Earning Per Share	(82.50)	(75.00)	(135.00)
Book Value Per Share	(230,736.94)	(230,811.94)	(230,946.94)

K. R. CONSULTANTS PRIVATE LIMITED

This company was incorporated under the Companies Act on July 16, 1976. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of acting as advisers or consultants in or outside India on all matters relating to the business inter alia of builders, contractors, constructors of buildings, structures or residential, commercial or industrial or holiday resorts, hotels and preparing of building houses, decorating furnishing and maintaining amongst others flats, factories, shops, offices, hospitals and to carry on business of inter alia acting as advisors and consultants on all matters relating to inter alia technical, civil, administration, finance, management, commencement or expansion of industry purchasing techniques and business, and production purchases amongst others.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations except for share of profit/ loss from a partnership firm in which this company is a partner. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia sale of shares, trading in shares, earning of interest income and was a partner in a partnership firm engaged in the business of real estate development .

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 27, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	9.7	G. L. Raheja
Gopal L. Raheja (HUF)Jointly with Mr. Sandeep G. Raheja	7	
Mr. Sandeep G. Raheja Jointly with Mr. Gopal L. Raheja	4.5	
Mr. Gopal L. Raheja Mr. Sandeep G. Raheja Executors of the Estate of Mrs. Sheila Raheja	9	
Ms. Sonali G. Raheja Jointly with Mr. Gopal L. Raheja	10.8	
Ms. Sabita G. Raheja	10.8	
Sub total of G. L. Raheja Group	**51.8**	
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	9.7	C. L. Raheja
Chandru L. Raheja HUF Jointly with Mrs. Jyoti C. Raheja	9	
Mr. Neel C. Raheja Jointly with Mrs. Jyoti C. Raheja	3.6	
Mr. Ravi C. Raheja Jointly with Mrs. Jyoti C. Raheja	3.6	
Sub total of C. L. Raheja Group	**25.9**	
Mr. Kishore L. Raheja Jointly with Mrs. Bindu K. Raheja	2.5	Others
Kishore L. Raheja HUFJointly with Mrs. Bindu K. Raheja	9	
Ms. Reshma K. RahejaJointly with Mrs. Bindu K. Raheja	10.8	
Sub total of Others	**22.3**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 25, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 25, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.
2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).
3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 25, 1997 no further shareholders meetings have been held.
4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 25, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 27, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Ravi C. Raheja	
Mr. Kishore L. Raheja	Others

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing information as of September 26, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 26, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 1, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 1, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation, but this company did follow such practice prior to the Arrangement.

   In case of private companies retirement of directors depends on the provisions of the articles of association of this company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting.

   Mr. Gopal L. Raheja, Mr. Chandru L. Raheja and Mr. Kishore L. Raheja (out of the directors set out in the above chart) are named as permanent directors in the articles of association. It may be assumed that in view of what is stated above and in note 3 to the shareholding pattern on page 125 the remaining directors would have retired and consequently Mr. Gopal L. Raheja, Mr. Chandru L. Raheja and Mr. Kishore L. Raheja would be the directors as on the date of filing of the Prospectus. However, the retired directors may have held out as being directors after they are so assumed to have retired.

4. Pursuant to the order dated May 29, 2000 of the Company Law Board, Western Region Bench, Mumbai whereby the Company Law Board gave its consent for this company to issue 9693 (Nine Thousand Six Hundred Ninety Three Only) 4% non cumulative redeemable preference shares in lieu of redemption of the already issued 9693 (nine thousand six hundred ninety three Only) 4% non cumulative redeemable preference shares of Rs.100/- each in lieu of amount payable on redemption of existing 9693 (Nine Thousand Six Hundred Ninety Three Only) 4% non-cumulative redeemable preference shares of Rs.100/- each. Compliance with the said order is pending as on the date of the Prospectus. The filing of the petition with the Company Law Board, Western Region Bench, Mumbai, pursuant to which the said order is received, is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.82	1.00	0.71
Profit/(Loss) After Tax	0.05	0.28	0.63
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	0.23	0.51	1.14
Earning Per Share	51.80	275.48	627.98
Book Value Per Share	333.48	608.96	1,236.93

The financial performance of this company for 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	0.01	0.26	(0.005)
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	2.99	3.25	3.25
Earning Per Share	11.69	262.50	(5.16)
Book Value Per Share	3088.18	3350.68	3345.52

K. R. DEVELOPERS PRIVATE LIMITED

The erstwhile partnership firm by the name of K. R. Developers was incorporated and registered as a private limited company on December 01, 1995 under Part IX of the Companies Act. As stated in the main objects clause of its memorandum of association, this company is authorized to inter alia carry on business of builders, contractors, erectors, constructors of buildings, structures or residential, office, institutional, commercial or industrial and developers of amongst others holiday resorts, townships, hotels by preparing of building sites, decorating furnishing and maintaining of structures, amongst others flats, factories, shops, offices, hospitals, and in purchase, sale, lease, hire, exchange or otherwise deal in land and house property and as developers of amongst others land, buildings, immovable properties by leasing of the same.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations except for earning of lease rent. The activities of this company including that of the erstwhile firm known as K R Developers, during all or any of the financial years ended March 31, 1995 ,March 31, 1996 and March 31, 1997 comprised of inter alia sale of shares , earning of interest income, leasing of equipments and the activities mentioned in this company's main objects.

The financial performance given below for year ended March 31, 1995 and part of the year ended March 31, 1996 include those of the erstwhile partnership firm.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 28, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders (Equity Shares)	Percentage Shareholding (%)	Group
Gopal L. Raheja (HUF)	22	G. L. Raheja
Mr. Sandeep G. Raheja	2	
Ferani Hotels Ltd.	2	
Sub total of G. L. Raheja Group	**26**	
Mr. Chandru L. Raheja	22	C. L. Raheja
Mr. Neel C. Raheja	2	
K. Raheja Pvt. Ltd.	22	
Sub total of C. L. Raheja Group	**46**	
Sevaram Estates Pvt. Ltd.	2	Mumbai Undivided Entities
Neel Estates Pvt. Ltd.	2	
K. R. Consultants Pvt. Ltd.	2	
Sub total of Mumbai Undivided Entities	**6**	
Mr. Kishore L. Raheja	22	Others
Sub total of Others	**22**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 25, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 25, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders

have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of this company even as on the date of Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 25, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 25, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

   The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 28, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Neel C. Raheja	

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing information as of September 25, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 25, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 1, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 1, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. As per the articles of association of this private company none of the directors are liable to retire by rotation. Consequently, it may be assumed that the directorship of this company as on the date of filing the Prospectus continues to be the same as stated in the chart above.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.16	9.14	3.25
Profit/(Loss) After Tax	0.03	5.10	1.59
Partner's Capital Account	2.53	N.A.	N.A.
Equity Capital	N.A	0.10	0.10
Reserves and Surplus	N.A	5.10	6.69
Earning Per Share	N.A	5099.83	1590.84
Book Value Per Share	N.A	5192.95	6784.49

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.04	0.04	0.005
Profit/(Loss) After Tax	(0.002)	0.005	(0.16)
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	14.91	14.92	14.76
Earning Per Share	(2.34)	4.94	(160.20)
Book Value Per Share	15010.29	15015.91	14856.40

K. RAHEJA TRUSTEESHIP PRIVATE LIMITED

This company was incorporated under the Companies Act on January 13, 1978. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia undertake the office of trustee, executor, administrator, liquidator, receiver, agent, or nominee of or for any person, company, corporation and undertake, perform and discharge amongst others any trust.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During the financial year ended March 31, 1995, this company's business activities comprised of inter alia sale of shares, and some of the activities mentioned in its main objects.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 27, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	50	G. L. Raheja
Sub total of G. L. Raheja Group	**50**	
Mr. Chandru L. Raheja Jointly with Smt. Jyoti C. Raheja	50	C. L. Raheja
Sub total of C. L. Raheja Group	**50**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 25, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 25, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of this company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.)

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 25, 1997 no further shareholders meetings have been held.

4. In view of the failure to increase the paid-up capital in accordance with the provisions of section 3 of the Act, this company is deemed to be a defunct company within the meaning of section 560 of the Act. in which case the ROC would be entitled to strike off the name of this company from the register. However, to the knowledge of the Promoters, this company has not received any notice/letter from the ROC in this regard as on date of filing the Prospectus.

5. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 25, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 27, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Kishore L. Raheja	Others

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing information as of September 25, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 25, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 1, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 1, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation, but this company did follow such practice prior to the Arrangement.

   In case of private companies retirement of directors depends on the provisions of the articles of association of this company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting.

   Mr. Gopal L. Raheja and Mr. Chandru L. Raheja (out of the directors set out in the above chart) are named as permanent directors in the articles of association. It may be assumed that in view of what is stated above and in note 3 to the shareholding pattern on page 129 the remaining directors would have retired and consequently Mr. Gopal L. Raheja and Mr. Chandru L. Raheja would be the directors as on the date of filing of the Prospectus. However, the retired director may have held out as being director after they are so assumed to have retired.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	**Year Ended March 31,**		
	1995	**1996**	**1997**
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.04	Nil	Nil
Profit/(Loss) After Tax	0.01	(0.02)	(0.02)
Equity Capital	0.0002	0.0002	0.0002
Reserves and Surplus	(0.06)	(0.08)	(0.10)
Earning Per Share	6,215.08	(9,215.50)	(12,104.50)
Book Value Per Share	(29,054.78)	(38,270.28)	(50,374.78)

The financial performance of this company for 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	**Year Ended March 31,**		
	2002	**2003**	**2004**
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.00002	Nil	0.00002
Profit/(Loss) After Tax	(0.002)	(0.003)	(0.002)
Equity Capital	0.0002	0.0002	0.0002
Reserves and Surplus	(0.13)	(0.14)	(0.14)
Earning Per Share	(992.50)	(1410.00)	(917.50)
Book Value Per Share	(67142.28)	(68552.28)	(69469.78)

LAKESIDE HOTELS LIMITED

This company was incorporated under the Companies Act on December 11, 1984 as a private limited company. Subsequently it was converted into a public limited company on August 16, 1985. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia own, construct, run, render technical advice in constructing, furnishing and running of, take over, and manage, carry on business of hotels, restaurants, clubs amongst others.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia sale of shares, earning of interest income and investment in a partnership firm.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 26, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Asiatic Properties Ltd. Jointly with Mr. Gopal L. Raheja	14.29*	Southern Entities
Asiatic Properties Ltd. Jointly with Jyoti C. Raheja	14.29*	
Asiatic Properties Ltd. Jointly with Mr. Chandru L. Raheja	14.29*	
Asiatic Properties Ltd. Jointly with Ms. Sonali G. Raheja	14.29*	
Asiatic Properties Ltd. Jointly with Mr. Sandeep G. Raheja	14.28	
Asiatic Properties Ltd. Jointly with Mr. Kishore L. Raheja	14.28	
Asiatic Properties Ltd. Jointly with Mrs. Bindu K. Raheja	14.28	
Total	**100**	

* Rounded off

Although as per the shareholding pattern set out in the chart above, this company is a wholly owned subsidiary of Asiatic Properties Ltd., which is one of the Southern Entities, to the knowledge of the C. L. Raheja Group this company is a Mumbai Undivided Entity and is not a Southern Entity.

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 25, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 25, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.
2. On the presumption that the shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).
3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 25, 1997 no further shareholders meetings have been held.
4. In view of the failure to increase the paid-up capital in accordance with the provisions of section 3 of the Act, this company is deemed to be a defunct company within the meaning of section 560 of the Act. in which case the ROC would be entitled to strike off the name of this company from the register. However, to the knowledge of the Promoters, this company has not received any notice/letter from the ROC in this regard as on date of filing the Prospectus.
5. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 25, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 26, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Chandru L. Raheja	C.L. Raheja
Mr. Kishore L. Raheja	Others
Mr. Rajendra Kumar. Kapur*	

*in annual return of 1997 it is mentioned as Mr. Kapur Kapur Rajendra

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 25, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 25, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 1, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 1, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this company do not provide that the directors would have to retire by rotation, but since this company is a public company, the directors were retiring by rotation prior to the Arrangement. Consequently, in view of what is stated in note 3 to the shareholding pattern as on page 131 as on the date of filing the the Prospectus all the directors of this company would be deemed to have retired by rotation on the applicable dates on which the annual general meeting ought to have been held as per the requirements of law. However, the directors may have held out as being directors after they would be deemed to have so retired.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.75	0.05	Nil
Profit/(Loss) After Tax	0.04	(0.10)	(0.02)
Equity Capital	0.001	0.001	0.001
Reserves and Surplus	(0.24)	(0.33)	(0.36)
Earning Per Share	2,551.79	(6,834.61)	(1,723.44)
Book Value Per Share	(17,282.78)	(24,117.39)	(25,840.83)

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.003)	(0.002)	(0.04)
Equity Capital	0.001	0.001	0.001
Reserves and Surplus	0.49	0.49	0.45
Earning Per Share	(180.04)	(177.18)	(2675.75)
Book Value Per Share	34862.5	34739.64	32118.21

NECTAR PROPERTIES PRIVATE LIMITED

This company was incorporated under the Companies Act on February 14, 1986. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of builders, contractors, erectors, constructors of buildings, structures or residential, commercial or industrial or developer of inter alia holiday resorts, townships, hotels, preparing of building sites and decorating, furnishing and maintaining amongst others flats, factories, shops, offices, hospitals and to purchase, sell, lease, hire exchange or otherwise deal in land and house property and to carry on business as developers of land, buildings, immovable properties by leasing and disposing off the same amongst other activities stated therein.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia sale of shares, sale of garments, earning of interest income and some of the activities mentioned in its main objects.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 28, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	1.2	G. L. Raheja
Sandeep G. Raheja Jointly with Mr. Gopal L. Raheja	1	
Durga S. Raheja Jointly with Sandeep G. Raheja	1	
Kanishka Properties Pvt. Ltd.	7.2	
Sealtite Gaskets Pvt. Ltd.	7.2	
Gavotte Traders Pvt. Ltd.	7.2	
Ideal Properties Pvt. Ltd.	7.2	
Sea Crust Properties Pvt. Ltd.	8	
Glacial Trading Pvt. Ltd.	5	
Garnet Traders Pvt. Ltd.	5	
Sub total of G. L. Raheja Group	**50**	
Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	1.3	C.L.Raheja
Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	1.3	
Ravi C. Raheja Jointly with Mrs. Jyoti C. Raheja	0.04	
Neel C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja	1	
Raghukool Estate Devt. Pvt. Ltd.	9.8	
Capstan Trading Pvt. Ltd.	9.8	
Casa Maria Properties Pvt. Ltd.	9.8	
Anbee Constructions Pvt. Ltd.	8.96	
Cape Trading Pvt. Ltd.	8	
Sub total of C. L. Raheja Group	**50**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 27, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 27, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 28, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mrs. Sonali G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Neel C. Raheja	
Mr. Ravi C. Raheja	

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 1, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 1, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. This company was a private limited company and in accordance with its articles of association none of the directors were liable to retire by rotation. However, there is an intimation dated July 2, 1997 filed with ROC that this company has become a public company with effect from July 1, 1997 under the then prevailing provisions of then prevailing Section 43A(1A) of the Act, by reason of the average annual turnover of the company for the three consecutive financial years ending on March 31, 1997 exceeding the amount prescribed. However as mentioned elsewhere in the the Prospectus the finalization and auditing of accounts for the financial year ended March 31, 1997 is also a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard. To the knowledge of the C. L. Raheja Group the ROC has not yet issued an amended Certificate of Incorporation in this regard. If this company is a public limited company, the directors would be liable to retire by rotation and in view of what is stated in note 3 to the shareholding pattern on page 133, as on the date of filing the the Prospectus all the directors would be deemed to have retired by rotation on the applicable dates on which the annual general meetings ought to have been held as per the requirements of law. However, Mr. C. L. Raheja resigned from the directorship of this company on August 23, 2002. However, the director(s) may have held out as being director(s) after they would be deemed to have so retired/resigned.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	**Year Ended March 31,**		
	1995	**1996**	**1997**
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	106.04	91.59
Profit/(Loss) After Tax	(0.05)	1.36	(3.67)
Equity Capital	0.0004	0.50	0.50
Reserves and Surplus	(0.19)	1.17	4.73
Earning Per Share	(11,721.06)	562.07	(733.62)
Book Value Per Share	(49,583.53)	331.01	1,044.74

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 the Prospectus is as below

Particulars	**Year Ended March 31,**		
	2002	**2003**	**2004**
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.05	Nil	Nil
Profit/(Loss) After Tax	(5.81)	(0.02)	(0.02)
Equity Capital	0.50	0.50	0.50
Reserves and Surplus	22.79	22.77	22.75
Earning Per Share	(1,162.77)	(3.89)	(4.10)
Book Value Per Share	4,656.70	4,653.07	4,649.22

NEEL ESTATES PRIVATE LIMITED

This company was incorporated under the Companies Act on January 13, 1978 as Neel Estates and Investments Private Limited. Subsequently the name of this company was changed to Neel Estates Private Limited on February 6, 1996. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of investing company's funds in acquiring and holding inter alia shares, debentures or securities and to carry on business as builders, contractors, developers and promoters of co-operative societies and deal in real estate business and

to carry on business of inter alia estate owners, agents and purchase for investment or resale in land and house amongst others and to inter alia deal by way of sale, lease, exchange, or otherwise with land and house property and other immovable property.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations except for earning of interest and share of loss from a partnership firm in which this company is a partner. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia sale of shares, trading in shares, earning of interest income and was a partner in a partnership firm engaged in the business of real estate development.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 28, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Gopal L. Raheja HUF Jointly with Mr. Sandeep G. Raheja	14	G. L. Raheja
Mr. Sandeep G. Raheja Jointly with Mr. Gopal L. Raheja	1	
Ms. Sonali G. Raheja Jointly with Mr. Gopal L. Raheja	2.4	
Sub total of G. L. Raheja Group	**17.4**	
Chandru L. Raheja HUF Jointly with Mrs. Jyoti C. Raheja	14	C.L.Raheja
Mr. Neel C. Raheja Jointly with Mrs. Jyoti C. Raheja	0.8	
Mr. Ravi C. Raheja Jointly with Mrs. Jyoti C. Raheja.	0.8	
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja.	2	
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	4.4	
M/s. Paramount Hotels Ltd.	1	
Sub total of C. L. Raheja Group	**23**	
M/s. Dindoshila Estates Developers Pvt. Ltd.	10	Mumbai Undivided Entities
M/s. K. R. Consultants Pvt. Ltd.	10	
Mr. Chandru L. Raheja on behalf of K. RAHEJA FINANCIERS & INVESTORS	16.48	
Mr. Chandru L. Raheja for and on behalf of K. R. FINANCE	1	
Gopal L. Raheja HUF for and on behalf of ALANKAR ENTERPRISES	2	
M/s. Sevaram Estates Pvt. Ltd.	14	
Mr. Chandru L. Raheja-Jointly with Mr. Sandeep G. Raheja on behalf of SATGURU ENTERPRISES	2	
Mr. Sandeep G. Raheja – Jointly with Mr. Ravi C. Raheja on behalf of RUBY ENTERPRISES	2	
Sub total of Mumbai Undivided Entities	**57.48**	
Chandru L. Raheja HUF –on behalf of M/s. K. Raheja Development Corporation	1.72	Southern Entities
Sub total of Southern Entity	**1.72**	
Mr. Subhash P. Kher for and on behalf of GANESH CORPORTION	0.4	Others
Sub total of Others	**0.4**	
Total	**100**	

Paramount Hotels Ltd., is now known as K. Raheja Corp Pvt. Ltd.

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group

having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 27, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 27, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 28, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mrs. Jyoti C. Raheja	
Mr. Bindu K. Raheja	Others

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 1, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 1, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation, but this company did follow such practice prior to the Arrangement.

   In case of private companies retirement of directors depends on the provisions of the articles of association of the company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting.

   Mrs. Jyoti C. Raheja and Mrs. Bindu K. Raheja (out of the directors set out in the above chart) are named as permanent directors in the articles of association. It may be assumed that in view of what is stated above and in note 3 to the shareholding pattern on page 136 the remaining directors would have retired and consequently Mrs. Jyoti C. Raheja and Mrs. Bindu K. Raheja would be the directors as on the date of filing of the Prospectus. However, the retired directors may have held out as being directors after they are so assumed to have retired.

4. Pursuant to the order dated May 29, 2000 of the Company Law Board, Western Region Bench, Mumbai whereby the Company Law Board gave its consent for this company to issue 15,440 (Fifteen Thousand Four Hundred Forty Only) 10% non cumulative redeemable preference shares Rs.100/- each and 10,180 (Ten Thousand One Hundred Eighty Only) 12% non cumulative redeemable preference shares Rs.100/- each in lieu of amount payable on redemption of the existing 15,440 (Fifteen Thousand Four Hundred Forty Only) 10% non cumulative redeemable preference shares Rs.100/- each and 10,180 (Ten Thousand One Hundred Eighty Only) 12% non cumulative redeemable preference shares Rs.100/- each. Compliance with the said order is pending as on the date of the Prospectus. The filing of the petition with the Company Law Board, Western Region Bench, Mumbai, pursuant to which the said order is received, may be a point of dispute between the C. L. Raheja family and the the G. L. Raheja family.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	1.38	0.81	1.08
Profit/(Loss) After Tax	(0.73)	(0.84)	(0.09)
Equity Capital	0.50	0.50	0.50
Reserves and Surplus	(3.44)	(4.27)	(4.36)
Earning Per Share	(147.00)	(167.77)	(17.93)
Book Value Per Share	(589.74)	(754.92)	(772.73)

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.001	0.01	0.001
Profit/(Loss) After Tax	(0.61)	(0.02)	(0.004)
Equity Capital	0.50	0.50	0.50
Reserves and Surplus	(0.84)	(0.86)	(0.87)
Earning Per Share	(121.24)	(4.95)	(0.82)
Book Value Per Share	(68.07)	(72.91)	(73.63)

OYSTER SHELL ESTATE DEVELOPMENT PRIVATE LIMITED

This company was incorporated under the Companies Act on June 26, 1982. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of builders, contractors, erectors, constructors of buildings, structures or residential, commercial or industrial or developer of amongst others holiday resorts, townships, hotels, preparing of building sites, decorating or furnishing and maintaining amongst others flats, factories, shops, offices, hospitals, to deal in land and house property and to carry on business as developers of land, buildings and immovable properties inter alia by leasing of immovable properties.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia trading in shares, sale of shares, earning of interest income and was a partner in a partnership firm engaged in the business of real estate development.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 28, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	16	G. L. Raheja
Mr. Sandeep G. Raheja Jointly with Mr. Gopal L. Raheja	6	
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja Executors of the Estate of Mrs. Sheila Raheja	20.4	
Sub total of G. L. Raheja Group	**42.4**	
Chandru L. Raheja HUF Jointly with Mrs. Jyoti C. Raheja	10	C. L. Raheja
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	10	
Mr. Neel C. Raheja Jointly with Mrs. Jyoti C. Raheja	12	
Mr. Ravi C. Raheja Jointly with Mrs. Jyoti C. Raheja	12	
Sub total of C. L. Raheja Group	**44**	
M/s. K. R. Consultants Pvt. Ltd.	6.6	Mumbai Undivided Entities
M/s. Springleaf Properties Pvt. Ltd.	6.6	
Sub total of Mumbai Undivided Entities	**13.2**	
Mrs. Bindu K. Raheja Jointly with Mr. Kishore L. Raheja	0.4	Others
Sub total of Others	**0.4**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 27, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 27, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 28, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Neel C. Raheja	

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 1, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 1, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation, but this company did follow such practice prior to the Arrangement.

   In case of private companies retirement of directors depends on the provisions of the articles of association of the company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting. It may be assumed that as on the date of filing of the Prospectus, the company had no directors in view of what is stated above and in note 3 to the shareholding pattern on page 138. However, the directors may have held out as being directors after they are so assumed to have retired.

4. Mr. Ravi C. Raheja from C. L. Raheja Group was appointed as an additional director of this company with effect from May 12, 1998 by way of a resolution by circulation. His appointment is also a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard. Since Mr. Ravi C. Raheja was appointed as an additional director he was liable to retire on the date of the next Annual general meeting. However, in view of what is stated in note 3 to the shareholding pattern on page 138 Mr. Ravi C. Raheja has retired as director on the said date in the year 1998. After the appointment of Mr. Ravi C. Raheja, the C. L. Raheja Group directors were in majority on the board and have passed resolutions enabling filing of a petition with the Company Law Board, Western Region Bench, Mumbai. But for this majority such resolutions may not have been passed. Pursuant to the said petition the said Company Law Board Western Region Bench has issued its order dated May 29, 2000 whereby the Company

Law Board gave its consent for this company to issue 5,000 (Five Thousand) 4% non-cumulative redeemable preference shares of Rs.100/- each in lieu of amount payable on redemption of the existing 5,000 (Five Thousand) 4% non-cumulative redeemable preference shares. Compliance with the said order is pending. The filing of the said petition is also a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.75	0.10	0.40
Profit/(Loss) After Tax	(0.11)	(0.08)	0.22
Equity Capital	0.05	0.05	0.05
Reserves and Surplus	(0.31)	(0.39)	(0.17)
Earning Per Share	(217.30)	(158.98)	449.07
Book Value Per Share	(529.58)	(687.93)	(238.22)

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.002)	(0.04)	(0.002)
Equity Capital	0.05	0.05	0.05
Reserves and Surplus	0.79	0.75	0.75
Earning Per Share	(3.75)	(74.13)	(4.07)
Book Value Per Share	1676.16	1602.03	1597.96

PENINSULAR HOUSING FINANCE PRIVATE LIMITED

This company was incorporated under the Companies Act on October 8, 1986. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of financing the sale of houses, buildings and flats amongst others.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia sale of shares, earning of interest income and some of the activities mentioned in its main objects.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 30, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Gopal L. Raheja (HUF) Jointly with Mr. Sandeep G. Raheja	2.94	G. L. Raheja
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	2.94	
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja, Executors of the Estate of Mrs. Sheila Raheja	1.47	
Ms. Sonali G. Raheja Jointly with Gopal L. Raheja	0.98	
Sub total of G. L. Raheja Group	**8.33**	
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	0.49	C. L. Raheja
Chandru L. Raheja HUF Jointly with Mrs. Jyoti C. Raheja	1.96	
Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	0.98	
Mr. Ravi C. Raheja Jointly with Mrs. Jyoti C. Raheja	0.98	
M/s. Paramount Hotels Ltd.	10.59	
K. Raheja Pvt. Ltd.	36.47	
Sub total of C. L. Raheja Group	**51.47**	
Mr. Ravi C. Raheja Mr. Sandeep G. Raheja for K. RAHEJA FINANCIERS & INVESTORS	33.33	Mumbai Undivided Entities
Sub total of Mumbai Undivided Entities	**33.33**	

Kishore L. Raheja HUF Jointly with Mrs. Bindu K. Raheja	2.94	Others
M/s. Fortune Hotels & Estates Pvt. Ltd.	3.93	
Sub total of Others	**6.87**	
Total	**100**	

Paramount Hotels Ltd., is now known as K. Raheja Corp Pvt. Ltd.

Notes to the above chart:

1. The equity shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 27, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 27, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 30, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Neel C. Raheja	

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 1, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 1, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation and no such practice was followed prior to the Arrangement. Consequently, it may be assumed that the directorship of this company as on the date of filing the Prospectus continues to be the same as stated in the chart above.

   In case of private companies retirement of directors depends on the provisions of the articles of association of the company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting.

   Mr. Gopal L. Raheja and Mr. Chandru L. Raheja (out of the directors set out in the above chart) are named as permanent directors in the articles of association. It may be assumed that in view of what is stated above and in note

3 to the shareholding pattern on page 140 the remaining directors would have retired and consequently Mr. Gopal L. Raheja and Mr. Chandru L. Raheja would be the directors as on the date of filing of the Prospectus. However, the retired directors may have held out as being directors after they are so assumed to have retired.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	1.59	1.80	2.55
Profit/(Loss) After Tax	0.81	0.88	1.43
Equity Capital	5.10	5.10	5.10
Reserves and Surplus	3.25	4.13	5.56
Earning Per Share	15.87	17.23	28.06
Book Value Per Share	163.62	180.90	209.02

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	Nil	0.00007
Profit/(Loss) After Tax	(0.002)	(0.16)	(0.002)
Equity Capital	5.10	5.10	5.10
Reserves and Surplus	8.66	8.50	8.50
Earning Per Share	(0.04)	(3.04)	(0.05)
Book Value Per Share	269.71	266.67	266.62

RENDEZVOUS ESTATES PRIVATE LIMITED

This company was incorporated under the Companies Act on October 4, 1979. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of builders, contractors, erectors, constructors of buildings, structures residential, commercial or industrial or developer of holiday resorts, townships, hotels, preparing of building sites, decorating, furnishing and maintaining amongst others flats, factories, shops, offices, hospitals, to build or construct surface metal or otherwise repair roads, construct dams, bridges and canals and to deal in or sell, lease, exchange or otherwise with land and house property and carry on business of estate owners, dealers and agents.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations except for earning of lease rent. During all or any of the financial years ended March 31, 1994, March 31, 1995 and March 31, 1996 this company's business activities comprised of inter alia sale of shares, earning of interest income and some of the activities mentioned in its main objects.

Shareholding Pattern

The shareholding pattern of this company as mentioned in the annual return filed with the ROC (which is the last annual return filed prior to the Arrangement) containing information as of September 30, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja, Executors of the Estate of Mrs. Sheila Raheja	29	G. L. Raheja
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	5	
Sub total of G. L. Raheja Group	**34**	
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja.	10.2	C. L. Raheja
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	8	
Sub total of C. L. Raheja Group	**18.2**	
M/s. Oyster Shell Estate Development Pvt. Ltd.	10	Mumbai Undivided Entities
M/s Dindoshila Estate Developers Pvt. Ltd.	8	
M/s. Springleaf Properties Pvt. Ltd.	7.8	
Sub total of Mumbai Undivided Entities	**25.8**	

Mrs. Bindu K. Raheja Jointly with Mr. Kishore L. Raheja	12	Others
Mr. Kishore L. Raheja Jointly with Mrs. Bindu K. Raheja	10	
Sub total of Others	**22**	
Total	**100**	

Notes to the above chart:

1. The equity shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 30, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 30, 1997 and the filing of the last annual accounts for year ended March 31, 1996 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 30, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Ravi C. Raheja	

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the date of the Arrangement no further board meetings have been held.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation and no such practice was followed prior to the Arrangement. Consequently, it may be assumed that the directorship of this company as on the date of filing the Prospectus continues to be the same as stated in the chart above.

4. In case of private companies retirement of directors depends on the provisions of the articles of association of the company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting.

   Mr. Gopal L. Raheja and Mr. Chandru L. Raheja (out of the directors set out in the above chart) are named as permanent directors in the articles of association. It may be assumed that in view of what is stated above and in note 3 to the shareholding pattern on page 142 the remaining directors would have retired and consequently Mr. Gopal L. Raheja and Mr. Chandru L. Raheja would be the directors as on the date of filing of the Prospectus. However, the retired directors may have held out as being directors after they are so assumed to have retired.

Financial Performance

The financial performance of this company based on last available audited accounts is as below

Particulars	Year Ended March 31,		
	1994	1995	1996
	(in Rs. Millions, except per share data)		
Sales and Other Income	1.36	0.86	0.81
Profit/(Loss) After Tax	0.68	0.49	0.25
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	1.69	2.19	2.44
Earning Per Share	684.64	494.92	249.36
Book Value Per Share	1792.36	2287.66	2537.39

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.14	0.13	0.13
Profit/(Loss) After Tax	0.06	(1.18)	0.03
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	4.92	3.73	3.76
Earning Per Share	61	(1183.07)	29.51
Book Value Per Share	5017.75	3834.62	3864.07

RAHEJA HOTELS LIMITED

This company was incorporated under the Companies Act on August 3, 1990 as a private limited company. Subsequently it was converted into a public limited company and its name was changed Raheja Hotels Limited on September 2, 1992. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia own, purchase, acquire, operate, manage inter alia hotels, restaurants, clubs, casino's.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of someof the activities mentioned in its main objects.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 30, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	20	G. L. Raheja
Gopal L. Raheja (HUF) Jointly with Mr. Sandeep G. Raheja	10	
Mr. Sandeep G. Raheja Jointly with Mr. Gopal L. Raheja	10	
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja, Executors of the Estate of Mrs. Sheila Raheja	10	
Sub total of G. L. Raheja Group	**50**	
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja.	10	C. L. Raheja
Chandru L. Raheja HUF Jointly with Mrs. Jyoti C. Raheja	10	
Mr. Ravi C. Raheja Jointly with Mrs. Jyoti C. Raheja	10	
Mr. Neel C. Raheja Jointly with Mrs. Jyoti C. Raheja	10	
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	10	
Sub total of C. L. Raheja Group	**50**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 30, 1997. The convening, holding and the business transacted at the said Annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 30, 1997 no further shareholders meetings have been held.

4. In view of the failure to increase the paid-up capital in accordance with the provisions of section 3 of the Act, this company is deemed to be a defunct company within the meaning of section 560 of the Act. in which case the ROC would be entitled to strike off the name of this company from the register. However, to the knowledge of the Promoters, this company has not received any notice/letter from the ROC in this regard as on date of filing the Prospectus.

5. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 30, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 30, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Ravi C. Raheja	

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 4, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 4, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this company do not provide that the directors would have to retire by rotation, but since this company is a public company, the directors did retire by rotation prior to the Arrangement. Consequently, in view of what is stated in note 3 to the shareholding pattern on page 144, as on the date of filing the the Prospectus all the directors of this company would be deemed to have retired by rotation on the applicable dates on which the annual general meeting ought to have been held as per the requirements of law. However, the directors may have held out as being directors after they would be deemed to have so retired.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	1.21	2.60	3.36
Profit/(Loss) After Tax	(0.18)	0.34	0.51
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	(0.18)	0.16	0.67
Earning Per Share	(175.18)	335.09	513.11
Book Value Per Share	(78.57)	257.20	770.99

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.36)	(0.09)	(0.04)
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	(2.33)	(2.41)	(2.45)
Earning Per Share	(356.70)	(89.05)	(40.84)
Book Value Per Share	(2225.80)	(2314.85)	(2354.43)

SEA BREEZE ESTATE DEVELOPMENT PRIVATE LIMITED

This company was incorporated under the Companies Act on June 26, 1982. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of builders, contractors, erectors, constructors of buildings, structures residential, commercial or industrial developers of inter-alia holiday resorts, townships, hotels, preparing of building sites, decorating or furnishing and maintaining amongst others flats, factories, shops, offices, hospitals, to deal in land and house property to carry on business as developers of land, buildings, immovable properties by leasing disposing off the same.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations except for earning of rent. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia trading in shares and someof the activities mentioned in its main objects.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 30, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja.	50	C. L. Raheja
Sub total of C. L. Raheja Group	**50**	
Mrs. Bindu K. Raheja Jointly with Mr. Kishore L. Raheja	50	Others
Sub total of Others	**50**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This

statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 30, 1997 no further shareholders meetings have been held.

4. In view of the failure to increase the paid-up capital in accordance with the provisions of section 3 of the Act, this company is deemed to be a defunct company within the meaning of section 560 of the Act. in which case the ROC would be entitled to strike off the name of this company from the register. However, to the knowledge of the Promoters, this company has not received any notice/letter from the ROC in this regard as on date of filing the Prospectus.

5. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 30, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 30, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Ravi C. Raheja	

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 4, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 4, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. As per the articles of association of this private company none of the directors are liable to retire by rotation. Consequently, it may be assumed that the directorship of this company as on the date of filing the Prospectus continues to be the same as stated in the chart above.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.007	0.36	0.22
Profit/(Loss) After Tax	(2.08)	(2.57)	(3.13)
Equity Capital	0.0004	0.0004	0.0004
Reserves and Surplus	(3.78)	(6.34)	(9.47)
Earning Per Share	(518,890.14)	(641,572.83)	(783,208.24)
Book Value Per Share	(943,914.52)	(1,585,444.60)	(2,368,610.08)

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

(In Rs. Million except per share data)

Particulars	Year Ended On 31st March,		
	2002	2003	2004
Sales and Other Income	0.24	0.24	0.24
Profit / (Loss) After Tax	0.20	0.22	0.22
Earning Per Share (In Rupees)	49,456.50	55,421.50	55,748.75
Equity Capital	0.0004	0.0004	0.0004
Reserves and Surplus	(14.81)	(14.59)	(14.37)
Book Value Per Share (In Rupees)	(3,702,909.50)	(3,647,488.00)	(3,591,739.25)

SEVARAM ESTATES PRIVATE LIMITED

This company was incorporated under the Companies Act on December 24, 1977 as Sevaram Estates And Investments Private Limited. Subsequently the name was changed to Sevaram Estates Private Limited on January 15, 1996. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of investing in acquiring and holding amongst others shares, debentures and securities and to carry on business as builders, contractors, developers and promoters of co-operative societies and deal in real estate business and to deal by way sell, lease, exchange or otherwise with land and house property and other immovable properties.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia earning of interest income and this company was a partner in a partnership firm carrying on business of real estate development.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 30, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Sandeep G. Raheja Jointly with Mr. Gopal L. Raheja	4.97	G. L. Raheja
Ms. Sonali G. Raheja Jointly with Mr. Gopal L. Raheja	11.93	
Sub total of G. L. Raheja Group	**16.9**	
Chandru L. Raheja HUF Jointly with Mrs. Jyoti Chandru Raheja	9.94	C. L. Raheja
Mr. Neel C. Raheja Jointly with Mrs. Jyoti C. Raheja	3.98	
Mr. Ravi C. Raheja Jointly with Mrs. Jyoti C. Raheja	3.97	
Sub total of C. L. Raheja Group	**17.89**	
M/s. Springleaf Properties Pvt. Ltd.	53.28	Mumbai Undivided Entities
M/s. Dindoshila Estate Developers Pvt. Ltd.	11.93	
Sub total of Mumbai Undivided Entities	**65.21**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last Annual General Meeting of this company held on September 30, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 30, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 30, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Neel C. Raheja	
Mr. Kishore L. Raheja	Others

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 4, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 4, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation, but this company did follow such practice prior to the Arrangement.

   In case of private companies retirement of directors depends on the provisions of the articles of association of the company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting. It may be assumed that as on the date of filing of the Prospectus, the company had no directors in view of what is stated above and in note 3 to the shareholding pattern on page 148. However, the directors may have held out as being directors after they are so assumed to have retired.

4. Pursuant to the order dated May 29, 2000 of the Company Law Board, Western Region Bench, Mumbai whereby the Company Law Board gave its consent for this company to issue 11,650 (Eleven Thousand Six Hundred Fifty Only) 10% non cumulative redeemable preference shares of Rs,100/- each in lieu of amount payable on redemption of the existing 11,650 (Eleven Thousand Six Hundred Fifty Only) 10% non cumulative redeemable preference shares of Rs,100/- each. Compliance with the said order is pending as on the date of the Prospectus. The filing of the petition with the Company Law Board, Western Region Bench, Mumbai, pursuant to which the said order is received, may be a point of dispute between C. L. Raheja family and the G. L. Raheja family.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	2.18	1.34	1.15
Profit/(Loss) After Tax	0.50	0.42	0.62
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	5.84	6.24	6.86
Earning Per Share	498.93	419.68	614.60
Book Value Per Share	5901.39	6306.61	6921.24

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.0002	Nil	0.001
Profit/(Loss) After Tax	(0.07)	(0.35)	(0.13)
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	4.81	4.45	4.32
Earning Per Share	(67.23)	(352.14)	(129.45)
Book Value Per Share	4876.81	4524.67	4395.22

S. K. ESTATES PRIVATE LIMITED

This company was incorporated under the Companies Act on January 29, 1980. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of purchasing for investment or resale and to traffic in land and house and other property and any interest there in and to make advances upon security of land, to deal and traffic by way of sell, lease, exchange or otherwise with land and house property and other immovable properties and business of estate agents amongst others.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia trading in shares, earning of interest income and someof the activities mentioned in its main objects.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 27, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Suruchi Trading Pvt. Ltd.	99.91	Mumbai Undivided Entities
Suruchi Trading Pvt. Ltd. Jointly with Mr. Gopal L. Raheja Jointly with Mr. Chandru L. Raheja	0.09	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.
2. To the knowledge of the C. L. Raheja Groupthe shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/ agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).
3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 27, 1997 no further shareholders meetings have been held.
4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 27, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 27, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Durga S. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mrs. Jyoti C. Raheja	
Mr. Ravi C. Raheja	

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 27, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 27, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 3, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 3, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation, but this company did follow such practice prior to the Arrangement.

4. In case of private companies retirement of directors depends on the provisions of the articles of association of the company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

   However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting

   Mrs. Jyoti C. Raheja (out of the directors set out in the above chart) is named as a permanent director in the articles of association. It may be assumed that in view of what is stated above and in note 3 to the shareholding pattern on page 149 the remaining directors would have retired and consequently Mrs. Jyoti C. Raheja would be the director as on the date of filing of the the Prospectus However, the retired directors may have held out as being directors after they are so assumed to have retired.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	5.65	1.02	70.53
Profit/(Loss) After Tax	(2.65)	(7.92)	17.63
Equity Capital	0.11	0.11	0.11
Reserves and Surplus	21.09	13.17	30.80
Earning Per Share	(2395.26)	(7161.55)	15938.60
Book Value Per Share	19163.96	12009.43	27948.16

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.002	0.001	0.007
Profit/(Loss) After Tax	(0.77)	(0.68)	(0.78)
Equity Capital	0.11	0.11	0.11
Reserves and Surplus	(43.11)	(43.79)	(44.57)
Earning Per Share	(698.28)	(615.24)	(703.43)
Book Value Per Share	(38880.94)	(39496.18)	(40199.61)

SPRINGLEAF PROPERTIES PRIVATE LIMITED

This company was incorporated under the Companies Act on June 26, 1982. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business of builders, contractors, erectors, constructors of buildings, structures residential, commercial or industrial developers of holiday resorts, townships, hotels, preparing of building sites, decorating or furnishing and maintaining amongst others flats, factories, shops, offices, hospitals,

to deal in land and house property and carry on business as developers of land, buildings and immovable properties by amongst others leasing and disposing off the same.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 this company's business activities comprised of inter alia sale of shares and earning of interest income.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 30, 1996 (which is the date of the annual general meeting as shown in the annual return) set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Gopal L. Raheja (HUF) Jointly with Mr. Sandeep G. Raheja	17.33	G. L. Raheja
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja, Executors of the Estate of Mrs. Sheila Raheja	17.73	
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	4.98	
M/s. Greenfield Hotels & Estates Pvt. Ltd.	9.96	
Sub total of G. L. Raheja Group	**50**	
Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja.	17.13	C. L. Raheja
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	17.93	
Chandru L. Raheja HUF Jointly with Mrs. Jyoti C. Raheja	4.98	
Sub total of C. L. Raheja Group	**40.04**	
M/s. K. R. Consultants Pvt. Ltd.	9.96	Mumbai Undivided Entity
Sub total of Mumbai Undivided Entity	**9.96**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 30, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 30, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 30, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mrs. Jyoti C. Raheja	

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said

September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 4, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 4, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. The articles of association of this private company do not provide that the directors would have to retire by rotation and no such practice was followed prior to the Arrangement. Consequently, it may be assumed that the directorship of this company as on the date of filing the Prospectus continues to be the same as stated in the chart above.

   In case of private companies retirement of directors depends on the provisions of the articles of association of the company and in the absence of any such provisions the directors continue until removed under Section 284 of the Companies Act. This is the position taken by the High Court of Punjab and Haryana in S. Labh Singh versus Paneser Mech. Works Pvt. Ltd. (1987) 61 Com Cases 618.

. However, a contrary view has been taken by the Madras High Court in the case of Devi Talkies (P.) Ltd. versus V.R.Parthasarathi Iyengar (1982) 52 Com Cases 242, where it has been held that in the absence of a provision made in the articles of association of a private company, all the directors of a company would be liable to retire at the end of each annual general meeting.

   Mrs. Jyoti C. Raheja (out of the directors set out in the above chart) is named as a permanent director in the articles of association. It may be assumed that in view of what is stated above and in note 3 to the shareholding pattern on page 151 the remaining directors would have retired and consequently Mrs. Jyoti C. Raheja would be the director as on the date of filing of the Prospectus. However, the retired directors may have held out as being directors after they are so assumed to have retired.

4. Mr. Ravi C. Raheja from C. L. Raheja Group was appointed as an additional director of this company with effect from May 12, 1998 by way of a resolution by circulation. His appointment may be a point of dispute between C. L. Raheja family and the G. L. Raheja family.. Since Mr. Ravi C. Raheja was appointed as an additional director he was liable to retire on the date of the next Annual General meeting. However, in view of what is stated in note 3 to the shareholding pattern on page 151, Mr. Ravi C. Raheja has retired as director on the said date in the year 1998. After the appointment of Mr. Ravi C. Raheja, the C. L. Raheja Group directors were in majority on the board and have passed resolutions enabling filing of a petition with the company Law Board, Western Region Bench, Mumbai. But for this majority such resolutions may not have been passed. Pursuant to the said petition the said Company Law Board Western Region Bench has issued its order dated May 29, 2000 whereby the Company Law Board gave its consent for this company to issue 6,000 (Six Thousand) 4% non-cumulative redeemable preference shares of Rs.100/- each in lieu of amount payable on redemption of the existing 6,000 (Six Thousand) 4% non-cumulative redeemable preference shares. Compliance with the said order is pending. The filing of the said petition may be a point of dispute between C. L. Raheja family and the G. L. Raheja family.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	**Year Ended March 31,**		
	1995	**1996**	**1997**
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.10	0.14	0.56
Profit/(Loss) After Tax	0.04	0.05	0.51
Equity Capital	0.0502	0.0502	0.0502
Reserves and Surplus	0.55	0.59	1.10
Earning Per Share	80.90	90.96	1007.69
Book Value Per Share	1,188.27	1280.42	2,289.30

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.002)	(0.002)	(0.002)
Equity Capital	0.05	0.05	0.05
Reserves and Surplus	1.13	1.12	1.12
Earning Per Share	(3.74)	(3.88)	(4.03)
Book Value Per Share	2342.66	2338.77	2334.74

SURUCHI TRADING PRIVATE LIMITED

This company was incorporated under the Companies Act on October 16, 1986. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business as traders, dealers of amongst others merchandise, goods, articles, commodities and to deal in, as exporters, importers, merchants of amongst others building materials, hardware and other products.

To the knowledge of the C. L. Raheja Group this company has currently no commercial operations except for earning of lease rent. During all or any of the financial years ended March 31st 1995, March 31st 1996 and March 31st 1997 this company's activities comprised of inter alia sale of shares, earning of interest income, some of the activities mentioned in its main objects and was a partner in a partnership firm carrying on business of real estate development.

Shareholding Pattern

The equity shareholding pattern of this company based on the last annual return filed with the ROC prior to the Arrangement containing information as of September 28, 1996 (which is the date of the annual general meeting as shown in the annual return) is set out below:

Names of Shareholders	Percentage Shareholding (%)	Group
Ms. Sabita G. Raheja	10	G. L. Raheja
Mr. Sandeep G. Raheja Jointly with Mr. Gopal L. Raheja	10	
Ms. Sonali G. Raheja Jointly with Mr. Gopal L. Raheja	10	
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	10	
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja, Executors of the Estate of Mrs. Sheila Raheja	10	
Sub total of G. L. Raheja Group	**50**	
Mr. Chandru L. RahejaJointly with Mrs. Jyoti C. Raheja	12.5	C. L. Raheja
Mrs. Jyoti C. Raheja Jointly with Mr. Chandru L. Raheja	12.5	
Mr. Ravi C. Raheja Jointly with Mr. Chandru L. Raheja	12.5	
Mr. Neel C. Raheja Jointly with Mrs. Jyoti C. Raheja	12.5	
Sub total of C. L. Raheja Group	**50**	
Total	**100**	

Notes to the above chart:

1. The shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company.).

3. To the knowledge of the C. L. Raheja Group, since the last annual general meeting of this company held on September 30, 1997 no further shareholders meetings have been held.

4. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 30, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

The names of directors of this company as mentioned in the annual return filed with the ROC containing information as of September 28, 1996 (which is the last annual return filed prior to the Arrangement) is set out below:

Names of Directors	Group
Mr. Gopal L. Raheja	G.L. Raheja
Mr. Sandeep G. Raheja	
Mr. Durga S. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mrs. Jyoti C. Raheja	
Mr. Ravi C. Raheja	

Notes to the above chart:

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 30, 1997 which to the knowledge of the C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 30, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

2. As per the articles of association of this private company none of the directors are liable to retire by rotation. Consequently, it may be assumed that the directorship of this company as on the date of filing the Prospectus continues to be the same as stated in the chart above.

3. To the knowledge of the C. L. Raheja Group, since the last board meeting of this company held on September 4, 1997 no further board meetings have been held. The convening, holding and the business transacted at the said board meeting of September 4, 1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.77	0.18	0.09
Profit/(Loss) After Tax	(0.42)	(0.34)	(0.37)
Equity Capital	0.10	0.10	0.10
Reserves and Surplus	(0.56)	(0.90)	(1.26)
Earning Per Share	(420.38)	(336.53)	(368.89)
Book Value Per Share	(464.24)	(800.77)	(1169.66)

The financial performance of this company for 2002, 2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and Other Income	0.002	0.002	0.002
Profit/(Loss) After Tax	(0.06)	(0.04)	(0.14)
Equity Capital	0.1	0.1	0.1
Reserves and Surplus	(2.61)	(2.65)	(2.78)
Earning Per Share	(63.63)	(36.35)	(135.85)
Book Value Per Share	(2516.81)	(2553.17)	(2689.01)

WISEMAN FINANCE PRIVATE LIMITED

This company was incorporated under the Companies Act on July 23, 1987. As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry out business of all types of financial operations and services including factoring, hire-purchase, leasing, making of loans and financing industrial enterprises which business activities this company is engaged in.

Shareholding Pattern:

The shareholding pattern of this company as mentioned in the annual return filed with the ROC containing information as of August 23, 2004 (which is the date of the annual general meeting as shown in the annual return) and which is also contained in the Register of Members of this company (available at the registered office of this company) as on the date of filing the the Prospectus is as set out in the chart below:

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Sandeep G. Raheja	2.02	G. L. Raheja
Mrs. Sonali N. Arora*1	2.53	
Sub total of G. L. Raheja Group	**4.55**	
Mr. Chandru L. Raheja	0.03	C. L. Raheja
Mr. Ravi C. RahejaJointly with Mr. Chandru L. Raheja	2.02	
Mr. Neel C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja *2	2.53	
Paramount Hotels Pvt. Ltd.	24.24	
K. Raheja Pvt. Ltd.	42.42	
Sub total of C. L. Raheja Group	**71.24**	
Rendezvous Estates Pvt. Ltd.	10.1	Mumbai Undivided Entities
Sub total of Mumbai Undivided Entities	**10.1**	
Mr. Prem Das	10.12	Others
Fortune Hotels Pvt. Ltd. *3	3.99	
Sub total of Others	**14.11**	
Total	**100**	

Paramount Hotels Ltd., is now known as K. Raheja Corp Pvt. Ltd.

In the Register of Members it is shown as -

*1 Ms. Sonali G. Raheja

(Minor) through father and natural guardian Mr. Gopal L. Raheja Jointly with Mrs. Sheila G. Raheja

*2 Master Neel C. Raheja (Minor) through father and

natural guardian Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja

*3 Fortune Hotels & Estates Pvt. Ltd.

Notes to the above chart:

1. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the the Prospectus which continues to be as set out above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company, it may be assumed that the shareholding pattern of the company even as on the date of the Prospectus continues to be the same as mentioned in the chart above. This statement is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said company (which is irrespective of the actual shareholding/beneficial interest/ownership in such company..
2. In this company the convening, holding and the business transacted at the annual general meetings after the Arrangement may be disputed by the G. L. Raheja group.
3. The names of the Directors of this company as mentioned in the annual return filed with the ROC containing information as of August 23, 2004 which is also contained in the Register of Directors of this company (available at the registered office of this company) as on the date of filing the the Prospectus is set out in the chart below:

Names of Directors	Group
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Prem Das*	Others

***Managing Director**

Notes to the above chart:

In this company the convening, holding and the business transacted at the further board meetings after the Arrangement may be disputed by the G. L. Raheja group.

Financial Performance

The financial performance of this company as per last audited accounts is as below:

However, the finalisation of accounts and audit of this company for financial years after the date of the Arrangement may be a point of dispute between G. L . Raheja family and C. L. Raheja family and correspondence has been exchanged in this regard.

Particulars	Year Ended On March 31,		
	2002	2003	2004
	(In Rs. Millions, except per share data)		
Sales and Other Income	3.06	2.63	10.21
Profit/(Loss) After Tax	(0.44)	(7.01)	(1.39)
Equity Capital	9.9	9.9	9.9
Reserves and Surplus	14.66	7.65	6.27
Earning Per Share	(0.45)	(7.08)	(1.40)
Book Value Per Share	24.81	17.73	16.33

PARTNERSHIP FIRMS

ALANKAR ENTERPRISES

The firm was constituted vide a Deed of Partnership dated October 1, 1983 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated December 4, 1987, January 2, 1990, October 1, 1991, November 5, 1992, April 1, 1993 read together with deed of retirement dated October 31,1987 and January 1,1990 and supplemental deed dated April 6, 1993. To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations except for earning of interest income and lease rent.

As per the Deeds of Partnership read together with the supplementary deed, the business of the firm is the execution of building construction contracts, dealing in land, builders and of construction of residential flats, office premises, shops, garages, etc., and sale thereof on ownership basis and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated April 1, 1993 read with supplemental deed dated April 6, 1993 are as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Gopal L. Raheja Karta of Gopal Lachmandas (HUF)	4	G.L.Raheja
Sandeep G.Raheja	4	
Tropicana Properties Ltd.	70	
K.Raheja Estates & Investments Pvt. Ltd.	3	
Greenfield Hotels & Estates Pvt. Ltd.	3	
Sub Total Of G.L.Raheja Group	**84**	
Chandru L. Raheja	4	C.L.Raheja
Ravi.C.Raheja	3	
K.Raheja Pvt. Ltd.	3	
Sub Total Of C.L.Raheja Group	**10**	
Sevaram Estates & Investments Pvt. Ltd.	3	Mumbai Undivided Entities
Neel Estates & Investments Pvt. Ltd.	3	
Sub Total of Mumbai Undivided Entities	**6**	
Total	**100**	

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	15.78	22.96	58.04
Profit/(Loss) After Tax	0.82	0.13	8.52
Partners' Capital Account	24.59	87.75	12.93

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

(In Rs million)

Particulars	Year Ended 31st March,		
	2002	2003	2004
Sales and Other Income	0.03	0.01	0.01
Profit / (Loss) After Tax	0.02	0.008	0.007
Partners' Capital Account Cr / (Dr)	3.92	3.92	3.93

CRYSTAL CORPORATION & EVEREST ENTERPRISES

The firm was constituted vide a Deed of Partnership dated February 17, 1986 under the Indian Partnership Act, 1932 and was re-constituted vide Deed of Partnership dated December 4, 1987 read together with deed of retirement dated October 31,1987 and supplemental deed dated April 6, 1993. To the knowledge of the C. L. Raheja group the firm currently has no commercial operations.

As per the Deeds of Partnership read together with the supplementary deed, the business of the firm is the execution of building construction contracts, dealing in land, builders and of construction of flats, office premises, shops, garages, etc., and sale thereof on ownership basis and acting as financiers and bankers and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated December 4, 1987 read with supplemental deed dated April 6, 1993 are as follows**.** This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Chandru L. Raheja	33.33	C.L.Raheja
Sub Total Of C.L.Raheja Group	**33.33**	
Gopal Lachmandas (HUF)	33.33	G.L.Raheja
Sub Total Of G.L.Raheja Group	**33.33**	
K.R.Consultants Pvt. Ltd.	33.34	Mumbai Undivided Entity
Sub Total Of Mumbai Undivided Entity	**33.34***	
Total	**100**	

* rounded off

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	0.05	0.05	0.07
Profit/(Loss) After Tax	0.006	0.01	0.017
Partners' Capital Account	0.33	0.34	0.36

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.02)	(0.002)	(0.00005)
Partners' Capital Account	0.30	0.45	0.45

CROWN ENTERPRISES

The firm was constituted vide a Deed of Partnership dated October 4, 1978 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated July 6, 1980, March 11, 1981, April 2, 1982, April 3, 1984, December 4, 1987, October 3, 1988, November 5, 1992, April 1, 1993 read together with deed of assignment dated March 10, 1981, deeds of retirement dated April 3,1984, October 31,1987 and October 3,1988 and supplemental deed dated April 6, 1993. To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations.

As per the Deeds of Partnership read together with the supplementary deed, the business of the firm is of builders and developers of real estate, execution of building construction contracts, dealing in land and other real estate, and of construction of residential flats, office premises, shops, garages, etc., and sale thereof on ownership basis and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated April 1, 1993 read with supplemental deed dated April 6, 1993 are as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Gopal L. Raheja, Karta of Gopal Lachmandas (HUF)	7	G.L.Raheja
Sandeep G. Raheja	7	
Ferani Hotels Pvt. Ltd.	40	
Greenfield Hotels & Estates Pvt. Ltd.	7	
Sub Total Of G.L.Raheja Group	**61**	
Jyoti C. Raheja	7	C.L.Raheja
Ravi C.Raheja	7	
K.Raheja Pvt. Ltd.	6	
Sub Total Of C.L.Raheja Group	**20**	
Sevaram Estates & Investments Pvt. Ltd.	7	Mumbai Undivided Entities
Rendezvous Estates Pvt. Ltd.	6	
Neel Estates & Investments Pvt. Ltd.	6	
Sub Total of Mumbai Undivided Entities	**19**	
Total	**100**	

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	2.53	13.09	7.80
Profit/(Loss) After Tax	0.13	0.30	0.26
Partners' Capital Account	43.25	4.68	(5.58)

The financial performance of this company for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.0002)	(0.0007)	(0.001)
Partners' Capital Account	5.60	5.60	5.60

EVERGREEN CONSTRUCTIONS

The firm was constituted vide a Deed of Partnership dated September 12, 1975 under the Indian Partnership Act, 1932 and was re-constituted vide Deed of Partnership dated October 4,1976. To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations.

As per the Deeds of Partnership, the business of the firm is of dealing in land and developing the land and carrying on business as builders, construction of flats, office premises, garages, shops, etc and sale thereof on ownership basis and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated October 4,1976 are as follows.) This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm.)

Names of Partner	Partner's Share (%)	Group
Meena S. Raheja	10	Others
Jonathan Ferreira	15	
Philomena Machado	15	
Francisca Ferreira	20	
Smt. Kaushalya Lachamandas (Trustee Of Reshma Trust)	10	
Sub Total Of Others	**70**	
Gopal Lachmandas Karta Of Gopal Lachmandas (HUF)	25	G.L.Raheja
Sub Total Of G.L.Raheja Group	**25**	
Chandru L. Raheja	5	C.L.Raheja
Sub Total Of C.L.Raheja Group	**5**	
Total	**100**	

Financial Performance

To the knowledge of the C. L. Raheja Group and based on the records available at Construction House – 'A', 24th Road, Khar (West), Mumbai – 400 052 the accounts of this firm have been last finalized for year ended September 30, 1986.

The financial performance of this firm is as given below:

Particulars	Year Ended On September 30,		
	1984	1985	1986
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit / (Loss) After Tax	Nil	(0.02)	(0.000005)
Partners' Capital Account	0.05	0.007	0.007

HONEY DEW CORPORATION

The firm was constituted vide a Deed of Partnership dated April 29, 1980 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated December 4, 1987, August 18, 1993, April 25, 1996 read together with deed of retirement dated October 31,1987 and supplemental deed dated April 6, 1993. To the knowledge of C. L. Raheja Group the firm currently has no commercial operations.

As per the Deeds of Partnership read together with the supplementary deed, the business of the firm is of financiers, execution of building construction contracts, dealing in land, carrying on business as builders and of construction of flats, office premises, shops, garages, etc., and sale thereof on ownership basis and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated April 25, 1996 is as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Chandru L. Raheja	10	C.L.Raheja
Ivory Properties & Hotels Ltd.	10	
K.Raheja Pvt. Ltd.	10	
Sub Total Of C.L.Raheja Group	**30**	
Ferani Hotels Ltd.	10	G.L.Raheja
K.R.Hotels & Estates Pvt. Ltd.	10	
Unique Estates Development Company Ltd.	10	
Sub Total Of G.L.Raheja Group	**30**	
K.R.Consultants Pvt. Ltd.	10	Mumbai Undivided Entities
Nectar Properties Pvt. Ltd.	10	
Sevaram Estates Pvt. Ltd.	10	
Sub Total Of Mumbai Undivided Entities	**30**	

Bindu K.Raheja	10	Others
Sub Total Of Others	**10**	
Total	**100**	

Ivory Properties & Hotels Ltd. is now known as Ivory Properties & Hotels Private Ltd.

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	**Year Ended March 31,**		
	1995	**1996**	**1997**
	(in Rs. Millions)		
Sales and Other Income	Nil	0.02	5.85
Profit/(Loss) After Tax	Nil	(0.04)	(0.15)
Partners' Capital Account	0.09	0.017	(1.56)

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below:

Particulars	**Year Ended March 31,**		
	2002	**2003**	**2004**
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.0002)	(0.0009)	Nil
Partners' Capital Account	8.12	8.12	8.12

KENWOOD ENTERPRISES

The firm was constituted vide a Deed of Partnership dated October 28, 1978 under the Indian Partnership Act, 1932 and was re-constituted vide Deed of Partnership dated March 1, 1979 read together with deed of retirement dated January 2, 1979. As per the last partnership deed, the partners and their respective shares are setout in the chart mentioned hereunder. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	**Partner's Share (%)**	**Group**
Suresh L. Raheja	10	Others
Francisca Ferreira	20	
Magdalene Ferreira	10	
Norman Ferreira	10	
Sub Total Of Others	**50**	
Jyoti C. Raheja	20	C.L.Raheja
Sub Total Of C.L.Raheja Group	**20**	
Gopal L Raheja, Karta of Gopal Lachmandas (HUF)	20	G.L.Raheja
Sub Total Of G.L.Raheja Group	**20**	
K Raheja Trusteeship Pvt. Ltd. , Trustee of B. R. Trust	10	Mumbai Undivided Entities
Sub-total of Mumbai Undivided Entities	**10**	
Total	**100**	

The firm may have undergone a change in its constitution since the annual accounts for the year ended December 31, 1987 show the following as partners with their respective shares and there is no partnership deed available for the said change with the C L Raheja Group.

Names of Partner	**Partner's Share (%)**	**Group**
B. R. Trust	10	Mumbai Undivided Entities
Sub-Total of Mumbai Undivided Entity	**10**	
Francisca Ferreira	20	Others
Magdalene Ferreira	10	
Norman Ferreira	10	
Sub Total Of Others	**40**	
Jyoti C. Raheja	25	C.L.Raheja

Sub Total Of C.L.Raheja Group	**25**	
Gopal Lachmandas (HUF)	25	G.L.Raheja
Sub Total Of G.L.Raheja Group	**25**	
Total	**100**	

To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations. As per the Deeds of Partnership, the business of the firm is of developing the land and constructing of flats, office premises, garages, shops, etc and sale thereof on ownership basis and such other business as the partners may from time to time mutually agree upon.

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	**Year Ended March 31,**		
	1995	**1996**	**1997**
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.00002)	Nil	Nil
Partners' Capital Account	(0.006)	(0.006)	(0.006)

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	**Year Ended March 31,**		
	2002	**2003**	**2004**
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.00002)	(0.00002)	(0.00002)
Partners' Capital Account	(0.006)	(0.006)	(0.006)

K.RAHEJA FINANCIERS & INVESTORS

The firm was constituted vide a Deed of Partnership dated September 23, 1986 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated October 1, 1987, April 3, 1989, April 2, 1990 , November 5, 1992, and January 16, 1995,deed of retirement dated January 16, 1995 read together with supplemental deed dated April 6, 1993 are the deeds available at Construction House – A, 24th Road, Khar, Mumbai - 400 052 the office of the firm mentioned in the deeds. To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations except for earning of leave and license fees..

As per the Deeds of Partnership read together with the supplementary deed, the business of the firm is of execution of building construction contracts, dealing in land and other real estate, and the business of builders and developers of real estate, etc and acting as financiers and bankers and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated January 16, 1995 is as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	**Partner's Share (%)**	**Group**
Gopal L. Raheja, Karta of Gopal Lachmandas (HUF)	5	G.L.Raheja
Sandeep G.Raheja	5	
K.Raheja Estates & Investments Pvt. Ltd.	5	
Unique Estates Development Company Ltd.	65	
Sub Total Of G.L.Raheja Group	**80**	
Chandru L. Raheja, Karta of Chandru Lachmandas (HUF)	5	C.L.Raheja
Ravi C. Raheja	5	
Sub Total Of C.L.Raheja Group	**10**	
Debonair Estates Development Pvt. Ltd.	5	Mumbai Undivided Entity
Sub Total Of Mumbai Undivided Entity	**5**	
Kishore L. Raheja	5	Others
Sub Total of others	**5**	
Total	**100**	

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	30.43	38.64	19.01
Profit/(Loss) After Tax	2.09	2.54	1.36
Partners' Capital Account	145.17	50.36	4.09

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

(in Rs. Millions)

Particulars	Year Ended 31st March,		
	2002	2003	2004
Sales and Other Income	0.38	0.38	0.39
Profit / (Loss) After Tax	0.28	0.28	0.29
Partners' Capital Account Cr / (Dr)	18.91	19.18	19.46

K.R.FINANCE

The firm was constituted vide a Deed of Partnership dated April 4, 1984 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated December 4, 1987, January 25, 1988, April 3, 1989, October 5, 1990, November 5, 1992, April 4, 1994 read together with deed of retirement dated October 31, 1987 and August 10, 1993 and supplemental deed dated April 6, 1993 and August 18, 1993. To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations.

As per the Deeds of Partnership read together with the supplementary deed, the business of the firm is of execution of building construction contracts, dealing in land, builders and of construction of flats, office premises, shops, garages, etc., and sale thereof on ownership basis and acting as financiers and bankers and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated April 4, 1994 .is as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Gopal L. Raheja Karta of Gopal Lachmandas (HUF)	3	G.L.Raheja
Sandeep G.Raheja	4	
K.R.Hotels & Estates Pvt. Ltd.	10	
K.Raheja Estates & Investments Pvt. Ltd.	10	
Tropicana Properties Ltd.	20	
Sub Total Of G.L.Raheja Group	**47**	
Chandru L. Raheja	10	C.L.Raheja
K. Raheja Pvt. Ltd.	10	
Paramount Hotels Pvt. Ltd.	20	
Sub Total Of C.L.Raheja Group	**40**	
S. K. Estates Pvt. Ltd.	10	Mumbai Undivided Entity
Sub Total Of Mumbai Undivided Entity	**10**	
Ashok G.Raheja	3	Others
Sub Total of others	**3**	
Total	**100**	

Paramount Hotels Ltd., is now known as K. Raheja Corp Pvt. Ltd.

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	21.66	44.91	76.61
Profit/(Loss) After Tax	(0.0001)	0.33	5.58
Partners' Capital Account	17.28	58.53	166.29

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(3.28)	(0.79)	(0.88)
Partners' Capital Account	74.38	76.49	75.80

K.R.PROPERTIES & INVESTMENTS

The firm was constituted vide a Deed of Partnership dated January 1, 1980 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated April 2, 1982, April 4, 1984, December 4, 1987, November 5, 1992 read together with deed of retirement dated April 3, 1984, and October 31, 1987 supplementary deed dated April 6, 1993. To the knowledge of C. L. Raheja Group the firm currently has no commercial operations.

As per the Deeds of Partnership read together with the supplemental deed, the business of the firm is of dealing in lands, carrying out building construction contracts, builders and as developers of real estate and of construction of flats, shops, garages, industrial sheds, godowns, etc., and sale thereof on ownership basis or letting out of them and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated November 5, 1993 read with supplemental deed dated April 6, 1993 are as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Kishore L. Raheja	25	Others
Fortune Hotels & Estates Pvt. Ltd.	25	
Sub Total Of Others	**50**	
Jyoti C. Raheja	25	C.L.Raheja
Sub Total Of C.L.Raheja Group	**25**	
Gopal L. Raheja Karta Of Gopal Lachmandas (HUF)	25	G.L.Raheja
Sub Total Of G.L.Raheja Group	**25**	
Total	**100**	

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	Nil	0.02	3.16
Profit/(Loss) After Tax	(0.009)	(0.07)	0.17
Partners' Capital Account	(0.94)	(1.66)	(1.68)

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.008)	(0.008)	(0.009)
Partners' Capital Account	(1.26)	(1.27)	(1.26)

K.R.SALES COPORATION

The firm was constituted vide a Deed of Partnership dated June 12, 1975 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated July 12, 1976, March 30, 1982, June 30, 1983, July 2, 1984, January 7, 1986, December 4, 1987, October 13, 1988, November 5, 1992, August 18, 1993 read together with deed of retirement dated August 4, 1979, October 31, 1987 and October 6, 1988, supplemental deed dated April 6, 1993 . To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations.

As per the Deeds of Partnership read together with the supplementary deed, the business of the firm is of developing the land and construction of flats, office premises, shops, garages etc and sales thereof on ownership basis, execution of building construction contracts, dealing in land and other real estate, as builders and developers of real estate etc and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated August 18, 1993 is as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Gopal L. Raheja, Karta of Gopal Lachmandas (HUF)	15	G.L.Raheja
Sandeep G. Raheja	15	
K.R.Hotels & Estates Pvt. Ltd.	10	
Sub Total Of G.L.Raheja Group	**40**	
Bindu K.Raheja	20	Others
Raghubir Estates & Investments Pvt. Ltd.	15	
Sub Total Of Others	**35**	
Chandru L. Raheja	15	C.L.Raheja
Sub Total Of C.L.Raheja Group	**15**	
K.R.Consultants Pvt. Ltd.	10	Mumbai Undivided Entities
Sub Total Of Mumbai Undivided Entities	**10**	
Total	**100**	

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	0.15	0.30	2.55
Profit/(Loss) After Tax	0.06	0.09	(0.0004)
Partners' Capital Account	0.42	0.49	0.48

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.0001)	(0.00004)	Nil
Partners' Capital Account	2.80	2.80	2.80

MARINA CORPORATION

The firm was constituted vide a Deed of Partnership dated January 3, 1983 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated December 4, 1987, November 5, 1992, April 1, 1993, October 9, 1998, and the supplementary deed dated April 6, 1993 and a deed of retirement dated October 31, 1987. To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations.

As per the Deeds of Partnership read together with the supplementary deeds, the business of the firm is the execution of building construction contracts, dealing in land, carrying on business as builders and of construction of flats, office premises, shops, garages, etc., and sale thereof on ownership basis and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated October 9, 1998 is as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).**:**

Names of Partner	Partner's Share (%)	Group
Sandeep G.Raheja	5	G.L.Raheja
Greenfield Hotels & Estates Pvt. Ltd.	4	
Tropicana Properties Ltd.	60	
Ferani Hotels Pvt. Ltd.	5	
Sub Total Of G.L.Raheja Group	**74**	
Chandru Lachmandas (HUF)	5	C.L.Raheja
Ravi C. Raheja	5	
K. Raheja Pvt. Ltd.	4	
Sub Total Of C.L.Raheja Group	**14**	
Sevaram Estates Pvt. Ltd.	8	Mumbai Undivided Entities
Rendezvous Estates Pvt. Ltd.	4	
Sub total of Mumbai Undivided Entities	**12**	
Total	**100**	

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended On March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	10.13	16.05	35.86
Profit/(Loss) After Tax	0.01	0.44	3.84
Partners' Capital Account	57.06	107.04	102.82

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.10)	(0.00005)	(0.00005)
Partners' Capital Account	5.88	5.88	5.88

ORIENTAL CORPORATION

The firm was constituted vide a Deed of Partnership dated February 15, 1986 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated December 4, 1987 read together with deed of retirement dated October 31, 1987 supplemental deeds dated April 6, 1993 and August 18, 1993. To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations.

As per the Deeds of Partnership read together with the supplementary deed, the business of the firm is of execution of building construction contracts, dealing in land, builders and of construction of flats, office premises, shops, garages, etc., and sale thereof on ownership basis and acting as financiers and bankers and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated December 4, 1987 read with supplemental deed dated April 6, 1993 and August 18, 1993 is as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Jyoti C. Raheja	60	C.L.Raheja
Sub Total Of C.L.Raheja Group	**60**	
Sandeep G.Raheja	25	G.L.Raheja
Sub Total Of G.L.Raheja Group	**25**	
K.R.Consultants Pvt. Ltd.	15	Mumbai Undivided Entity
Sub Total of Mumbai Undivided Entity	**15**	
Total	**100**	

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	0.018	0.02	0.02
Profit/(Loss) After Tax	0.002	0.003	0.004
Partners' Capital Account	0.15	0.15	0.16

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.01)	(0.001)	Nil
Partners' Capital Account	0.09	0.27	0.27

POWAI PROPERTIES

The firm was constituted vide a Deed of Partnership dated December 7, 1996 under the Indian Partnership Act, 1932. To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations.

As per the Deed of Partnership, the business of the firm is of developing properties and dealing in real estates by constructing Buildings consisting of flats, shops, and other premises and sell them on ownership basis or otherwise to give on lease or rentals and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated December 7, 1996 is as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Paramount Hotels Ltd.	20	C.L.Raheja
Capstan Trading Pvt. Ltd.	10	
Anbee Construction Pvt. Ltd.	10	
Cape Trading Pvt. Ltd.	10	
Sub Total Of C.L.Raheja Group	**50**	
Ideal Properties Pvt. Ltd.	20	G.L.Raheja
K.R.Hotels & Estates Pvt. Ltd.	15	
K.Raheja Estates Pvt. Ltd.	15	
Sub total of G.L.Raheja Group	**50**	
Total	**100**	

Paramount Hotels Ltd., is now known as K. Raheja Corp Pvt. Ltd.

Financial Performance

The financial performance of this firm is as below which is the first year. The final accounts for the period ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Period ended March 31, 1997
	(in Rs. Millions)
Sales and Other Income	Nil
Profit/(Loss) After Tax	(0.0003)
Partners' Capital Account	6.19

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.0001)	(0.0001)	(0.00008)
Partners' Capital Account	10.69	10.74	10.78

R.M.DEVELOPMENT CORPORATION

The firm was constituted vide a Deed of Partnership dated May 3, 1989 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated April 2, 1990, November 5, 1992 read together with supplementary deed dated April 6, 1993. To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations.

As per the Deeds of Partnership read together with the supplementary deed, the business of the firm is of execution of building construction contracts, dealing in land, builders and of construction of flats, office premises, shops, garages, etc., and sale thereof on ownership basis and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated November 5, 1992 read with supplemental deed dated April 6, 1993 is as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
S. K. Estates Pvt. Ltd.	10	Mumbai Undivided Entities
Sevaram Estates & Investments Pvt. Ltd.	10	
K.R.Consultants Pvt. Ltd.	10	
Rendezvous Estates Pvt. Ltd.	10	
Sub Total Of Mumbai Undivided Entities	**40**	
Gopal L. Raheja, Karta of Gopal Lachmandas (HUF)	10	G.L.Raheja
Sandeep G.Raheja	10	
K.Raheja Estates & Investments Pvt. Ltd.	10	
Greenfield Hotels & Estates Pvt. Ltd.	10	
Sub Total Of G.L.Raheja Group	**40**	
Chandru L. Raheja	10	C.L.Raheja
Ravi C. Raheja	10	
Sub Total of C.L.Raheja Group	**20**	
Total	**100**	

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja Group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	2.08	2.27	2.39
Profit/(Loss) After Tax	0.006	(0.006)	0.09
Partners' Capital Account	0.41	0.40	(5.05)

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.0001)	(0.00005)	(0.00007)
Partners' Capital Account	1.22	1.22	1.22

RUBY ENTERPRISES

The firm was constituted vide a Deed of Partnership dated February 1, 1979 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated January 1, 1980, December 4, 1987, April 10, 1990, April 2, 1992, November 5, 1992 read together with deed of retirement dated January 1, 1980, October 31, 1987, supplemental deeds dated January 1, 1982, April 6, 1993 and August 18, 1993. To the knowledge of C. L. Raheja Group the firm currently has no commercial operations except for sale of stock in trade.

As per the aforesaid deeds of partnership the business of the firm is the execution of building construction contracts, dealing in land, carrying on business as builders and of construction of flats, office premises, shops, garages, etc., and the sale thereof on ownership basis and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated November 5, 1992 read with supplementary deeds dated April 6, 1993 and August 18, 1993 is as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Gopal L. Raheja, Karta of Gopal Lachmandas (HUF)	7	G.L.Raheja
Sandeep G.Raheja	10	
Tropicana Properties Ltd.	30	
Greenfield Hotels & Estates Pvt. Ltd.	7	
Sub Total Of G.L.Raheja Group	**54**	
Jyoti C. Raheja	7	C.L.Raheja
Ravi C. Raheja	10	
Sub Total Of C.L.Raheja Group	**17**	
Sevaram Estates & Investments Pvt. Ltd.	10	Mumbai Undivided Entities
K.R.Consultants Pvt. Ltd.	7	
Sub Total Of Mumbai Undivided Entities	**17**	
Bindu K.Raheja	7	Others
Ashok G.Raheja	5	
Sub Total Of Others	**12**	
Total	**100**	

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended On 31 March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	4.03	19.11	21.96
Profit/(Loss) After Tax	0.007	0.77	2.35
Partners' Capital Account	17.80	112.62	82.48

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended On 31 March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	0.75	Nil	Nil
Profit/(Loss) After Tax	(0.23)	(0.01)	(0.001)
Partners' Capital Account	30.31	30.35	30.36

SATGURU ENTERPRISES

The firm was constituted vide a Deed of Partnership dated September 1, 1978 under the Indian Partnership Act, 1932 and was re-constituted vide Deeds of Partnership dated March 17, 1982, December 16, 1983, September 10, 1986, December 2, 1991, November 5, 1992 and August 18, 1993 read together with deed of retirement dated August 10, 1993 and supplemental deed dated April 6, 1993. To the knowledge of the C. L. Raheja Group the firm currently has no commercial operations except for lease rent.

As per the Deeds of Partnership read together with the supplementary deed, the business of the firm is of execution of building construction contracts, dealing in land and other real estate, builders and developers of real estate and of construction of residential flats, office premises, shops, garages, etc., and sale thereof on ownership basis and such other business as the partners may from time to time mutually agree upon.

The names and shares of the partners as mentioned in the Deed of Partnership dated August 18, 1993 is as follows. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said firm (which is irrespective of the actual shareholding/beneficial interest/ownership in such firm).

Names of Partner	Partner's Share (%)	Group
Gopal L. Raheja, Karta of Gopal Lachmandas (HUF)	10	G.L.Raheja
Sandeep G.Raheja	15	
Tropicana Properties Ltd.	20	
Greenfield Hotels & Estates Pvt. Ltd.	7.5	
Sub Total Of G.L.Raheja Group	**52.5**	
Chandru L. Raheja	10	C.L.Raheja
Ravi C. Raheja	10	
Neel C. Raheja	5	
K. Raheja Pvt. Ltd.	7.5	
Sub Total Of C.L.Raheja Group	**32.5**	
Rendezvous Estates Pvt. Ltd.	7.5	Mumbai Undivided Entities
K.R.Consultants Pvt. Ltd.	7.5	
Sub Total of Mumbai Undivided Entities	**15**	
Total	**100**	

Financial Performance

The financial performance of this firm is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	8.69	15.75	28.38
Profit/(Loss) After Tax	0.01	0.48	2.91
Partners' Capital Account	14.32	101.62	112.72

The financial performance of this firm for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	0.001	Nil	Nil
Profit/(Loss) After Tax	(0.0005)	(0.001)	(0.001)
Partners' Capital Account	(5.01)	(5.02)	(5.08)

ASSOCIATION OF PERSONS

K.RAHEJA INVESTMENT & FINANCE

This Association of Persons was constituted vide an agreement dated July 23, 1984 and a subsequent agreement dated November 17, 1987 and the last agreement being an agreement dated June 1, 1990.As per the said agreement the main objects of the association are inter-alia to hold, acquire, deal in and possess various kinds of investments such as flats, lands, shares, securities, deposits and immovable properties, to hold, acquire or lease or hire out plants, equipment and machineries, to lend monies and to carry out the business of developing real estate. The agreed term of the association has ended on March 31, 1999. However the distribution is pending.

This following were named as members of the said association of persons in the agreement dated June 1, 1990. This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said association of persons (which is irrespective of the actual shareholding/beneficial interest/ ownership in such association of persons).

Name of the Members	Members Interest (%)	Group
K.Raheja Private Ltd.	9.6	C.L.Raheja Group
Chandru Lachamandas (Karta of Chandru Lachamandas (HUF)	9.6	
Sub-Total of C.L.Raheja Group	**19.2**	
K.Raheja Estates & Investments Private Ltd.	9.6	G.L.Raheja Group
Greenfield Hotels & Estates Private Ltd.	9.6	
Gopal Lachamandas (Karta of Gopal Lachamandas HUF)	9.6	
Sub-Total of G.L.Raheja Group	**28.8**	
Rendezvous Estates Private Ltd.	9.6	Mumbai Undivided Entities
K.R.Consultants Private Ltd.	9.6	
Neel Estates & Investments Private Ltd.	9.6	
Sub-Total of Mumbai Undivided Entities	**28.8**	
Raghubir Estates & Investments Private Ltd.	9.6	Others
Fortune Hotels & Estates Private Ltd.	9.6	
Sub-Total of Others	**19.2**	
Indeterminate Share (Special Reserve A/c)	4	
Total	**100**	

Financial Performance

The financial performance of this Association of Persons is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	1.22	1.98	3.27
Profit/(Loss) After Tax	0.0007	0.38	1.16
Indeterminate Income/(Loss)	(0.09)	(0.08)	(0.03)
Member' Capital A/C	0.05	0.41	1.53

The financial performance of this AOP for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Profit/(Loss) After Tax	(0.0001)	(0.00006)	Nil
Indeterminate Income/(Loss)	0.003	0.003	0.003
Member' Capital A/C	4.52	4.52	4.52

CHARITABLE TRUSTS

K.R.FOUNDATION

This trust was settled by a deed dated February 21, 1978. The settler of the said trust is Shri Lachmandas Sewaram and the following were named in the said deed as trustees.

Names of Trustees	Group
Chandru Lachamandas	C.L.Raheja Group
Gopal Lachamandas	G.L.Raheja Group
Kishore Lachamandas	Others
Suresh Lachamandas	

However, as per the filing made on April 9, 1997 with the Income Tax Authorities the following are named as Trustees:

Names of Trustees	Group
C.L. Raheja	C.L. Raheja Group
Ravi C. Raheja	
G.L. Raheja	G.L.Raheja Group
Sandeep G. Raheja	
Kishore L. Raheja	Others

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Gross Receipts of the Trust and Other Income	1.74	7.51	4.33
Surplus/(Deficit) After Tax	(0.42)	4.79	3.82
Trust Funds	2.90	2.90	2.90
Income & Expenditure A/C	NIL	4.79	8.61

The financial performance of this trust for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

In one of the letters from the G. L. Raheja group to C. L. Raheja group, the G. L. Raheja group has made a statement that they are maintaining the accounts relating to receipts, expenses and contribution for maintenance of one of the properties maintained by the trust. C. L. Raheja Group is disputing the same . In this regard attention is drawn to the notes given on page 178 of the Prospectus. The financial performance of this trust is based on the books of accounts and other records available at the registered office of the trust and the limited and incomplete information provided by the G. L. Raheja group in this regard. In view of the disputes between the two families, it does not incorporate the effect of the said statement of the G. L. Raheja group.

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Gross Receipts of the Trust and Other Income	1.80	0.02	0.02
Surplus/(Deficit) After Tax	1.15	0.02	0.02
Trust Funds	2.90	2.90	2.90
Income & Expenditure A/C	13.06	13.07	13.09

RAHEJA CHARITABLE TRUST

This trust was settled by a deed dated May 26, 1972. The settler of the said trust is Smt. Kaushalya Lachmandas Raheja and the following were named in the said deed as trustees.

Names of Trustees	Group
Chandru Lachamandas Raheja	C.L.Raheja Group
Gopal Lachamandas Raheja	G.L.Raheja Group
Kishore Lachamandas Raheja	Others
Suresh Lachamandas Raheja	

However, as per the filing made on April 9, 1997 with the Income Tax Authorities the following are named as Trustees:

Names of Trustees	Group
G.L. Raheja	G. L. Raheja Group
C.L. Raheja	C.L. Raheja Group
Kishore L. Raheja	Others

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	0.0002	0.026	0.0005
Surplus/(Deficit) After Tax	0.0002	0.006	(0.0002)
Trust Funds	0.05	0.05	0.05
Income & Expenditure A/C	(0.06)	(0.056)	(0.056)

The financial performance of this trust for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	0.0005	0.0005	0.0005
Surplus/(Deficit) After Tax	0.0005	0.0005	0.0005
Trust Funds	0.05	0.05	0.05
Income & Expenditure A/C	(0.053)	(0.053)	(0.052)

PRIVATE TRUSTS

LACHAMANDAS SEWARAM RAHEJA FAMILY TRUST

This trust was settled by a Will of Late Shri Lachmandas Sewaram Raheja dated November 25, 1980. The following have been named in the said Will as the first trustees:

Names of Trustees	Group
Chandru Lachamandas Raheja	C.L.Raheja Group
Gopal Lachamandas Raheja	G.L.Raheja Group

In accordance with the said Will, the beneficiaries of the said trust are the grand-children of Late Shri Lachmandas Sewaram Raheja, namely, Sabita, Sonali, Sandeep, Reshma, Ravi, Neel, Rahul and Ashish or the survivors or survivor of them, in such proportion as the Trustees may from time to time in their absolute discretion think fit. This is subject to the understanding/ agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said trust (which is irrespective of the actual shareholding/beneficial interest/ownership in such trust).

As per the Will the vesting day is the date of expiry of 18 years from the date of death of Late Shri. Lachmandas Sewaram Raheja. The date of death is June 21, 1983. To the knowledge of the C. L. Raheja Group due to the disputes between the the G. L. Raheja family and the C. L. Raheja family, the distribution is pending.

Financial Performance

The financial performance of this trust is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	0.29	0.33	0.43
Surplus/(Deficit) After Tax	0.20	0.22	0.29
Trust Funds	1.75	1.97	2.26

The financial performance of this trust for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Surplus/(Deficit) After Tax	Nil	Nil	Nil
Trust Funds	2.58	2.58	2.58

L.R.COMBINE

This trust was settled by a deed dated March 19, 1983. The settler of the said trust is Mr. Hariram K. Ahuja and the following were named in the said deed as trustees.

Names of Trustees	Group
Chandru Lachamandas Raheja	C.L.Raheja Group
Gopal Lachamandas Raheja	G.L.Raheja Group

The following were named in the said deed as the beneficiaries of the said trust:

Name of the Beneficiaries as per the said Trust deed	Ratio of Beneficiaries (%)	Group
Lachamandas S.Raheja Medical Trust	98	Others
Raj A. Menda	2	
Total	**100**	

This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said trust (which is irrespective of the actual shareholding/beneficial interest/ownership in such trust).

The date of dissolution of the trust as stated in the said deed is March 31, 1998 or such earlier date as may be mutually decided by the trustees by transferring all the assets of the trust fund to the surviving beneficiaries in accordance with the trust deed. This date has passed. To the knowledge of C.L.Raheja Group due to the disputes between the the G. L. Raheja family and the C. L. Raheja family , no distribution has taken place.

The financial performance of this trust is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	NIL	NIL	NIL
Surplus/(Deficit) After Tax	(0.002)	(0.002)	(0.003)
Trust Funds	NIL	NIL	NIL

The financial performance of this trust for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Surplus/(Deficit) After Tax	(0.002)	(0.002)	(0.002)
Trust Funds	Nil	Nil	Nil
Income & Expenditure A/C	(0.008)	(0.01)	(0.01)

S.R.COMBINE

This trust was settled by a deed dated July 18, 1983. The settler of the said trust is Mr. Ashok G. Raheja and the following were named in the said deed as trustees.

Names of Trustees	Group
Chandru L. Raheja	C.L.Raheja Group
Gopal L. Raheja	G.L.Raheja Group

The following were named in the said deed as the beneficiaries of the said trust:

Name of the Beneficiaries as per the said Trust deed	Ratio of Beneficiaries (%)	Group
Sadhana Education Society	90	Others
Raj A. Menda	10	
Total	**100**	

This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said trust (which is irrespective of the actual shareholding/beneficial interest/ownership in such trust).

The date of dissolution of the trust as stated in the said deed is March 31, 1988 or such earlier date as may be mutually decided by the trustees by transferring all the assets of the trust fund to the surviving beneficiaries in accordance with the trust deed. This date has passed. To the knowledge of C.L.Raheja Group due to the disputes between the the G. L. Raheja family and the C. L. Raheja family no distribution has taken place.

The financial performance of this trust is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	NIL	NIL	NIL
Surplus/(Deficit) After Tax	(0.10)	(0.12)	(0.16)
Trust Funds	NIL	NIL	NIL

The financial performance of this trust for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Surplus/(Deficit) After Tax	(0.002)	(0.002)	(0.002)
Trust Funds	Nil	Nil	Nil
Income & Expenditure A/C	(0.007)	(0.009)	(0.01)

RESHMA ASSOCIATES

This trust was settled by a deed dated April 21, 1981. The settler of the said trust is Mrs. Bindu K. Raheja and the following were named in the said deed as trustees.

Names of Trustees	Group
K. Raheja Trusteeship Pvt. Ltd.	Mumbai Undivided Entity
Chandru L. Raheja	CLR Group

The following were named in the said deed as the beneficiaries of the said trust:

Name of the Beneficiaries as per the said Trust deed	Ratio of Beneficiaries (%)	Group
Chandru L. Raheja	25	C.L.Raheja Group
Jyoti C.Raheja	25	
Sub-Total of C.L.Raheja Group	**50**	
Sheila G.Raheja	25	G.L.Raheja Group
Sonali G.Raheja	25	
Sub-Total of G.L.Raheja Group	**50**	
Total	**100**	

This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said trust (which is irrespective of the actual shareholding/beneficial interest/ownership in such trust).

The date of dissolution of the trust as stated in the said deed is December 31, 1993 or such earlier date as may be mutually decided by the trustees by transferring all the assets of the trust fund to the surviving beneficiaries in accordance with the trust deed. This date has passed. To the knowledge of C.L.Raheja Group due to the disputes between the the G. L. Raheja family and the C. L. Raheja family , no distribution has taken place.

The financial performance of this trust is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	NIL	NIL	NIL
Surplus/(Deficit) After Tax	NIL	NIL	NIL
Trust Funds	0.001	0.001	0.001

The financial performance of this trust for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	NIL	NIL	NIL
Surplus/(Deficit) After Tax	NIL	NIL	NIL
Trust Funds	0.001	0.001	0.001

R.N.ASSOCIATES

This trust was settled by a deed dated April 19, 1983. The settler of the said trust is Mr. Ashok G. Raheja and the following were named in the said deed as trustees.

Names of Trustees	Group
Chandru L. Raheja	C.L.Raheja Group
Sheila G.Raheja	G.L.Raheja Group
K.Raheja Trusteeship P. Ltd.	Mumbai Undivided Entity

The following were named in the said deed as the beneficiaries of the said trust:

Name of the Beneficiaries as per the said Trust deed	Ratio of Beneficiaries (%)	Group
Ravi C.Raheja	25	C.L.Raheja Group
Neel C.Raheja	15	
Sub-Total of C.L.Raheja Group	**40**	
Sandeep G.Raheja	25	G.L.Raheja Group
Sonali G.Raheja	20	
Sub-Total of G.L.Raheja Group	**45**	
Nikhil K.Raheja	15	Others
Total	**100**	

This is subject to the understanding/agreement, contained in the Writings between the two groups, as to each group having equal ownership/interest/right in the said trust (which is irrespective of the actual shareholding/beneficial interest/ownership in such trust).

The date of dissolution of the trust as stated in the said deed was December 31, 1996 or such earlier date as may be mutually decided by the trustees by transferring all the assets of the trust fund to the surviving beneficiaries in accordance with the trust deed. This date has passed. To the knowledge of C.L.Raheja Group due to the disputes between the the G. L. Raheja family and the C. L. Raheja family , no distribution has taken place.

Financial Performance of this trust is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended On March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	0.84	0.007	NIL
Surplus/(Deficit) After Tax	0.50	(0.25)	(0.005)
Trust Funds	0.001	0.001	0.001

The financial performance of this trust for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended On March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Surplus/(Deficit) After Tax	Nil	Nil	Nil
Trust Funds	0.001	0.001	0.001
Income & Expenditure A/C	(0.0009)	(0.0009)	(0.0009)

R.K.ASSOCIATES

This trust was settled by a deed dated December 18, 1981. The settler of the said trust is Mr. Hariram K. Ahuja and the following were named in the said deed as trustees.

Names of Trustees	Group
Jyoti C. Raheja	C.L.Raheja Group
Gopal L. Raheja	G.L.Raheja Group
K. Raheja Trusteeship Pvt. Ltd.	Mumbai Undivided Entities
Bindu K. Raheja	Others

The following were named in the said deed as the beneficiaries of the said trust:

Name of the Beneficiaries as per the said Trust deed	Ratio of Beneficiaries (%)	Group
K.R.Foundation	75	Mumbai Undivided Entities
Raheja Charitable Trust	25	
Total	**100**	

The date of distribution of the trust has passed. To the knowledge of the C. L. Raheja Group due to the disputes between the G. L. Raheja family and the C. L. Raheja family , the distribution has not taken place.

Financial Performance

The financial performance of this trust is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between the G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Surplus/(Deficit) After Tax	(0.0008)	(0.00002)	(0.00002)
Trust Funds	0.031	0.031	0.031
Income & Expenditure A/C	(0.01)	(0.01)	(0.01)

The financial performance of this trust for 2002, 2003 and 2004 based on provisional, unaudited and nonfinalised accounts and subject to notes mentioned on page 176 of the Prospectus is as below

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and Other Income	Nil	Nil	Nil
Surplus/(Deficit) After Tax	(0.00002)	Nil	Nil
Trust Funds	0.031	0.031	0.031
Income & Expenditure A/C	(0.01)	(0.01)	(0.01)

Various private trusts were constituted, under which the members of the K. Raheja Corp Group were, along with certain other persons, beneficiaries. These private trusts were so organized such that only one trust was engaged in the carrying on of business. Some of these trusts were also partners in partnership firms (for the purpose of sharing in the profits and losses, although not involved in the day to day operation of the business of such partnership firms). The other remaining trusts were only direct or indirect beneficiaries of the aforesaid private trust carrying on business. We understand from the Promoters that while the affairs of the private trust which was carrying on business have been wound up and also the trusts which were partners in some partnership firms have ceased to be partners and complete distribution of assets has also taken place, in some of the beneficiary trusts, though the date of distribution of assets have passed, due to the pending disputes between C. L. Raheja family and the G. L. Raheja family certain assets are yet to be distributed. The Promoters believe that the amounts involved in these trusts are insignificant and are not expected to have any material impact on the Promoters and have any impact on the company . In all there are about 288 such trusts including K.L. Trust of which a division Delta Corporation is a division.

Accounts Qualifications

Qualifications including the following (which are to the knowledge of the C. L. Raheja Group) to the information on Financial Performance of Mumbai Undivided Entities due to the differences and disputes between the G. L. Raheja family and the C. L. Raheja family. G. L. Raheja group may agree or disagree or have a dispute and/or have additional issues and/or hold a different view with respect to any and/or all the Qualifications:

(a) All the Mumbai Undivided Entities are jointly owned and controlled by the G. L. Raheja family and the C. L. Raheja family and there are several differences and disputes in respect of the same between the two families including disputes in relation to the accounts of the Mumbai Undivided Entities.

(b) The information in relation to the Financial Performance has been compiled and is based on provisional, unaudited and nonfinalised balance sheet and profit and loss account (wherever applicable) ("the Financials") for the financial years ended March 31, 2002, March 31, 2003 and March 31, 2004 which have been prepared by C. L. Raheja Group on an "as is where is basis" from the books of account and other records which are available and lying at Construction House – 'A', 24th Road, Khar (West), Mumbai – 400 052, which continues to be the registered office of most of the Mumbai Undivided Entities even after the date of the Arrangement.

(c) The final accounts of most of the Mumbai Undivided Entities were last prepared and audited for the financial year ended March 31, 1997, which is disputed by the G. L. Raheja family. Further, for the financial year ended March 31, 1998, the final accounts of most of the companies forming part of the Mumbai Undivided Entities were prepared and circulated to the G. L. Raheja family. In response to the same, letters were sent to the concerned Mumbai Undivided Entities and their respective directors raising objections including asking for information and details about the accounts and stating that final accounts should not be finalized and approved until the same are approved by the G. L. Raheja family. In addition, G. L. Raheja family have also written some letters to C. L. Raheja, Ravi C. Raheja and Neel C. Raheja including interalia to the concerned auditors of Mumbai Undivided Entities raising objections and stating that the final accounts of the Mumbai Undivided Entities should not be finalized, audited and approved until the same are approved by the G. L. Raheja family in advance. The accounts for the financial year ended March 31, 1998 and thereafter have still not been finalised and approved between the said two families.

(d) The opening balances for the later financial years have been considered on the basis of the said final accounts (for year ended March 31, 1997) which may vary if and when approved between both the said two families. The accounts and the balances of each group's entities with the Mumbai Undivided Entities and amongst the Mumbai Undivided Entities are subject to confirmation by both the families. Similarly, the accounts and balances of the Mumbai Undivided Entities with the Southern Entities are subject to confirmation between all the groups namely the C. L. Raheja Group, the G. L. Raheja group and the Arjun Menda group. Since the disputes relate to the period commencing from the time of the Arrangement, the opening balances of various accounts would be affected regardless of the fact that finalisation of accounts and audit for any year.

(e) The Financials are provisional, unaudited and not finalized and therefore may not be complete and accurate. All income, expenses, assets and liabilities may not have been completely and accurately accounted. They are subject to the claims of either family against each other and/or against the Mumbai Undivided Entities and vice-versa and claims of third parties, if any, consequent thereto or otherwise. Both the families have questioned and/or disputed and/or denied claims, including in respect of transactions already accounted. The accounting effect of such claims, denials and disputes would not have been given in the Financials. The balances in the Profit & Loss Account (including due to non allocation of profit/loss to partners/members in respect of partnership firms and association of persons) are subject to the effect of changes upon finalisation of the same.

(f) The Financials have not been approved between the C. L. Raheja family and the G. L. Raheja family, who jointly own and control the said Mumbai Undivided Entities. As and when the same are approved the Financials could change substantially and consequently the Financial Performance as is presently being disclosed in the Prospectus in relation to the Mumbai Undivided Entities could also change substantially.

(g) Both the groups have independently operated bank accounts of several of the Mumbai Undivided Entities. The Financials incorporate some of the transactions carried out by the G. L. Raheja group based on the limited information that has been provided/furnished by them. Further, the C. L. Raheja Group believes that details/information of all the transactions carried out by the G. L. Raheja group may not have been provided/furnished including those that may relate to third party receipts and payments. The C. L. Raheja Group has disputed the transactions carried out by the G. L. Raheja group and the same have not been approved between both the groups.

(h) The G. L. Raheja group has raised several queries on examination of the accounting records and data of the Mumbai Undivided Entities furnished to them relating to a part of the period for which the Financials are prepared as well as for the preceding years since the time of the Writings/Arrangement. These queries are yet to be resolved between the said two families. The C. L. Raheja Group disputes the queries. Such queries include queries on non-incorporation or differently incorporating bank/account transactions effected by the G. L. Raheja group, questioning the sale of public company shares, questioning the incurring of and increase in various expenses, questioning the debits made to the accounts of the G. L. Raheja group entities, disagreement on the non-provision/provision made of interest and also of the rate of interest, disagreement on the balances of respective groups, disagreement on the rate of interest charged by the C. L. Raheja Group, questioning of the transactions effected by the C. L. Raheja Group, accounting treatment of expenses, etc.

(i) After the said Arrangement for a few years, in respect of the accounts and balances between both the groups and with the Mumbai Undivided Entities, interest has been accounted by each group differently and at different rates. As a result thereof and the disputes relating to the interest there will be consequent differences on account of TDS.

(j) Several tax returns have been filed by the C. L. Raheja Group pursuant to notices received from the tax authorities or otherwise and full effect of the demands/liabilities would not have been given in the books of account. Similarly tax

refunds due and interest thereon, if any, would not have been fully accounted. Provisions have also not been made on account of any of the non-filing and non-compliances.

(k) The G. L. Raheja group has taken credit to their benefit of certain inter-corporate deposits ("the ICDs") made with a third party by one of the Mumbai Undivided Entities and of one of the C. L. Raheja Group companies, by way of transfer of the ICDs through journal entries routed through the various Mumbai Undivided Entities. Although the journal entries relating to the transfer of the ICDs were signed in advance by some of the family members from both the families, in the C. L. Raheja Group's view the same were to be acted upon only after fulfillment of certain conditions, which were not fulfilled. However, the G. L. Raheja group has unilaterally acted upon the same and taken benefit thereof, which is disputed by the C. L. Raheja Group. Further, in this regard litigation is pending. The Financials of the concerned Mumbai Undivided Entities do not incorporate the effect of the said journal entries for transfer of the ICDs.

(l) Since the assets, documents, papers, records, etc. of the Mumbai Undivided Entities are separately in possession of both the groups, discrepancies, if any on physical verification, other discrepancies, if any and depreciation and impairment in value, if any, is not accounted.

(m) (i) Mr. G. L. Raheja in one of his letters dated December 18, 2004 written to C. L. Raheja family and to others, has made a statement that since the year 1997, the maintenance of books of account and filing of income-tax returns of Fems Estate (India) Pvt. Ltd. (Fems) – one of the Mumbai Undivided Entities, is being looked after by his group and that his group is exclusively using the immovable property owned by Fems. In the circumstances, the Financials of Fems will not match with the books of accounts maintained and the final account, if any, prepared by the G. L. Raheja group and consequently the Financial Performance which is being disclosed in the Prospectus in relation to Fems will also not match. The C. L. Raheja Group disputes the said accounts, filings and the said use of the said immovable property by the G. L. Raheja group. The Financials and the Financial Performance in respect of Fems does not carry the effect of the said statement of Mr. G. L. Raheja and it also does not fully carry the effect of some information provided by the G. L. Raheja group, which information and its completeness is disputed by the C. L. Raheja Group.

(ii) Further, in the aforesaid letter, Mr. G. L. Raheja has made another statement that they are maintaining the accounts relating to receipts, expenses and contribution for maintenance of one of the properties maintained by K. R. Foundation which is a charitable trust comprised in the Mumbai Undivided Entities. The C. L. Raheja Group is disputing the same. The Financials and the Financial Performance of this trust is based on the books of accounts and other records available at the registered office of the trust and the limited and incomplete information provided by G. L. Raheja group in this regard. In view of the disputes between the said two families, it does not fully incorporate the effect of the said statement of the G. L. Raheja group.

(n) In respect of Juhuchandra Agro & Development Private Limited (Juhuchandra), being one of the Mumbai Undivided Entities, the accounting information is largely based on the information which is maintained and provided by one of its directors, Mr. G. C. Nichani. The C. L. Raheja Group is unable to comment about the completeness and accuracy of the information, which may have been provided in this regard. Hence, the Financials and consequently the information relating to the Financial Performance of Juhuchandra may change depending upon the completeness and the accuracy of such information.

(o) The said Financials have been prepared by the C. L. Raheja Group without prejudice to the fact and their contention that C. L. Raheja, Ravi C. Raheja and Neel C. Raheja have retired as directors from all public companies (comprised in the Mumbai Undivided Entities), since in respect of all the Mumbai Undivided Entities companies, no annual general meetings have been held for last several years (except for Wiseman Finance Pvt. Ltd. which is disputed by the G. L. Raheja group).

Southern Undivided Companies and Entities

The Southern Undivided Companies and Entities comprise of various companies, partnership firms and trusts.

In respect of the South Entities, our Promoters have relied upon and fully disclosed all the details provided by the other family members and also the information available with them in this regard.

In respect of one of such companies, the finalisation of accounts, audit, filing of various returns and forms with different authorities and various other statutory compliances for last several years have not been made due to family differences and disputes as mentioned above. Further, in respect of the remaining entities some of the statutory compliances, etc. may not have been fully carried out due to the said family differences and disputes. In view of the said differences and disputes, also the fact that C.L. Raheja Family alone is not in ownership and control of the said Southern Undivided Companies and Entities and due to said non-compliances (herein mentioned in this clause), our Promoters are unable to state with certainty about any liabilities or contingent liability other than those reflected in the annual audited accounts of those entities.

Except as disclosed elsewhere in the Prospectus, there are no pending litigation/ disputes in respect of these entities which our Promoters are aware of. However, due to the peculiar circumstances, our Promoters cannot certify with certainty the comprehensiveness or completeness of the information relating to these entities. However, except with regard to the premises at Bangalore from which we operate our store, our Promoters do not expect any material impact on account of the disputes relating to these entities in the operations of our Company.

The existence, value, impact and resulting liability, if any with regard to any such claims involving the Mumbai Undivided Properties and Entities and/or the Southern Undivided Entities cannot be ascertained as on the date of this Prospectus. Further due to the nature of the family disputes and given that follow-up action with respect to the distribution of the Mumbai Undivided Entities and South Undivided Entities was not completed and is outstanding, consequently,

Neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to the Southern Undivided Entities as made in this Prospectus.

SOUTHERN UNDIVIDED ENTITIES-

Companies

ASIATIC PROPERTIES LIMITED

This company was incorporated under the provisions of the Act in Mumbai on January 01, 1982.

As stated in the main objects contained in its memorandum of association this company is permitted to carry on the business of builders, contractors, erectors, constructors, developers of land, buildings, offices, townships, hotels, decorating and maintaining amongst others flats, factories, shops, offices, hospitals and to deal in, buy and sell, lease land and house property and mortgage, take or give on lease otherwise deal in inter alia lands, buildings. This company is in the business of real estate development and leasing of inter alia units in buildings. Pursuant to a press release dated July 2, 2004 issued by the BSE its shares have been de –listed from the BSE with effect from July 2, 2004.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	**Percentage Shareholding (%)**
Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	4.80
Mrs. Jyoti C. Raheja jointly with Mr. Chandru L. Raheja	4.70
Mr. Ravi C. Raheja jointly with Mrs. Jyoti C. Raheja	2.00
Mr. Sandeep G. Raheja jointly with Mr. Gopal L. Raheja	2.30
Mr. Gopal L. Raheja Jointly with Mr. Sandeep G. Raheja	2.00
K. Raheja Exports Pvt. Ltd.	3.00
Harmen Mfg. Co. Pvt. Ltd.	4.80
Mr. Arjun M. Menda jointly with Mrs. Asha A. Menda	4.00
Mrs. Asha A. Menda jointly with Mr. Arjun M. Menda	4.00
Mrs. Neetu R. Menda jointly with Mr. Raj A. Menda	2.00
Mr. Raj A. Menda jointly with Mrs. Neetu R. Menda	2.00
Master Sidharth R. Menda (Minor) by father and natural guardian Raj A. Menda jointly with Neetu R. Menda	1.10
Mr. Manoj A. Menda jointly with Ms. Anupama Govindaraj	3.00
Ms. Anupama Govindaraj jointly with Mr. Manoj A. Menda	2.00
Ms. Manju A. Menda jointly with Mr. Arjun M. Menda jointly with Mrs. Asha A. Menda	2.00
Sealtite Gaskets Pvt. Ltd.	4.90
Ideal Properties Pvt. Ltd.	4.90
Casa Maria Properties Pvt. Ltd.	4.50
Cape Trading Pvt. Ltd.	4.90
Raghukool Estate Development Pvt. Ltd.	4.50
Kanishka Properties Pvt. Ltd.	4.90
Sea Crust Properties Pvt. Ltd.	4.90
Anbee Constructions Pvt. Ltd.	4.50
Capstan Trading Pvt. Ltd.	4.50
Garnet Traders Pvt. Ltd.	3.60
Gavotte Traders Pvt. Ltd.	4.90
Glacial Trading Pvt. Ltd.	3.60
Mr. Neel C. Raheja jointly with Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	1.60
Mr. Manoj A. Menda & Mrs. Anupama M. Menda	0.10
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Gopal L. Raheja, Mr. Chandru L. Raheja, Mr. Sandeep G. Raheja, Mr. Manoj A. Menda, Mr. Arjun M. Menda, Mr. Neel C. Raheja, Mr. Raj A. Menda, Mr. Ravi C. Raheja and Mrs. Durga S. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	**Year Ended March 31,**		
	2002	**2003**	**2004**
	(in Rs. Millions, except per share data)		
Sales and other income	181.06	62.02	165.19
Profit/(Loss) after tax	(111.73)	(98.9)	(88.75)
Equity Capital	0.5	0.5	0.5
Reserves and Surplus	(158.67)	(361.82)	(450.57)
Earning per share	(2234.56)	(1978.08)	(1775.10)
Book value per share	(3163.67)	(7226.65)	(9,001.73)

ASHOKA APARTMENTS PRIVATE LIMITED

This company was incorporated under the Act in Bangalore on September 28, 1987. This company has currently not commenced operations.

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	**Percentage Shareholding (%)**
Arjun M. Menda	0.20
K. Raheja Development Corporation C.L. Raheja as Partner	0.20
K. Raheja Development CorporationArjun M. Menda as Partner	99.60
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Arjun M. Menda, Mr. Raj A. Menda and Mr. Manoj A. Menda.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	**Year Ended March 31,**		
	2002	**2003**	**2004**
	(in Rs. Millions, except per share data)		
Sales and other income	0.03	Nil	Nil
Profit/(Loss) after tax	0.028	(0.003)	(0.003)
Equity Capital	0.25	0.25	0.25
Reserves and Surplus	(0.05)	(0.06)	(0.059)
Earning per share	11.23	(1.11)	(1.13)
Book value per share	74.94	73.83	72.70

FORMOST GRANITE EXPORTS PRIVATE LIMITED

This company was incorporated under the Act in Bangalore on October 16, 1985.

This company is currently non operational.

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	**Percentage Shareholding (%)**
Gopal L. Raheja & Arjun M. Menda Partners of K. Raheja Development Corporation	19.44
Ravi C. Raheja & Sandeep G. RahejaPartners K. Raheja Financiers & Investors	26.11
Paramount Hotels Ltd.	23.34
Chandru L. Raheja & Jyoti C. Raheja	0.11
K. Raheja Pvt. Ltd.	3.33
Gopal L. Raheja & Sandeep G. Raheja	27.67
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Gopal L. Raheja, Mr. Chandru L. Raheja and Mr. H.S. Srinivas.

Financial Performance

The financial performance this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	0.01	1.35	0.02
Profit/(Loss) after tax	(0.30)	(0.04)	(0.03)
Equity Capital	9	9	9
Reserves and Surplus	(2.50)	(2.55)	(2.58)
Earning per share	(3.30)	(0.49)	(0.34)
Book value per share	72.17	71.69	71.34

K. RAHEJA DEVELOPMENT & CONSTRUCTIONS PRIVATE LIMITED

This company was incorporated under the Act in Mumbai on August 30, 1995.

This company is currently non operational.

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
K. Raheja Hotels & Estates Pvt. Ltd. Arjun M. Menda	0.01
K. Raheja Hotels & Estates Pvt. Ltd.Gopal L. Raheja	0.01
K. Raheja Hotels & Estates Pvt. Ltd.Chandru L. Raheja	0.01
K. Raheja Hotels & Estates Pvt. Ltd.	99.97
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Gopal L. Raheja, Mr. Chandru L. Raheja and Mr. Ravi C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	0.005	Nil	Nil
Profit/(Loss) after tax	(0.008)	(0.016)	(0.02)
Equity Capital	5	5	5
Reserves and Surplus	1.15	1.13	1.11
Earning per share	(0.159)	(0.322)	(0.36)
Book value per share	122.65	122.40	122.12

K. RAHEJA HOTELS & ESTATES PRIVATE LIMITED

This company was incorporated under the Act in Bangalore on February 26, 1990.

This company is currently dealing in real estate development.

Shareholding Pattern

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Mr. Arjun M. Menda, Asha A. Menda	4.80
Arjun M. Menda (HUF)	7.70
Raj A. Menda, Neetu R. Menda	6.25
Neel C. Raheja, Chandru L. Raheja, Jyoti C. Raheja	0.74
Manoj A. Menda, Anupama Menda	6.25
Chandru L. Raheja, Jyoti C. Raheja	2.97
Jyoti C. Raheja, Chandru L. Raheja	2.97
Anbee Constructions Pvt. Ltd.	6.75
Cape Trading Pvt. Ltd.	6.01
Casa Maria Properties Pvt. Ltd.	6.02
Raghukool Estate Development Pvt. Ltd.	6.02
Capstan Trading Pvt. Ltd.	6.02
Gopal L. Raheja, Sandeep G. Raheja	2.50
Sandeep G. Raheja, Gopal L. Raheja	1.48
Glacial Trading Pvt. Ltd.	3.75
Garnet Trading Pvt. Ltd.	3.75
Sealtite Gaskets Pvt. Ltd.	5.00
Gavotte Traders Pvt. Ltd.	5.00
Kanishka Properties Pvt. Ltd.	5.00
Ideal Properties Pvt. Ltd.	5.00
Sea Crust Properties Pvt. Ltd.	6.02
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Arjun M. Menda, Mr. Gopal L. Raheja, Mr. Chandru L. Raheja, Mr. Raj A. Menda, Mr. Manoj A. Menda, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	234.21	6.59	29.87
Profit/(Loss) after tax	42.04	(4.94)	5.39
Equity Capital	50	50	50
Reserves and Surplus	(13.32)	(18.26)	(12.87)
Earning per share	84.08	(9.87)	10.79
Book value per share	73.35	63.48	74.26

MASS TRADERS PRIVATE LIMITED

This company was incorporated under the Companies Act in Mumbai on July 04, 1985.

As stated in the main objects contained in its memorandum of association this company is permitted to inter alia carry on business as buyers, sellers, agents or commission agents, indenting agents, importers, exporters in amongst others marine foods, juices, wines and eatable items, plastics, plastic goods, paper, paper products, furniture, office equipment, electrical and electronic goods.

To the knowledge of the C. L. Raheja group this company has currently no commercial operations except for earning of compensation. During all or any of the financial years ended March 31, 1995, March 31, 1996 and March 31, 1997 the company's business activities comprised of trading in shares/units of mutual fund and real estate development.

Shareholding Pattern

The equity shareholding pattern of this company based on the annual return filed with the ROC containing information as of September 28,1996 (which is the date of the annual general meeting as shown in the annual return) is set out below.

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja Jointly with Sandeep G. Raheja	1.72	G. L. Raheja
Mr. Sandeep G. Raheja Jointly withMr. Gopal L. Raheja	1.72	
Ferani Hotels Ltd.	22.59	
Sub Total of G. L. Raheja Group	**26.03**	
Mr. Chandru L. Raheja Jointly withMrs. Jyoti C. Raheja	1.72	C. L. Raheja
Mrs. Jyoti C. Raheja Jointly with*[1]Mr. Chandru L. Raheja	1.72	
Sub Total of C. L. Raheja Group	**3.44**	
Ms. Manju A. Menda Jointly withMr. Arjun M. Menda	6.25	Arjun Menda
Mrs. Asha A. Menda Jointly withMr. Arjun M. Menda	6.25	
Mr. Manoj A. Menda Jointly with*[2]Mr. Arjun M. Menda	6.26	
Ms. Neetu R. Menda Jointly with Mr. Raj Arjun Menda	6.25	
Sub Total of Arjun Menda Group	**25.01**	
M/s. Sevaram Estates Pvt. Ltd.	22.76	Mumbai Undivided Entities
Sub Total of Mumbai Undivided Entities	**22.76**	
Puja Agencies Pvt. Ltd.	22.76	Others
Sub Total of Others	**22.76**	
Total	**100**	

Note * [1] In the annual return of 1997 it is mentioned as Raheja Chandru Jyoti Raheja Chandru Jyoti

Note * [2] In the annual return of 1997 it is mentioned as Menda Arjun Manoj Menda Madandas Arjun Arjun M. Menda

In respect of this company, there is a dispute whether or not this company forms a part of the Southern Entities. While the C L Raheja Group considers this company as part of the Southern Entities, the G L Raheja Group disputes the same.

1 The equity shareholding pattern set out above is the same in the annual return filed with the ROC containing information as of September 25,1997 (except for the discrepancy shown in Note 1 and 2 above) which to the knowledge of C. L. Raheja Group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on September 25, 1997. The convening, holding and the business transacted at the said annual general meeting of 1997 is a point of dispute between the C. L. Raheja family and G.L. Raheja family and correspondence has been exchanged in this regard.

2. Based on a share transfer deed dated September 21, 1998 which is shown to be executed on behalf of Puja Agencies Pvt. Ltd. as a transferor and Nectar Properties Pvt. Ltd. as a transferee in respect of 3300 number of equity shares of this company, which is available at Construction House – 'A', 24th Road Khar (West), Mumbai – 400 052, the equity shareholding pattern of this company could be considered as set out in the chart below. To the knowledge of the C. L. Raheja Group the said transfer of shares has not been effected. The said transfer of shares may be disputed between the C. L. Raheja family and the G. L. Raheja family.

Names of Shareholders	Percentage Shareholding (%)	Group
Mr. Gopal L. Raheja Jointly with Sandeep G. Raheja	1.72	G. L. Raheja
Mr. Sandeep G. Raheja Jointly withMr. Gopal L. Raheja	1.72	
Ferani Hotels Ltd.	22.59	
Sub Total of G. L. Raheja Group	26.03	
Mr. Chandru L. Raheja Jointly withMrs. Jyoti C. Raheja	1.72	C. L. Raheja
Mrs. Jyoti C. Raheja Jointly withMr. Chandru L. Raheja	1.72	
Sub Total of C. L. Raheja Group	3.44	
Ms. Manju A. Menda Jointly withMr. Arjun M. Menda	6.25	Arjun Menda
Mrs. Asha A. Menda Jointly withMr. Arjun M. Menda	6.25	
Mr. Manoj A. Menda Jointly withMr. Arjun M. Menda	6.26	
Ms. Neetu R. Menda Jointly withRaj A. Menda	6.25	
Sub Total of Arjun Menda Group	25.01	
M/s. Sevaram Estates Pvt. Ltd.	22.76	Mumbai Undivided Entities
Nectar Properties Pvt. Ltd.	22.76	
Sub Total of Mumbai Undivided Entities	45.52	
Total	**100**	

3. The C. L. Raheja Group has confirmed their equity shareholding percentage, as on the date of filing the Prospectus as set out in the last chart above in the shareholding pattern. On the presumption that the remaining shareholders have not transferred any equity shareholding in the said company and considering the share transfer deed as stated in Note 2 to the shareholding pattern on page 183 of the Prospectus, it may be assumed that the shareholding pattern of the Company even as on the date of RHP continues to be the same as mentioned in the last chart above. This statement is subject to the understanding / agreement between the two groups, as to each group having equal ownership / interest / right in the said company (which is irrespective of the actual shareholding / beneficial interest / ownership in such company).

4. To the knowledge of the C.L. Raheja Group, since the last of the annual general meeting of this company held on September 25, 1997 no shareholders meetings have been held.

5. Based on records available at Construction House A, 24th Road, Khar, Mumbai – 400 052 after the filing of the last annual return containing information as of September 25, 1997 and the filing of the last annual accounts for year ended March 31, 1997 with the ROC, there is no further filing of annual return and annual accounts with the ROC.

   The names of directors of this Company as mentioned in the annual return filed with the ROC containing information as of September 28, 1996 (which is the last annual return filed prior to the arrangement) is set out below:

Names Of Directors	Group
Mr. Gopal L. Raheja	G. L. Raheja
Mr. Sandeep G. Raheja	
Mr. Chandru L. Raheja	C. L. Raheja
Mr. Ravi C. Raheja	
Mr. Arjun M. Menda	Arjun Menda

1. The names of directors set out above are the same in the annual return filed with the ROC containing the information as of September 25, 1997 which to the knowledge of the C. L. Raheja group is the last annual return filed after the Arrangement. The said annual return of 1997 contains reference to an annual general meeting held on the said September 25, 1997. The convening, holding and the business transacted at the said Annual General Meeting of 1997 is a point of dispute between the C. L. Raheja family and G.L. Raheja family and correspondence has been exchanged in this regard.

2. To the knowledge of the C.L. Raheja Group, since the last of the board meeting of this company held on September 1, 1997 no board meetings have been held. The convening, holding and the business transacted at the said board meeting of September1,1997 is also a point of dispute between the C. L. Raheja family and the G. L. Raheja family and correspondence has been exchanged in this regard.

3. This company was incorporated as a private limited company and in accordance with its articles of association none of the directors were liable to retire by rotation. However, to the knowledge of C. L. Raheja group, this company may have become a public company pursuant to the then prevailing provisions of section 43A (1) of the Act with effect from September 21, 1998 being the date of the share transfer deed which is showing Nectar Properties Pvt. Ltd. as a transferee of equity shares of this company as stated in note 2 to the shareholding pattern on page 183 of the Prospectus. This company may therefore be considered to be a public company, provided that two of the shareholders of this company, as set out in the last chart of shareholding pattern above viz. Ferani hotels Ltd. and Nectar Properties Pvt. Ltd. were considered to be public companies. Consequently the then prevailing provisions of section 43A(1) mentioned above may have been attracted. The reasons why Nectar Properties Pvt. Ltd. may be considered to be a public company is stated in note 3 to the chart of directors on page 134 of the Prospectus. The conversion of this company into a public company may be disputed by the G. L. Raheja family. Correspondence has been exchanged between the G. L. Raheja family and the C. L. Raheja family on the status of this company. If this company is a public company, the directors would be liable to retire by rotation and in view of what is stated in note 4 to the shareholding pattern on page 184 of the Prospectus, as on the date of filing the Prospectus all the directors would be deemed to have retired by rotation on the applicable dates on which the Annual General Meetings ought to have been held as per the requirements of law. However, the directors may have held out as being directors after they would be deemed to have so retired.

Financial Performance

The financial performance of this company based on last available audited accounts is as below. The final accounts for the year ended March 31, 1997 is a point of dispute between G. L. Raheja group and C. L. Raheja group.

Particulars	Year Ended March 31,		
	1995	1996	1997
	(in Rs. Millions, except per share data)		
Sales and other income	0.08	0.19	0.72
Profit/(Loss) after tax	(0.07)	(0.03)	0.44
Equity Capital	1.45	1.45	1.45
Reserves and Surplus	(0.34)	(0.37)	0.07
Earning per share	(4.66)	(2.02)	30.56
Book value per share	75.36	73.34	104.01

The Financial Performance of this company for 2002,2003 and 2004 based on unaudited, provisional and nonfinalised accounts and subject to Qualifications mentioned below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	0.02	0.02	0.02
Profit/(Loss) after tax	(0.006)	0.003	(0.248)
Equity Capital	1.45	1.45	1.45
Reserves and Surplus	0.08	0.08	(0.17)
Earning per share	(0.42)	0.19	(17.13)
Book value per share	104.88	105.07	87.94

QUALIFICATIONS TO FINANCIAL PERFORMANCE

Qualifications including the following (which are to the knowledge of the C. L. Raheja Group) to the information on Financial Performance of Mass Traders Pvt. Ltd. due to the differences and disputes between the G. L. Raheja family and the C. L. Raheja family. G. L. Raheja group may agree or disagree or have a dispute and/or have additional issues and/or hold a different view with respect to any and/or all the Qualifications:

This company is jointly owned and controlled by the G. L. Raheja family, C. L. Raheja family and Arjun Menda family and there are several differences and disputes in respect of this company between the G. L. Raheja family and C. L. Raheja family including disputes in relation to its accounts. Further, this company is considered as a Southern Entity by C. L. Raheja Group which is disputed by G. L. Raheja group.

The information in relation to the Financial Performance of this company has been complied and is based on provisional, unaudited and nonfinalised balance sheet and profit and loss account ("the Financials") for the financial years ended March 31, 2002, March 31, 2003 and March 31, 2004 which have been prepared by C. L. Raheja Group on an "as is where is basis" from the books of account and other records (including information and details obtained from the Bangalore office of the Southern Entities) which are available and lying at Construction House – 'A', 24th Road, Khar (West), Mumbai – 400 052, which continues to be its registered office even after the date of the Arrangement.

The final accounts of this company were last prepared and audited for the financial year ended March 31, 1997, which is disputed by the G. L. Raheja family. Further, for the financial year ended March 31, 1998, the final accounts of this company were prepared and circulated including to the G. L. Raheja family. In response to the same, a letter was sent by G. L. Raheja family to this company and their respective directors raising objections including asking for information and details about the accounts and stating that final accounts should not be finalized and approved until the same are approved by the G. L. Raheja family. In addition, G. L. Raheja family have also written some letters to C. L. Raheja, Ravi C. Raheja and Neel C. Raheja including to this company's auditors raising objections and stating that the final accounts of this company should not be finalized, audited and approved until the same are approved by the G. L. Raheja family in advance. The accounts of this company for the financial year ended March 31, 1998 and thereafter have still not been finalised and approved between all the said families.

The opening balances for the later financial years have been considered on the basis of the said final accounts (for year ended March 31, 1997) which may vary if and when approved between all the said families. The accounts and the balances of each group's entities, the Southern Entities and the Mumbai Undivided Entities with this company are subject to confirmation by all the said families. Since the disputes relate to the period commencing from the time of the Arrangement, the opening balances of various accounts would be affected regardless of the fact that finalisation of accounts and audit for any year.

The Financials are provisional, unaudited and not finalized and therefore may not be complete and accurate. All income, expenses, assets and liabilities may not have been completely and accurately accounted. They are subject to the claims of both G. L. Raheja family and C. L. Raheja family against each other and/or against this company and vice-versa and claims of third parties, if any, consequent thereto or otherwise. Both the G. L. Raheja families and C. L. Raheja family have questioned and/or disputed and/or denied claims. The accounting effect of such claims, denials and disputes would not have been given in the Financials.

The Financials have not been approved between the C. L. Raheja family, G. L. Raheja family and the Arjun Menda family who jointly own and control this company. As and when the same are approved the Financials could change substantially and consequently the Financial Performance as is presently being disclosed in the Prospectus in relation to this company could also change substantially.

The G. L. Raheja group has raised several queries on examination of the accounting records and data of this company furnished to them relating to a part of the period for which the Financials are prepared as well as for the preceding years since the time of the Writings/Arrangement. These queries are yet to be resolved between the G. L. Raheja family and C. L. Raheja family. The C. L. Raheja Group disputes the queries. Such queries include questioning the sale of mutual fund units, questioning the incurring of expenses, disagreement on the provision made for interest and also of the rate of interest, etc.

After the time of the said Arrangement in respect of the accounts and balances of G. L. Raheja group, C. L. Raheja Group, Southern Entities and Mumbai Undivided Entities with this company, interest may have been accounted by each group and this company differently and at different rates. As a result thereof and the disputes relating to the interest there will be consequent differences on account of TDS.

Some tax returns have been filed by the C. L. Raheja Group pursuant to notices received from the tax authorities or otherwise and full effect of the demands/liabilities would not have been given in the books of account. Similarly tax refunds due and interest thereon, if any, would not have been fully accounted. Provisions have also not been made on account of any of the non-filing and non-compliances.

Since the assets, documents, papers, records, etc. of this company are separately in possession of the G. L. Raheja group and C. L. Raheja Group, discrepancies, if any on physical verification, other discrepancies, if any and depreciation and impairment in value, if any, is not accounted.

The said Financials have been prepared by the C. L. Raheja Group without prejudice to the fact and their contention that if this company is considered as a public company then, C. L. Raheja and Ravi C. Raheja have retired as directors from this company since no annual general meetings of this company has been held for last several years.

PARTNERSHIP FIRMS:

K. RAHEJA DEVELOPMENT CORPORATION

The firm was constituted vide a deed of partnership dated September 03, 1980 and reconstituted vide deed of retirement/ partnership dated September 09, 1986 and further reconstituted vide deeds of partnership dated April 02, 1988, July 01, 1988, April 02, 1990, deed of retirement dated April 02, 1992, and further reconstituted vide deed of partnership dated April 10, 1992, November 5, 1992 under the Indian Partnership Act, 1932. Subsequently the deed of partnership was amended vide supplemental deeds of partnership dated April 6, 1993 , January 1, 1995 and December 8, 1996. The firm currently deals in real estate development, trading and leasing.

Partners:

Names of Partner	Partners' Share (%)
Gopal Lachamandas (HUF)	10
Chandru Lachamandas (HUF)	10
Arjun M. Menda (HUF)	15
Ivory Properties & Hotels Pvt Ltd	17.50
Unique Estates Development Company Limited	17.50
Raj A. Menda	5
Manoj A. Menda	5
Kanishka Properties Pvt Ltd	6
Seacrust Properties Pvt Ltd	4
Casa Maria Properties Pvt Ltd	10
Total	**100**

Financial Performance

The financial performance of this firm for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
		(in Rs. Millions)	
Sales and other income	175.27	89.87	213.84
Profit/(Loss) after tax	24.49	2.89	38.5
Partners' Capital Account	306.06	384.27	468.89

TRUSTS:

RAJ TRUST

This trust was settled on September 11, 1985. The Indenture was made between "the settlor" Smt. Bindu K. Raheja and "the trustees" Mr. Gopal L. Raheja, Mr. Chandru L. Raheja and Mr. Arjun M. Menda. The beneficiaries are Mr. Raj Menda, Mr. Manoj Menda, Mr. Sandeep Raheja and Mr. Neel Raheja.. The date of distribution of the proceeds of the trust has already passed.

Financial Performance

The financial performance of this trust for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
		(in Rs. Millions)	
Sales and other income	15.058	25.936	25.90
Profit/(Loss) after tax	0.833	9.688	9.32
Trust Funds	0.001	0.001	0.001
Reserves & Surplus	14.58	24.27	33.59

R&M TRUST

This trust was settled on April 20, 1991. The trustees are Mr. Gopal L. Raheja, Mr. Chandru L. Raheja and Mr. Arjun M. Menda. The beneficiaries are Mr. Raj Menda, Mr. Manoj Menda, Mr. Sandeep Raheja, Mr. Ravi Raheja, Mr. Neel Raheja and Mr. Siddharth Menda and each of their children. This trust is currently dealing in real estate development, trading and leasing.

Financial Performance

The financial performance of this trust for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
		(in Rs. Millions)	
Sales and other income	12.409	18.5	13.50
Profit/(Loss) after tax	1.805	4.065	3.84
Trust Funds	0.025	0.025	0.025
Reserves & Surplus	19.99	24.057	27.90

RESIDUAL ENTITIES

Other ventures in which the K Raheja Corp Group (C L Raheja Group) holds in excess of 10% of the equity share capital

Apart from the companies and/or entities belonging to the K Raheja Corp Group /Mumbai Undivided Entities/ the Southern Entities, as on the date of this Prospectus, our Promoters also have equity share capital and other interests (exceeding 10 %) in certain other companies, partnership firms and other entities (the 'Residual Entities') however as our, neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to these Residual Entities made in this Prospectus which disclosures are based on information made available to our Promoters by the respective managements of these entities.

COMPANIES

JUHU BEACH RESORTS LIMITED

This company was incorporated under the Act on January 15, 1974. This company currently owns and runs the J.W. Marriott Hotel at Juhu, Mumbai.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Mr. Gopal L. Raheja jointly with Mr. Sandeep G. Raheja	5.36
Mr. Sandeep G. Raheja jointly with Mrs. Durga S. Raheja	1.00
Mrs. Durga S. Raheja jointly with Mr. Sandeep G. Raheja	0.13
Mrs. Sonali N. Arora jointly with Mr. Sandeep G. Raheja	0.13
Tropicana Properties Ltd.	5.02
Unique Estates Development Company Ltd.	5.02
Ideal Properties Pvt. Ltd.	0.03
Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	0.25
Mrs. Jyoti C. Raheja jointly with Mr. Chandru L. Raheja	0.15
Mr. Ravi C. Raheja jointly with Mr. Chandru L. Raheja Jointly with Mrs. Jyoti C. Raheja	0.005
Mr. Neel C. Raheja jointly with Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	0.005
K. Raheja Corp Pvt. Ltd.	16.27
Ivory Properties and Hotels Pvt. Ltd.	0.005
Palm Shelter Estate Development Pvt Ltd	0.005
K. Raheja Pvt. Ltd.	0.005
Mr. Vijay B. Raheja	5.84
Mr. Deepak B. Raheja	1.77
Neha Grihnirman Pvt. Ltd.	2.92
Beau Rivage Trading Co. Pvt. Ltd.	4.06
Beau Rivage Estates Pvt. Ltd.	2.92
Mr. Rajan B. Raheja jointly with Mrs. Suman R. Raheja	15.71
Mrs. Suman R. Raheja jointly with Mr. Rajan B. Raheja	0.005
Peninsula Estate Pvt. Ltd.	0.005
Gokul Construction Co. Pvt. Ltd.	0.005
Bloomingdale Investment & Finance Pvt. Ltd.	0.02
Manali Investment & Finance Pvt. Ltd.	0.02
Matsyagandha Investments & Finance Pvt. Ltd.	0.02
Aasia Properties Development Ltd.	33.32
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Gopal L. Raheja, Mr. Chandru L. Raheja*, Mr. Vijay B. Raheja* and Mr. Rajan B. Raheja.
*Joint Managing Director

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	86.67	775.64	1203.29
Profit/(Loss) after tax	(73.30)	(153.80)	144.28
Equity Capital	746.13	790.02	790.02
Reserves and Surplus	(72.83)	(198.28)	(54)
Earning per share	(10.00)	(20.01)	18.26
Book value per share	89.56	74.42	92.84

KAMLA CERAMIC TILES LTD.

This company was incorporated under the provisions of the Act on June 29, 1991.

The company is currently non operational.

Board of Directors

The Board of Directors of this Company as on the date of filing this Prospectus with RoC are Mr. Parmeshwar G. Mittal, Mr. Shankarlal G. Mittal , Mr. Vishvanath G. Mittal ,Mr. Ajay Mittal , Mr. Badal Mittal , Mr. Suresh Mitttal, Mr. Gopal Raheja and Mr. Satish Raheja.

Persons/entities of K Raheja Corp group have paid amounts towards share application money to this company for which the allotment of shares is pending.

Financial Performance

The financial performance of this company as per the last three available audited annual accounts is as below:

Particulars	Year Ended March 31,		
	2000	2001	2002
	(in Rs. Millions, except per share data)		
Sales and other income	Nil	Nil	Nil
Profit/(Loss) after tax	Nil	Nil	Nil
Equity Capital	0.00008	0.00008	0.00008
Reserves and Surplus	0.63	0.63	0.63
Earning per share	Nil	Nil	Nil
Book value per share	73901.63	73901.63	73901.63

Audited accounts for FY 2003 and FY 2004 as on the date of filing this Prospectus have not been drawn up..

EUROWEAVE EXPORTS PRIVATE LTD.

This company was incorporated under the Companies Act on October 28, 1991. This company is currently non operational.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Mr. Nitin D. Advani alias Lalit Advani	28
Mr. D.J. Advani	20
Mr. Jai D. Advani	5
Mrs. Kamala D. Advani	1
Ms. Hrushita J. Advani	1
M/s K. Raheja Corp Pvt. Ltd.	35
Mr. Ravi C. Raheja	3
Mr. Gopal L. Raheja	2
Mr. Sandeep Raheja	3
Mr. Chandru L. Raheja	2
Total	**100**

The Board of Directors of this company_as on the date of filing this Prospectus with RoC comprises Mr. D.J. Advani, Mr. Nitin D. Advani alias Lalit D. Advani, Mr. Jai D. Advani, Mr. Sandeep G. Raheja and Mr. Ravi C. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	15.7	1.98	0.92
Profit/(Loss) after tax	(1.87)	(0.39)	0.08
Equity Capital	1	1	1
Reserves and Surplus	7.19	6.80	6.88
Earning per share	(18.72)	(3.93)	0.83
Book value per share	81.94	78.00	78.84

TERRACO INDIA PVT. LTD.

This company was incorporated under the Companies Act on August 13,1986. This company is in the business of a manufacturer and dealer of specialised paints and surface coating materials.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Mr. D.J. Advani	14
Mr. J.D. Advani	34.34
Mr. L.D. Advani	8
Mrs. K.D. Advani	5.93
Mrs. H.J. Advani	2
Mr. S.G. Raheja	14.60
Mr. R.C. Raheja	14.60
M/s. Teracco Ltd. (Sweden)	6.53
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Mr. Jai D. Advani, Mr. Doulat J. Advani, Mr. Gopal L. Raheja, Mr. Lalit D. Advani and Mr. Dinesh S. Advani.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	61.27	51.87	44.55
Profit/(Loss) after tax	0.56	0.33	(3.74)
Equity Capital	3.71	3.71	3.71
Reserves and Surplus	4.14	4.30	0.57
Earning per share	1.52	0.88	(10.06)
Book value per share	21.15	21.59	11.53

TIMEZONE ENTERTAINMENT PVT. LTD.

The company was incorporated under the Companies Act 1956 on October 09, 2003. As stated in the main objects contained in its Memorandum of Assoiciation this company is permitted to carry on inter-alia the business of establishing, running or managing a chain of family entertainment, recreation and leisure centers, amusement parks and complexes offering a variety of entertainment facilities. The company has set up and is running a family entertainment center .

Shareholding Pattern:

The Shareholding Pattern of Timezone Entertainment Private Limited as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Ravi C. Raheja	0.0009
Neel C. Raheja	0.0009
Louisiana Investment and Finance Pvt. Ltd.	9.998
Avel Pty Limited	10.82
Aberdee Pty Limited	79.18
Total	**100**

The Board of Directors of Timezone Entertainment Limited as on the date of filing this Prospectus with RoC comprises Mr. Malcolm Steinberg, Mr. Ramesh M. Valecha and Mr. David Frederick Kneale as alternate director to Mr. Malcolm Steinberg.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	N.A	N.A	Nil
Profit/(Loss) after tax	N.A	N.A	(0.11)
Equity Capital	N.A	N.A	5.53
Reserves and Surplus	N.A	N.A	(0.11)
Earning(Loss) per share	N.A	N.A	(0.88)
Book value per share	N.A	N.A	9.74

*Information is for the period ended March 31, 2004

KNIGHT FRANK INDIA PVT. LTD.

This company was incorporated under the Companies Act on September 27,1995. This company is in the business of property service and management and real estate consultancy and as a broker.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Knight Frank (Mauritius) Ltd	16.98
Knight Frank Asia Pacific Pvt Ltd	16.98
Mahindra Gesco Developers Ltd	16.67
Thakkar Trading Pvt. Ltd	4.50
K Raheja Corp Pvt. Ltd	13.13
Mr. Pranay D. Vakil	16.67
Mr. Ghanshyam S. Sheth	10.83
Ms. Tarini V. Sheth	0.50
Ms. Rosaleen S. Mulji	1.25
Mr. Sachin S. Mulji	0.63
Ms. Sangita S. Mulji	0.62
Ms. Kabir S. Mulji	0.62
Mr. Gopalji S. Mulji	0.62
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC are Mr. Pranay D. Vakil, Mr. Ghanshyam S. Sheth, Mr. Kekoo Colah, Mr. Nick R. Thomlinson, Mr. John H. Martin, Mr. Chandru L. Raheja.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	90.84	95.32	142.27
Profit/(Loss) after tax	3.58	2.86	7.23
Equity Capital	24	24	24
Reserves and Surplus	21.10	20.15	21.96
Earning per share	1.49	1.19	3.01
Book value per share	18.79	18.40	19.15

NANDJYOT PROPERTIES & HOTELS PVT. LTD.

This Company was incorporated under the Companies Act on June 26,1982. This company is currently in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Names of Shareholder	Percentage Shareholding (%)
Gokuldas Mohanlal Shah	2.19
Ramanlal Mohanlal Shah	2.17
Chandangarui Ramanlal Shah	2.17
Kirit Ramanlal Shah	2.17
Bhawana Kirit Shah	2.17
Kanaiyalal Ramanlal Shah	2.17
Kirtida Kanaiyalal Shah	2.17
Ashwin Ramanlal Shah	3.54
Archana Ashwin Shah	0.08
Varsha Vinodkumar Shah	0.03
Mandakini Gokuldas Shah	2.19
Ajay Gokuldas Shah	4.27
Shilpa Ajay Shah	0.10
Vijay Gokuldas Shah	4.38
Daksha Ajay Khatlawala	1.71
Falguni Gokuldas Shah	1.82
Prafulchandra Gokuldas Shah	1.88
Kunjlata Prafulchandra Shah	4.38
Niraj Prafulchandra Shah	4.33
Meghna Prafulchandra Shah	3.61
Gopal L. Raheja	0.20
Gopal L. Raheja HUF	0.20
Sandeep Gopal Raheja	0.20
Sonali Gopal Raheja	0.20
Chandru L. Raheja	0.20
Chandru L. Raheja HUF	0.21
Jyoti Chandru Raheja	0.21
Ravi Chandru Raheja	0.21
Neel Chandru Raheja	0.21
Prafulchandra Mohanlal Shah HUF	2.50
Chandru L. Raheja and Gopal L. Raheja	47.92
Gopal L. Raheja Executor & Trustee of the Estate of Late Smt. Sheila G. Raheja	0.21
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC comprises Ramanlal Mohanlal Shah, Prafulchandra Mohanlal Shah, Chandru L. Raheja, Gopal L. Raheja and Vijay Gokuldas Shah.

Financial Performance

The financial performance of this company for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	Nil	Nil	Nil
Profit/(Loss) after tax	Nil	Nil	Nil
Equity Capital	2.4	2.4	2.4
Reserves and Surplus	(0.01)	(0.01)	(0.01)
Earning per share	Nil	Nil	Nil
Book value per share	99.46	99.46	99.46

AMBER APARTMENT MAKERS PVT. LTD.

This company was incorporated under the Companies Act on June 18,1982. This company is currently in the business of real estate development

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Name of Shareholder	Percentage Shareholding (%)
Shri Malriramji Mittal	1.50
Shri Omprakash Mittal	1.29
Shri Kishan Mittal	1.29
Shri Badal Mittal	1.29
Shri Arun Mittal	1.29
Shri Govindramji Mittal	2.36
Shri Rajendra Mittal	0.86
Shri Rahul Mittal	0.43
Shri Mahendra Mittal	1.07
Smt. Pushpadevi Mittal	0.86
Smt. Kusum Mittal	1.07
Shri Brahmaduttji Mittal	1.50
Shri Ramesh Mittal	1.30
Shri Suresh Mittal	1.31
Shri Suresh Mittal HUF	1.30
Smt. Sheela R. Mittal	1.29
Shri Parameshwar Mittal	1.50
Shri Shailendra Mittal	0.86
Shri Sanjay Mittal	1.72
Smt. Bindu Mittal	0.86
Shri Sunil Mittal HUF	1.72
Shri Shankarlal Mittal	2.36
Shri Anil Mittal	2.15
Shri Ajay Mittal	1.07
Smt. Archana A. Mittal	1.07
Shri Vishwanathji Mittal	1.50
Shri Ashok Mittal	1.72
Shri Kishore Mittal	0.86
Master Yash K. Mittal	0.86
Shri Anoop Mittal	1.72
Shri C.L. Raheja HUF	4.19
Shri C.L. Raheja HUF	4.30
Shri Sandeep G. Raheja	5.38
Shri Ravi C. Raheja	5.38
Smt. Sheela G. Raheja	5.38
Smt. Jyoti C. Raheja	5.38
Shri Rajan Raheja jointly with Smt. Suman Raheja	12.79
Smt. Suman Raheja	10.75
Shri. B.S. Raheja	6.45
Shri Rajan Raheja	0.02
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC are Mr. Parmeshwar Mittal, Mr. Shankarlal Mittal, Mr. Suresh Mittal, Mr. Arun Mittal, Mr. G. L. Raheja, Mr. C. L. Raheja, Mr. Rajan Raheja, Mr. Sunil Mittal, Mr. Anil Mittal.

Financial Performance

The Financial performance of Amber Apartment Makers Private Limited for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions, except per share data)		
Sales and other income	Nil	Nil	Nil
Profit/(Loss) after tax	Nil	Nil	Nil
Equity Capital	0.47	0.47	0.47
Reserves and Surplus	(0.01)	(0.01)	(0.01)
Earning per share	Nil	Nil	Nil
Book value per share	97.4	97.4	97.40

GESCO SOUTH REALTY PVT. LTD.

This company was incorporated under the Companies Act on May 21, 2004 . This company is in the business of real estate development.

Shareholding Pattern:

The shareholding pattern of this company as on the date of filing of this Prospectus with RoC is

Name of Shareholder	Percentage Shareholding (%)
Gesco Corporation (South) Ltd	50
Anbee Constructions Pvt. Ltd.	10
Cape Trading Pvt. Ltd.	10
Casa Maria Properties Pvt. Ltd	10
Capstan Trading Pvt. Ltd.	10
Raghukool Estates Development Pvt Ltd	10
Total	**100**

The Board of Directors of this company as on the date of filing this Prospectus with RoC are Ghanshyam S. Seth, Atul Upadhya, Ravi Raheja , Yasin Virani, Soli K. Cooper and Neel C. Raheja.

The first financial year of the company is not yet completed and hence the financials are not compiled.

G:CORP NEERAV DEVELOPERS PRIVATE LIMITED

This company was incorporated under the Companies Act on March 28, 2005 . As stated in the main objects contained in its memorandum of association this company is permitted to carry on in India and abroad inter-alia the business of acquirer, buyer, developer, seller, leaser, investor or otherwise deal in amongst others lands, dwelling houses, shops, offices, industrial estates, convention centers, service apartment hotels, multiplex plazas, holiday resorts, lease of lands and other immovable properties and to interalia acquire or hold any lands or buildings or rights therein or inter alia construct, renovate, manage amongst others flats, shops, hotels, shopping malls to build, own, operate or manage industrial and technology parks and sell the same, to build amongst others roads, bridges, pleasure gardens, health clubs, improve land or buildings and render all project construction and management services in connection with any project or business undertaken.

Subscribers to the Memorandum of Association

As per the Memorandum of Association of this company the following persons have agreed to take the undermentioned number of equity shares in the capital of the company set opposite their respective names.

Name of Subscriber	No. of Equity Shares agreed to be taken
Rohit Narsidas Chothani	10
G:Corp Realty Pvt. Ltd.	4990
Anbee Constructions Pvt. Ltd.	5000
Total	**10000**

The Board of Directors of this company as on the date of filing this Prospectus with RoC are Ghanshyam S. Seth, Rohit Chothani, Soli K. Cooper, Ravi C. Raheja, Neel C.Raheja and Yasin Virani.

The first financial year of the company is not yet completed and hence the financials are not compiled.

PARTNERSHIP FIRMS

JEWEL OF INDIA

The firm was constituted vide a deed of partnership dated December 1, 1987, under the Indian Partnership Act, 1932. This firm is currently in the business of handling the running of a restaurant and banquet facilities at Nehru Centre, Worli, Mumbai.

Partner

Names of Partner	Percentage Share in Profits/ Losses (%)
Sun-N-Sand Hotel Private Limited	66.67
K. Raheja Corp Private Limited	33.33
Total	**100**

Financial Performance

The financial performance of this firm for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and other income	57.41	54.82	57.98
Profit/(Loss) after tax	1.66	2.41	3.60
Partners' Capital account	0.30	0.30	0.30
Partners' Current Account	2.30	4.71	5.80

M.R. & COMPANY. -

The firm was constituted vide a Deed of Partnership dated November 4, 1982, under the Indian Partnership Act, 1932, reconstituted vide deeds of partnership dated April 16 1984, and November 26, 1996, vide deed of partnership dated August 18, 1993 and amended vide supplemental deed of partnership dated November 20, 1995 . The firm is presently non operational.

Partner

Names of Partner	Percentage Share in Profit/ loss (%)
Chandru L. Raheja	40
Jyoti C. Raheja	5
Ravi C. Raheja	5
Brahmadutt Mittal	6
Vishwanath Mittal	3
Rajendra Mittal	3
Sarla Mittal	7
Sheilla Mittal	6
Badal Mittal (HUF)	5
Shailendra Mittal (HUF)	4
Kishan Mittal (HUF)	5
Arun Mittal (HUF)	3
Uma Mittal	3
Maliram Mittal (HUF)	5
Total	**100**

M.R. COMBINE - The firm was constituted vide a Deed of Partnership dated April 01, 1983, under the Indian Partnership Act, 1932 reconstituted vide deeds of partnership dated December 31, 1987 and , October 26, 1988 read with deeds of retirement dated October 31, 1987 and October 3, 1988 and amended vide supplemental deed of partnership dated, September 1 1983. The firm is presently non operational.

Names of Partner	Percentage Share in Profit/ loss (%)
Chandru L. Raheja	15
K. Raheja Pvt Ltd.	35
Parmeshwar Mittal	5
Maliram Mittal	5
Gobindram Mittal	5
Shankarlal Mittal	5
Ajay Mittal	5
Rajendra Mittal	5
Vishwanath Mittal	5
Badal Mittal (HUF)	5
Kishan Mittal (HUF)	5
Ramesh Mittal (HUF)	5
Total	**100**

The financial performance of this firm as per the last available unaudited final accounts are as under:

Particulars	Year Ended March 31,		
	1996	1997	1998
	(in Rs. Millions)		
Sales and other income	0.17	0.16	0.11
Profit/(Loss) after tax	0.09	0.09	0.06
Partners' Capital account	1.003	0.89	0.68

VIJAY & NEEL ENTERPRISES

The firm was constituted vide a deed of partnership dated July 4, 1988, under the Indian Partnership Act, 1932. to carry on the business of execution of construction Contracts, dealing in land, and real estate development. Currently the firm is not operational.

Partner

Names of Partner	Percentage Share in Profits/ Losses (%)
Gopal Lachamandas, Karta of Gopal Lachamandas (HUF)	25
Kanaiyalal Ramanlal Shah	16
Vijay Gokuldas Shah	17
Niraj Prafulchandra Shah	17
Jyoti C.Raheja	25
Total	**100**

Financial Performance

The financial performance of this firm for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and other income	NIL	NIL	NIL
Profit/(Loss) after tax	NIL	NIL	NIL
Partners' Capital Account	0.02	0.02	0.02

A.R.ENTERPRISES

The firm was constituted vide a deed of partnership dated October 3, 1992, under the Indian Partnership Act, 1932. and was reconstituted vide deed of partnership dated December,31,1996 and read with supplemental deed dated April,6,1993 to carry on the business of execution of construction contracts, dealing in land, and real estate development. Currently the firm is not operational.

Partner

Names of Partner	Percentage Share in Profits/ Losses (%)
Greenfield Hotels & Estates Private Limited	37.50
Nitin Construction & Hotel Properties Private Limited	25
K.Raheja Private Limited	37.50
Total	**100**

Financial Performance

The financial performance of this firm for last three years is as below:

Particulars	Year Ended March 31,		
	2002	2003	2004
	(in Rs. Millions)		
Sales and other income	NIL	NIL	NIL
Profit/(Loss) after tax	NIL	NIL	NIL
Partners' Capital Account	2.83	2.83	0.01*

*As per the revised Balance Sheet as at March 31, 2004

COMPANIES / FIRMS WITH WHICH THE PROMOTERS HAVE DISASSOCIATED DURING THE PRECEDING THREE YEARS

WESTERN ESTATE CORPORATION

The firm was constituted vide a Deed of Partnership dated May,10 1995 under the Indian Partnership Act, 1932 to carry on the business of execution of construction Contracts, dealing in land, and real estate development.The firm has been reconstituted vide Deeds of Partnership dated September 1, 2004 and dated August 30 2004. As per the deed of retirement cum partnership dated September 1, 2004, two of the promoter companies who were partners in the said firm have retired from partnership. The firm was not operational during the financial years ended March 31, 2002,. March 31, 2003 and March 31, 2004. Since the retirement of the promoter companies from partnership, no further information is available with the promoters.

Financial Performance

The financial performance of this firm for last three years is as below:

Particulars	**Year Ended March 31,**		
	2002	**2003**	**2004**
	(in Rs. Millions)		
Sales and other income	NIL	NIL	NIL
Profit/(Loss) after tax	NIL	NIL	(0.00007)
Partners' Capital Account	2.01	2.01	2.01

BKC PROPERTIES PRIVATE LIMITED.

This company was incorporated under the Companies Act on October 24, 2003. Pursuant to an issue of 9,50,000 new equity shares of Rs.10 each for cash at par planned by the company to which the promoters were not interested in subscribing, the same were issued and allotted by the company to a non promoter/ non promoter group company on private placement basis in May 2004. Consequent upon the private placement of new shares, the shareholding of the promoters decreased to 5% from the earlier 100%.

The Board of Directors of this company as on the date of filing of this Prospectus with RoC comprises Mr. Chandru L. Raheja, Mr. Ravi C. Raheja and Mr. Neel C. Raheja.

Financial Performance

The financial performance of this company for last year is as below:

Particulars	**Year Ended March 31,**		
	2002	**2003**	**2004**
	(in Rs. Millions, except per share data)		
Sales and other income	N.A.	N.A.	Nil
Profit/(Loss) after tax	N.A.	N.A.	(0.02)
Equity Capital	N.A.	N.A.	0.50
Reserves and Surplus	N.A.	N.A.	(0.02)
Earning per share	N.A.	N.A.	(0.42)
Book value per share	N.A.	N.A.	9.26

* Information is for the period ended March 31, 2004

COMPANIES FOR WHICH APPLICATIONS HAVE BEEN MADE TO REGISTRAR OF COMPANIES FOR STRIKING OFF NAME

No application has been made to RoC for striking off the name of any of our Subsidiaries and K. Raheja Corp Group (Chandru L. Raheja Corp Group).

Companies of the promoter/ K. Raheja Corp Group (Chandru L. Raheja Group)/subsidiaries referred to bifr under winding up/having negative networth

None of the Companies of the Promoter/ K. Raheja Corp Group (Chandru L. Raheja Group) / Subsidiaries referred to BIFR under winding up.

None of the Companies of Promoter/ entities forming part of K Raheja Corp Group, Residual Entities, Mumbai Undivided Properties and Entities, Southern Undivided Companies and Entites have negative networth save and except Upasna Trading Limited, Anbee Constructions Private Limited, Beach Haven Properties Private Limited, Cape Trading Private Limited, Capstan Trading Private Limited, Inorbit Malls (India) Pvt Ltd., Hornbil Trading Company Private Limited, Ivory Properties & Hotels Private Limited, K. Raheja IT Park (Hyderabad) Private Limited, Raghukool Estate Development Private Limited, Asiatic Properties Limited, Avacado Properties and Trading (India) Private Limited, Casa Maria Properties Private Limited, Nask Reators Private Limited.and some of the Mumbai Undivided Entities having losses as shown in the Promoters section.

COMPANIES IN WHICH A GROUP OF INDIVIDUALS OR COMPANIES OR COMBINATIONS THEREOF WHO HOLDS 20% OR MORE OF THE EQUITY CAPITAL IN THAT COMPANY AND ALSO HOLDS 20% OR MORE OF THE EQUITY CAPITAL OF THE COMPANY

Except as disclosed in the Prospectus there are no such companies.

RELATED PARTY TRANSACTION

List of Related Party and their relationship

Subsidiaries	Upasna Trading Limited, Shoppers Stop.com (India) Limited, Shoppers Stop Services (India) Limited, Crossword Bookstores Limited
Associates	Ivory Properties and Hotels Private Limited, Inorbit Malls (India) Private Limited, K. Raheja Private Limited, K. Raheja Corp Private Limited, Palm Shelter Estate Development Private Limited
Key Management Personnel	B.S.Nagesh, C.L.Raheja, Ravi Raheja, Neel Raheja, Vittorio Radice, Gul Mirchandani, Shahzaad Dalal, Bala Deshpande, Nitin Sanghavi, Deepak Ghaisas

Details of Related Party Transaction

For the year 1999-2000 **(All Fig are in millions)**

Sr. No.	Related Parties	Purchase of Goods	Sales of goods	Expenses	Income	
				Conducting fees/Rent	Service Charges	Interest Received
	Subsidiaries					
1	Upasna Trading Limited	404.94				
2	Crossword Bookstores Limited					
3	Shoppers Stop Services (India) Ltd					
4	Shoppers Stop.Com (India) Limited					
	Total	**404.94**	-	-	-	-
	Associates & Promoter Group Companies					
5	Ivory Properties and Hotels Private Limited			7.51		
6	K Raheja Corp Private Limited			8.68		
7	Palm Shelter Estate Development Private Limited					
8	K Raheja Private Limited					
	Total	-	-	**16.19**	-	-
	Key Management Personnel					
9	M.D. Remuneration					
	Total					

Details of Related Party Transaction

For the year 1999-2000 **(All Fig are in millions)**

Sr. No.	Related Parties	Sale of Asset	Purchase of Asset	Loan Given	Loan Taken
	Subsidiaries				
1	Upasna Trading Limited			116.48	
2	Crossword Bookstores Limited			80.20	
3	Shoppers Stop Services(India) Ltd			-	
4	Shoppers Stop.Com (India) Limited			1.72	
	Total	-	-	**198.39**	-
	Associates & Promoter Group Companies				
5	Ivory Properties and Hotels Private Limited				
6	K Raheja Corp Private Limited				
7	Palm Shelter Estate Development Private Limited				
8	K Raheja Private Limited				
	Total	-	-	-	-
	Key Management Personnel				
9	M.D. Remuneration				
	Total				

Details of Related Party Transaction

For the year 1999-2000 **(All Fig are in millions)**

Sr. No.	Related Parties	Loan Repaid	Loan Recovered	Remuneration	Outstanding payable	Outstanding Receivable
	Subsidiaries					
1	Upasna Trading Limited				643.66	
2	Crossword Bookstores Limited				73.21	
3	Shoppers Stop Services(India) Ltd					
4	Shoppers Stop.Com (India) Limited				1.72	
	Total	-	-	-	**718.59**	-
	Associates & Promoter Group Companies					
5	Ivory Properties and Hotels Private Limited				0.73	
6	K Raheja Corp Private Limited					
7	Palm Shelter Estate Development Private Limited					
8	K Raheja Private Limited					
	Total	-	-	-	**0.73**	-
	Key Management Personnel					
9	M.D. Remuneration			2.39		
	Total			**2.39**		

Details of Related Party Transaction

For the year 2000-2001 **(All Fig are in millions)**

Sr. No.	Related Parties	Purchase of Goods	Sales of goods	Expenses		
				Compensation paid for Inventory w/off	Conducting fees/Rent	Service Charges
	Subsidiaries					
1	Upasna Trading Limited	1,481.59		12.90		
2	Crossword Bookstores Limited					
3	Shoppers Stop Services (India) Ltd					0.30
4	Shoppers Stop.Com (India) Limited					
	Total	**1,481.59**	-	**12.90**	-	**0.30**
	Associates & Promoter Group Companies					
5	Ivory Properties and Hotels Private Limited				21.28	
6	K Raheja Corp Private Limited					
7	Palm Shelter Estate Development Private Limited					
8	K Raheja Private Limited					
	Total	-	-	-	**21.28**	-
	Key Management Personnel					
9	M.D. Remuneration					
	Total					

Details of Related Party Transaction

For the year 2000-2001 **(All Fig are in millions)**

Sr. No.	Related Parties	Income		Sale of Asset	Purchase of Asset	Loan Given	Loan Taken
		Service Charges	Interest Received				
	Subsidiaries						
1	Upasna Trading Limited	1.02					
2	Crossword Bookstores Limited	3.36	6.75	3.66		23.40	
3	Shoppers Stop Services (India) Ltd						

Sr. No.	Related Parties	Income		Sale of of Asset	Purchase of Asset	Loan Given	Loan Taken
		Service Charges	Interest Received				
4	Shoppers Stop.Com (India) Limited						
	Total	**4.38**	**6.75**	**3.66**	**-**	**23.40**	**-**
	Associates & Promoter Group Companies						
5	Ivory Properties and Hotels Private Limited						
6	K Raheja Corp Private Limited						0.46
7	Palm Shelter Estate Development Private Limited						
8	K Raheja Private Limited						
	Total	**-**	**-**	**-**	**-**	**-**	**0.46**
	Key Management Personnel						
9	M.D. Remuneration					0.30	
	Total					**0.30**	

Details of Related Party Transaction

For the year 2000-2001 **(All Fig are in millions)**

Sr. No.	Related Parties	Loan Repaid	Loan Recovered	Remuneration	Outstanding payable	Outstanding Receivable
	Subsidiaries					
1	Upasna Trading Limited				144.06	
2	Crossword Bookstores Limited					31.80
3	Shoppers Stop Services(India) Ltd				0.03	
4	Shoppers Stop.Com (India) Limited					
	Total	-	-	-	144.09	31.80
	Associates & Promoter Group Companies					
5	Ivory Properties and Hotels Private Limited					94.64
6	K Raheja Corp Private Limited				0.46	
7	Palm Shelter Estate Development Private Limited				30.00	
8	K Raheja Private Limited					
	Total	-	-	-	30.46	94.64
	Key Management Personnel					
9	M.D. Remuneration			4.40		0.30
	Total			**4.40**		**0.30**

Details of Related Party Transaction

For the year 2001-2002 **(All Fig are in millions)**

Sr. No.	Related Parties	Purchase of Goods	Sales of goods	Expenses			
				Compensation paid for Inventory w/off	Conducting fees/Rent	Interest Paid	Service Charges
	Subsidiaries						
1	Upasna Trading Limited	1,418.12		2.69			
2	Crossword Bookstores Limited	2.47				0.70	
3	Shoppers Stop Services(India) Ltd						0.30
4	Shoppers Stop.Com (India) Limited						
	Total	**1,420.59**	**-**	**2.69**	**-**	**0.70**	**0.30**
	Associates & Promoter Group Companies						
5	Ivory Properties and Hotels Private Limited				24.01		
6.	K. Raheja Corp. Private Limited				5.48		

Sr. No.	Related Parties	Purchase of Goods	Sales of goods	Expenses			
				Compensation paid for Inventory w/off	Conducting fees/Rent	Interest Paid	Service Charges
7	Palm Shelter Estate Development Private Limited						
	Total	-	-	-	**29.49**	-	-
	Key Management Personnel						
8	M.D. Remuneration						
	Total						

Details of Related Party Transaction

For the year 2001-2002 **(All Fig are in millions)**

Sr. No.	Name of the Companies in Promoters Group	Income		Sale of Asset	Purchase of Asset	Deposit given	Loan Given	Loan Taken
		Service Charges	Interest Received					
	Subsidiaries							
1	Upasna Trading Limited	0.36		0.50				
2	Crossword Bookstores Limited	8.48	2.11	0.04			3.20	15.00
3	Shoppers Stop Services (India) Ltd							
4	Shoppers Stop.Com (India) Limited							
	Total	**8.84**	**2.11**	**0.54**	-	-	**3.20**	**15.00**
	Associates & Promoter Group Companies							
5	Ivory Properties and Hotels Private Limited				0.58			
6	K Raheja Corp Private Limited			0.16		5.39		
7	Palm Shelter Estate Development Private Limited							
	Total	-	-	**0.16**	**0.58**	**5.39**	-	-
	Key Management Personnel							
8	M.D. Remuneration							
	Total							

Details of Related Party Transaction

For the year 2001-2002 **(All Fig are in millions)**

Sr. No.	Related Parties	Loan Repaid	Loan Recovered	Remuneration	Outstanding payable	Outstanding Receivable
	Subsidiaries					
1	Upasna Trading Limited				138.85	
2	Crossword Bookstores Limited				0.01	
3	Shoppers Stop Services (India) Ltd				0.12	
4	Shoppers Stop.Com (India) Limited					
	Total	-	-	-	**138.97**	-
	Associates & Promoter Group Companies					
5	Ivory Properties and Hotels Private Limited					97.13
6	K Raheja Corp Private Limited	0.46				5.39
7	Palm Shelter Estate Development Private Limited				30.00	
	Total	**0.46**	-	-	**30.00**	**102.52**
	Key Management Personnel					
8	M.D. Remuneration		0.30	4.84	(0.13)	
	Total		**0.30**	**4.84**	**(0.13)**	

Details of Related Party Transaction

For the year 2002-2003 **(All Fig are in millions)**

Sr. No.	Related Parties	Purchase of Goods	Sales of goods	Expenses	
				Conducting fees/Rent	Service Charges
	Subsidiaries				
1	Upasna Trading Limited	1,152.74		0.55	
2	Crossword Bookstores Limited				
3	Shoppers Stop Services (India) Ltd				0.30
4	Shoppers Stop.Com (India) Limited				
	Total	**1,152.74**	**-**	**0.55**	**0.30**
	Associates & Promoter Group Companies				
5	Ivory Properties and Hotels Private Limited			29.22	
6	K Raheja Corp Private Limited			3.13	
7	Palm Shelter Estate Development Private Limited				
8	K Raheja Private Limited			0.18	
	Total	**-**	**-**	**32.53**	
	Key Management Personnel				
9	M.D. Remuneration				
10	Directors Sitting Fees				
	Total				

Details of Related Party Transaction

For the year 2002-2003 **(All Fig are in millions)**

Sr. No.	Related Parties	Income		Sale of Asset	Purchase of Asset	Deposit given	Loan Given	Loan Taken
		Lease Rent Received	Interest					
	Subsidiaries							
1	Upasna Trading Limited	0.36						
2	Crossword Bookstores Limited	5.17	0.19				4.00	
3	Shoppers Stop Services (India) Ltd							
4	Shoppers Stop.Com (India) Limited							0.13
	Total	**5.53**	**0.19**	**-**	**-**	**-**	**4.00**	**0.13**
	Associates & Promoter Group Companies							
5	Ivory Properties and Hotels Private Limited							
6	K Raheja Corp Private Limited							
7	Palm Shelter Estate Development Private Limited							
8	K Raheja Private Limited							
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Key Management Personnel							
9	M.D. Remuneration							
10	Directors Sitting Fees							
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Details of Related Party Transaction

For the year 2002-2003 **(All Fig are in millions)**

Sr. No.	Related Parties	Loan Repaid	Remuneration	Outstanding payable	Outstanding Receivable
	Subsidiaries				
1	Upasna Trading Limited				3.94
2	Crossword Bookstores Limited				0.52
3	Shoppers Stop Services (India) Ltd			0.38	

Sr. No.	Related Parties	Loan Repaid	Remuneration	Outstanding payable	Outstanding Receivable
4	Shoppers Stop.Com (India) Limited				
	Total	-	-	**0.38**	**4.46**
	Associates & Promoter Group Companies				
5	Ivory Properties and Hotels Private Limited			2.18	
6	K Raheja Corp Private Limited				
7	Palm Shelter Estate Development Private Limited	30.00			
8	K Raheja Private Limited				0.10
	Total	**30.00**	-	**2.18**	**0.10**
	Key Management Personnel				
9	M.D. Remuneration		5.54		
10	Directors Sitting Fees		0.15	0.15	
	Total		**5.68**	**0.15**	

Details of Related Party Transaction

For the year 2003-2004 **(All Fig are in millions)**

Sr. No.	Related Parties	Purchase of Goods	Sales of goods	Expenses			
				Conducting Fees/Rent	Interest	Service Charges	C & F Charges
	Subsidiaries						
1	Upasna Trading Limited					2.50	25.11
2	Crossword Bookstores Limited	19.09					
3	Shoppers Stop Services (India) Ltd					0.30	
4	Shoppers Stop.Com (India) Limited						
	Total	**19.09**	-	-	-	**2.80**	**25.11**
	Associates & Promoter Group Companies						
5	Ivory Properties and Hotels Private Limited			39.14			
6	K Raheja Corp Private Limited				1.43		
7	Palm Shelter Estate Development Private Limited						
8	K Raheja Private Limited			0.14			
9	Inorbit Mall Private Limited			3.91			
	Total	-	-	**43.19**	**1.43**	-	-
	Key Management Personnel						
10	M.D. Remuneration						
11	Directors Sitting Fees						
12	Nitin Sanghavi					0.86	
	Total					**0.86**	

Details of Related Party Transaction

For the year 2003-2004 **(All Fig are in millions)**

Sr. No.	Related Parties	Income			Sale of Asset	Purchase of Asset	Deposit given	Loan Given	Loan Taken
		Lease Rent	Interest	Service Charges					
	Subsidiaries								
1	Upasna Trading Limited				0.97			33.50	
2	Crossword Bookstores Limited	3.71	0.38	1.31					
3	Shoppers Stop Services (India) Ltd								
4	Shoppers Stop.Com (India) Limited								
	Total	**3.71**	**0.38**	**1.31**	**0.97**	-	-	**33.50**	-

Sr. No.	Related Parties	Income			Sale of Asset	Purchase of Asset	Deposit given	Loan Given	Loan Taken
		Lease Rent	Interest	Service Charges					
	Associates & Promoter Group Companies								
5	Ivory Properties and Hotels Private Limited								
6	K Raheja Corp Private Limited			0.01	18.08				
7	Palm Shelter Estate Development Private Limited				0.08				
8	K Raheja Private Limited								
9	Inorbit Mall Private Limited						9.19		
	Total	-	-	**0.01**	**18.16**	-	**9.19**	-	-
	Key Management Personnel								
10	M.D. Remuneration								
11	Directors Sitting Fees								
12	Nitin Sanghavi								
	Total								

Details of Related Party Transaction

For the year 2003-2004 **(All Fig are in millions)**

Sr. No.	Related Parties	Loan Repaid	Remuneration	Outstanding payable	Outstanding Receivable
	Subsidiaries				
1	Upasana Trading Limited				39.84
2	Crossword Bookstores Limited				0.83
3	Shoppers Stop Services (India) Ltd			0.36	
4	Shoppers Stop.Com (India) Limited				0.01
	Total	-	-	**0.36**	**40.68**
	Associates & Promoter Group Companies				
5	Ivory Properties and Hotels Private Limited			2.09	
6	K Raheja Corp Private Limited	75.00			0.01
7	Palm Shelter Estate Development Private Limited				
8	K Raheja Private Limited				
9	Inorbit Mall Private Limited				
	Total	**75.00**	-	**2.09**	**0.01**
	Key Management Personnel				
10	M.D. Remuneration		7.53		
11	Directors Sitting Fees		0.14		
12	Nitin Sanghavi				
	Total		**7.67**		

Details of Related Party Transaction

For the period 1 April 2004 to 30 November 2004 **(All Fig are in millions)**

Sr No	Related Parties	Purchase of Goods	Sales of goods	Expenses				
				Conducting fees/Rent Charges	C&F & Freight Expenses	Reimburse-ment of Charges /Taxes	Mainten-ance	Service Charges
	Subsidiaries							
1	Upasna Trading Limited				27.59			3.20
2	Crossword Bookstores Limited	15.26				2.05		
3	Shoppers Stop Services (India) Ltd					0.01		0.20

Sr No	Related Parties	Purchase of Goods	Sales of goods	Expenses				
				Conducting fees/Rent	C&F & Freight Charges	Reimburse-ment of Expenses	Mainten-ance Charges /Taxes	Service Charges
4	Shoppers Stop.Com (India) Limited					0.18		
	Total	**15.26**	**-**	**-**	**27.59**	**2.24**	**-**	**3.40**
	Associates & Promoter Group Companies							
5	Ivory Properties and Hotels Private Limited			31.25			0.52	
6	K Raheja Corp Private Limited							
7	Palm Shelter Estate Development Private Limited							
8	K Raheja Private Limited					0.08		
9	Inorbit Mall Private Limited			24.50			4.64	
10	Rainbow Retail Private Limited					0.48		
	Total	**-**	**-**	**55.75**	**-**	**0.56**	**5.16**	**-**
	Key Management Personnel							
10	M.D. Remuneration							
11	Directors Sitting Fees							
12	Nitin Sanghavi							1.07
	Total							**1.07**

Details of Related Party Transaction

For the period 1 April 2004 to 30 November 2004 **(All Fig are in millions)**

Sr. No.	Related Parties	Income			Sale of Asset	Purchase of Asset	Loan Given	Loan Taken
		Lease Rent	FCC Income	Service Charges				
	Subsidiaries							
1	Upasana Trading Limited							
2	Crossword Bookstores Limited	3.34	0.39					
3	Shoppers Stop Services (India) Ltd							
4	Shoppers Stop.Com (India) Limited							
	Total	**3.34**	**0.39**	**-**	**-**	**-**	**-**	**-**
	Associates & Promoter Group Companies							
5	Ivory Properties and Hotels Private Limited				0.06			
6	K Raheja Corp Private Limited							
7	Palm Shelter Estate Development Private Limited							
8	K Raheja Private Limited							
9	Inorbit Mall Private Limited							
10	Rainbow Retail Private Limited	1.72		1.10				
	Total	**1.72**	**-**	**1.10**	**0.06**	**-**	**-**	**-**
	Key Management Personnel							
10	M.D. Remuneration							
11	Directors Sitting Fees							
12	Nitin Sanghavi							
	Total							

Details of Related Party Transaction

For the period 1 April 2004 to 30 November 2004 **(All Fig are in millions)**

Sr. No.	Related Parties	Advances	Loan Recovered	Remuneration	Outstanding payable	Outstanding Receivable
	Subsidiaries					
1	Upasana Trading Limited		0.55			39.29
2	Crossword Bookstores Limited					1.24
3	Shoppers Stop Services(India) Ltd				0.54	
4	Shoppers Stop.Com (India) Limited					0.19
	Total	**-**	**0.55**	**-**	**0.54**	**40.72**
	Associates & Promoter Group Companies					
5	Ivory Properties and Hotels Private Limited				3.99	
6	K Raheja Corp Private Limited				0.31	
7	Palm Shelter Estate Development Private Limited					0.03
8	K Raheja Private Limited				0.45	
9	Inorbit Mall Private Limited	0.05				0.38
10	Rainbow Retail Private Limited					0.48
	Total	**0.05**	**-**	**-**	**4.75**	**0.89**
	Key Management Personnel					
10	M.D. Remuneration			5.27		
11	Directors Sitting Fees			0.11		
12	Nitin Sanghavi					
	Total			**5.38**		

Details of transactions of Subsidiary companies with the Promoter Group companies (Based on Auditors M/s Deloitte Haskins and Sells Cerificate dated March 16, 2005 for the period ended March 31, 2002, March 31, 2003, March 31, 2004 and 8 months ended November 30, 2004).

Crossword Bookstores Limited

List of Promoters Group Companies and their relationship

Issuer Company Shoppers Stop Ltd.

Promoters Group Companies Upasana Trading Limited, Shoppers Stop.com (India) Limited, Shoppers Stop Services (India) Limited, Anbee Constructions Private Limited, Cape Trading Private Limited, Casa Maria Properties Private Limited, Capstan Trading Private Limited, Ivory Properties and Hotels Private Limited, Inorbit Malls (India) Private Limited, K. Raheja Private Limited, K. Raheja Corp Private Limited, Palm Shelter Estate Development Private Limited, Raghukool Estate Development Private Limited, Avacado Properties and Trading (India) Private Limited, Beach Haven Properties Private Limited, Carin Hotels Limited, Chalet Hotels Limited, Grandwell Properties and Leasing Private Limited, Hornbil Trading Company Private Limited, K Raheja IT Park (Hyderabad) Private Limited, K Raheja Services Private Limited, Louisiana Investments and Finance Private Limited, Marvel International Private Limited, Mindspace IT Park Private Limited, Nask Realtors Private Limited, Neerav Properties & Hotels Private Limited, Newfound Properties and Leasing Private Limited, Rockfort Estate Developers Limited, Serene Properties Private Limited, Touchstone Properties and Hotels Private Limited, Rainbow Retail Private Limited, Uptown Properties and Leasing Private Limited,Carlton Trading Private Limited, Debonair Estate Development Private Limited, Dindoshila Estate Development Private Limited, Eastlawn Resorts Limited, Fems Estate (India) Private Limited, Hill Queen Estate Development Private Limited, Juhuchandra Agro & Development Private Limited, K. R. Consultants Private Limited, K. Raheja Trusteeship Private Limited, K. R. Developers Private Limited, Lakeside Hotels Limited, Nectar Properties Private Limited, Neel Estates Private Limited, Oyster Shell Estate Development Private Limited, Peninsular Housing Finance Private Limited, Rendezvous Estate Private Limited, Raheja Hotels Limited, Sea Breeze Estate Development Private Limited, Sevaram Estate Private Limited, S.K. Estates Private Limited, Springleaf Properties Private Limited, Suruchi Trading Private Limited, Wiseman Finance Private Limited, Asiatic Properties Limited, Ashoka Apartments Private Limited, Formost Granite Exports Private Limited, K. Raheja Development & Construction Private Limited, K. Raheja Hotels & Estate Private Limited, Mass Traders Private Limited, Juhu Beach Resorts Limited, Kamala Ceramics Tiles Limited, Euroweave Exports Private Limited, Terraco India Private Limited, Knight Frank India Private Limited, Nandjyot Properties & Hotels Private Limited, Amber Apartments Makers Private Limited, Gesco South Realty Private Limited, Timezone Entertainment Private Limited

Notes :-

1) Only the companies in which Mr. C.L. Raheja is holding directly or indireclty 10% or more equity capital are given in the above list

2) Canvera Properties Private Limited is not included in the above list since Mr. C.L. Raheja group is not holding any equity shares. However in accordance with the Writings referred to in Prospectus the beneficial interest and control of this company is equally with Mr G.L. Raheja and Mr. C L Raheja.

3) Presently Mr. C.L. Raheja group is not having any shares in Kamala Ceramics Tiles Limited but Mr. C. L. Raheja group has sent its capital contribution by way of shares application money, which is pending allotment for the last several years. However we are unable to confirm the shareholding of this company since it is managed by some other group.

Transactions with Issuer Company & Companies in Promoters Group

(All Fig are in '000)

Nature of transaction	For the year ended 31 March								
	2004			2003			2002		
	Issuer Company	Promoters Group Companies		Issuer Company Companies	Promoters Group Companies		Issuer Company	Promoters Group Companies	
	Shoppers Stop Ltd.	Upasana Trading Ltd	Inorbit Mall India Pvt. Ltd.	Shoppers Stop Ltd.	Upasana Trading Ltd	Inorbit Mall India Pvt. Ltd.	Shoppers Stop Ltd.	Upasana Trading Ltd	Inorbit Mall India Pvt. Ltd.
Sales of Goods	19089						2470		
Payment for expenses:									
Lease Rent Paid	3710			5165					
Interest Paid	381			187			2107		
Interest received							702		
Income:									
Service Charge Paid	1309						8479		
Purchase of Fixed Assets							42		
Loan Taken				4000			3200		
Loan Given							15000		
Outstanding Payable				524					
Outstanding Receivable	828						5		

(All Fig are in '000)

Nature of transaction	Issuer Company	Promoters Group Companies	
	Shoppers Stop Ltd.	Upasana Trading Ltd	Inorbit Mall India Pvt. Ltd.
Sales of Goods	15259		
Expenses:	2442	580	330
Lease Rent Paid	3338		
Conducting Fees Paid			1803
Income:			
Service Charge Paid		420	
Reimbursement of Expenses			810
Outstanding Payable	1241	342	
Outstanding Receivable			211

Upasna Trading Limited

Transactions with Companies in Promoters Group

(All Fig are in '000)

Nature of transaction	For the year ended 31 March								
	2004			2003			2002		
	Issuer Company	Promoters Group Companies		Issuer Company Companies	Promoters Group Companies		Issuer Company	Promoters Group Companies	
	Shoppers Stop Ltd.	Cross-word Book store Ltd.	Nectar Proper-ties Pvt. Ltd.	Shoppers Stop Ltd.	Cross-word Book store Ltd.	Nectar Proper-ties Pvt. Ltd.	Shoppers Stop Ltd.	Cross-word Book store Ltd.	Nectar Proper-ties Pvt. Ltd.
Sales of Merchandise				1152744			1418120		
Compensation Received for Inven-tory Write Off							2691		
Payment for expenses:									
Rent Paid				360					
Service Charge Paid							360		
Income:									
C&F & Freight Income	25110								
Service Charge Income	2500								
Rent Received				550					
Purchase Of Fixed Assets	974						500		
Loan Taken	33496								
Outstanding Payable	39839		9041	3937		9041			9041
Outstanding Receivable							138851		

(All Fig are in '000)

Nature of transaction	For the period from 1 April to 30 November 2004		
	Issuer Company	Promoters Group Companies	
	Shoppers Stop Ltd	Crossword Bookstore Ltd.	Nectar Properties Pvt. Ltd.
Sales of Merchandise			
Payment for expenses	—	—	—
Income:			
C&F & Freight Income	27591	582	
Service Charge Income	3200	420	
Loan Repaid	546		
Outstanding Payable	39293		9041
Outstanding Receivable		342	

Shoppers'Stop . Com Limited

Transactions with Issuer Company & Companies in Promoters Group

(Rs.in '000)

Nature of transaction	For the period from 1 April to 30 November		For the year ended 31 March					
	2004		2004		2003		2002	
	Issuer Company	Associates & Promoters Group Companies	Issuer Company	Associates & Promoters Group Companies	Issuer Company	Associates & Promoters Group Companies	Issuer Company	Associates & Promoters Group Companies
Purchase of Merchandise								
Payment for expenses	179.84							
Loan Given					125.00			
Amount (due to) / due from								
Shoppers Stop Limited	(186.23)	-	(6.39)	-	-	-	-	-

SECTION IV: FINANCIAL INFORMATION

Management's Discussion and Analysis of Financial Condition and Results of Operations (As per Unconsolidated Indian GAAP)

You should read the following discussion of our financial condition and results of operations together with our audited financial statements (as restated) for the period ended March 31, 2002, 2003, 2004,and 30th November 2004 including the notes thereto and the reports thereon, which appears under Auditors' Report in this Prospectus. These financial statements are prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and restated as described in the Auditor's Report of Deloitte Haskins and Sells dated February 23, 2005 in the section with the title "Indian GAAP Financial Statements" at page no 227 of this Prospectus.

The following discussion is based on our audited financial statements (as restated) for FY 2002, 2003,FY 2004 and for the period ended 30th November 2004, which have been prepared in accordance with Indian GAAP, the Companies Act, 1956 and the SEBI Guidelines and on information available from other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (FY) are to the twelve-month period ended March 31, of that year.

Overview

Business Overview

We are one of India's leading retailers and are a part of the K Raheja Corp Group (Chandru L Raheja Group) one of the leading groups in the country in the business of real estate development and hotels. We operate a chain of department stores in India and currently have 16 such stores across the country.

We have been the pioneers in setting up a nation-wide chain of large format department stores in India with a professional management. We believe that the various initiatives taken by us have played a key role in enhancing the standards of retailing in the country. Our focus on bringing in the international best practices into our retail operations, and providing the customer with a unique shopping experience has helped us to become one of the industry leaders.

We are a professionally managed, systems driven organization. We believe our strong focus on customers supported by systems and processes and a committed work force are the key factors that have contributed to our success and will help us scale up as we embark on our strategic growth plan.

We believe that delighting customers is the key to being a successful retailer, and hence have built our business model around our customer. Our focus is on *Shoppers' Stop* as a retail brand and the emotional connect that it has been able to create with our customers. Every employee in the organization is called a Customer Care Associate (CCA), including the MD & CEO who is designated as 'Customer Care Associate, Managing Director and CEO' to reflect our belief in customer care and service.

Our offering to our customers is a unique shopping experience, comprising of a vast range of lifestyle merchandise, various services and aspirational products made available to them in a world class shopping environment and complemented by superior customer service. Our Service Vision Statement is 'It's Magical, It's Comfortable, It's My Store'.

We have been awarded the 'Superbrand' status for the years 2003-04 by Superbrands Council, an international organization that selects leading brands within a country based on certain selection criteria and classifies them as Superbrand. The selected brands are characterized by the high quality of their product or service, their distinctive stand and clarity of personality and values, and consistency of their brand principle.' We are the only departmental store in India to receive Superbrands status.

We benchmark ourselves with global retailers, and strive to enhance our service offering in line with the emerging trends globally.

We retail a range of branded apparel, footwear, perfumes, cosmetics, jewellery, leather products, accessories, home products, electronics, books, music and toys in our stores. We also retail our own private label apparel, footwear, fashion jewellery, leather products, accessories and home products. This is complemented by cafe, food, entertainment, personal care and various beauty related services. Promotions and events are an integral part of our service offering to our customer, which helps us create a unique shopping experience.

We retail products by some of the leading domestic and international brands such as Louis Philippe, Levi's, Pepe, Arrow, Dockers, BIBA, Gini & Jony, Carbon, Corel, Magppie, Nike, Reebok, Lego, Mattel etc through our stores. We retail a range of merchandise under our own private labels called STOP, Kashish, LIFE and Vettorio Fratini. Our designer section show cases some of India's leading fashion designers (Ashish Soni, Raghavendra Rathore, Ravi Bajaj, Rohit Bal), retailing affordable designer wear. We are also licensees for Austin Reed (London), an international brand, who's mens' outerwear is retailed in India exclusively through our chain.

Service offerings at our stores includes those provided by external service providers such as Habibs (salon), L'Oreal (hair bar), Bombay Blues (restaurant), etc.

Our loyalty program, called First Citizen Club, had 410,673 members as on March 15, 2005. First Citizens accounted for about half of our Retail Sales for the year ended March 31, 2004. We offer our First Citizens rewards points on their purchases, special offers and discounts, and invitations to exclusive events and promotions.

We are the only member from India of the Intercontinental Group of Departmental Stores, (IGDS). IGDS, headquartered in Switzerland, is an international association of department stores enterprises who, in order to increase their economic efficiency and productivity, have agreed to closely cooperate on mutual know how accumulation, networking and joint services in respect of all issues relating to the department store industry.

Membership of the IGDS is exclusive and includes renowned department stores such as Marks & Spencer (UK), Selfridges (UK), Karstadt (Germany), Woolworth's (South Africa), Central (Thailand), Far Eastern (China), Matahari (Indonesia), C.K. Tang (Singapore),.

Shopper's Stop business has grown from one store in Mumbai in 1991 occupying an area of 2,800 sq. ft to 17 stores located in the cities of Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, Pune, Jaipur and Gurgaon occupying an aggregate area of 797,463 sq. ft.

Our growth strategy is based on increasing our reach and penetration across the country by opening new stores, and furthering *Shoppers' Stop* as an experiential retail brand through unique national and international promotions. We also look at enhancing our merchandise width by adding new product categories and services, and strengthen our offerings by adding new brands and private labels to offer a better depth in each category.

We also endeavour to enhance our base of loyal customers through our First Citizen Club. We believe that as we grow in size and scale and expand our reach further, economies of scale would be available to us. We also continue to focus on at enhancing our operational efficiencies and human capital, which is critical in any service driven industry such as retail.

Shrinkage

Shrinkage in the retail business is defined as the loss in inventory through a combination of shoplifting by customers, pilferage by employees, and errors in documents and transactions that go un-noticed. Shopper's Stop has a department called Loss Prevention, which not only monitors Shrinkage on a regular basis but also looks at various factors that could lead to Shrinkage at stores, offices, distribution centers and during transportation. With the establishment of the Loss Prevention Department and after our introduction of the Perpetual Inventory Count System (PICS), Shrinkage has come down as follows:

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Shrinkage (% of Gross Retail Sales)	0.42%	0.40%	0.54%	0.66%

Customer Entry, Conversion and Transaction Size

It is important for a retailer to know whether customer preference for a particular property is improving with more customers coming into the store year after year. Thus retailers measure customer entry as Footfalls, which is the number of people entering the stores. This is computed through manual count in all stores during trading hours.

Conversion is the ratio of the number of transactions (Cash Memo) versus the total customer entry into the stores. Tracking conversion helps the retailer understand the productivity of his front-end store employees and the attractiveness of the offering (Merchandise and Services).

Transaction size is the average value of the cash memos, also referred to as 'Ticket Size', which is determined by Gross Retail Sales divided by number of cash memos. Tracking this helps the retailer understand the value of purchase by the customer at one time (in one cash memo).

The following tables give the Customer Entry, Conversion, and Transaction Size for the Company and like-to-like stores:

Customer Entry

Period ending	For the period from 1 April to 30th November, 2004 (17 Stores)	March 31, 2004 (14 Stores)	March 31, 2003 (12 Stores)	March 31, 2002 (9 stores)
Chain level	9,953,817	12,214,857	7,103,041	6,512,327
Like-to-Like (over previous year)	7,662,913	8,702,684	6,087,005	4,873,061

The opening of new stores allowed the company to attract higher number of customers in 2004. Like-to-Like customer entry was stagnant since the two stores opened in 2004 were in Mumbai (Kandivali and Mulund), this lead a wider distribution of our customer base to more convenient locations.

Conversion Ratio

Period ending	For the period from 1 April to 30th November, 2004 (17 Stores)	March 31, 2004 (14 Stores)	March 31, 2003 (12 Stores)	March 31, 2002 (9 stores)
Conversion – Chain Level (%)	26%	26%	34%	33%
Conversion – Like-to-Like (%) (over previous year)	29%	29%	35%	33%

Majority of our stores have been opened in Malls, which tend to higher customer entries and lower conversion ratios as compared to the standalone stores.

Transaction Size

Period ending	For the period from 1 April to 30th November, 2004 (17 Stores)	March 31, 2004 (14 Stores)	March 31, 2003 (12 Stores)	March 31, 2002 (9 stores)
Transaction Size – Chain Level (Rs)	1241	1258	1280	1109
Transaction Size – Like-to-Like (Rs) (over previous year)	1254	1318	1222	1131

Higher Average Selling Price has resulted in higher transaction size on a Like-to Like basis.

- Like to like stores for 2004 includes our 12 stores that had been open for a full year of operation on March 31, 2004 which include our stores at Mumbai (Andheri, Chembur, Mulund, Kandivali, and Bandra), Bangalore, Chennai, Pune, Delhi, Hyderabad, Gurgaon, and Jaipur. Similarly, like to like data for FY 2003 and FY 2002 pertains to the stores that have been open for atleast 12 months on March 31, 2003 and March 31, 2002 respectively.

Average Selling Price (ASP)

Average Selling Price is the Gross Retail Sales divided by the number of units sold. Tracking this helps the retailer to align the offering as per the customer segment as well as improve the productivity of the floor space.

Period ending	For the period from 1 April to 30th November, 2004	March 31, 2004	March 31, 2003	March 31, 2002
Average Selling Price (Rs)	595	591	535	477

Due to the change in merchandise mix and introduction of new categories having higher price bands, ASP increased

Stock Turns

Stock turns are the number of times the retailer is able to turn over his inventory in a year and is determined as the ratio of cost of goods sold during the year to average inventory. This helps the retailer better align supply chain planning and store wise demand for inventory.

Period ending	March 31, 2004 (14 Stores)	March 31, 2003 (12 Stores)	March 31, 2002 (9 stores)
Stock Turns (no of times)	3.69	4.05	5.80

Our stock turn ratio for FY2002 is not comparable with ratios of other two years since there was a change in purchase arrangement that the Company had with its vendors.

Also, there were new stores that were open only for a part of the year whilst inventory was added to fill the stores.

Business Performance

Revenue:

Our unconsolidated Gross Retail Sales (Merchandise Sales including Outright Sales, Concessionaire Sales, and Consignment Sales) and Profit after Tax for the year ended March 31, 2004 was Rs. 3953 mn and Rs. 120 mn (before re-statement) respectively as compared to a Gross Retail Sales of Rs. 2,949 mn and Profit After Tax (before re-statement) of Rs. 106 mn respectively for the year ended March 31, 2003. Gross Retail Sales, which indicates purchases by customers in our stores, is an important parameter that we track. Our Gross Retail Sales grew by 34 % in 2004 to Rs.3953 mn from Rs. 2,949 mn in 2003. The trend of our Gross Retail Sales for the past 3 years is as under:

Rs mn

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Gross Retail Sales Of Products Traded in by the Company				
– Own Merchandise (including concessionaire sales)	2522	3001	2,508	2,010
– Consignment Merchandise	702	952	441	392
Gross Retail Sales	3224	3953	2949	2402
% change over previous year		**34%**	**23%**	**13%**

We retail a range of branded and own private label apparel, footwear, perfumes, cosmetics, jewellery, leather products and accessories, home products, books, music and toys in our stores. The break up of our Gross Retail Sales for the above periods is as given below:

Sales Mix %

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Apparel	65.7%	67.58%	70.06%	72.00%
Non- Apparels	34.3%	32.42%	29.94%	28.00%
Total	100%	100%	100%	100%

Vendor Arrangements

As a retailer, we enter into various types of arrangements with our vendors, and business partners. These arrangements may have different revenue recognition norms and accounting policies governing them. These are as follows:

Bought Out Merchandise

We purchase the merchandise from the vendor under this arrangement, and hence own the inventory. All our private label products and some of the brands that we retail form part of this arrangement.

Merchandise on Consignment Basis

Under this arrangement, the consignor remains the owner of the inventory and bears all inventory related risks. All unsold stock can be returned to the consignor, with our responsibility being limited to stock that may get damaged or lost while in our warehouses or stores. The consignor receives the payment for the merchandise only after it is sold.

Concessionaires

These are arrangements under which we provide our concessionaires with a demarcated space within our store to sell products. The concessionaire is responsible for inventory and also employs staff at counters. We monitor the product range as well as the sales staff to ensure consistency with the *Shoppers' Stop* offering.

Gross Cash Margins

As a retailer, we endeavor to enhance our Gross Cash Margins. In retail, it is important to sell more value from the same area (Shelf Space) and earn higher cash margins from sales. We can do this by either retailing products that have very high margins, but lower inventory turns, alternatively buy products, which have very high sales through but contribute to volume expansion at lower margins. Similarly, we have to optimize our sales force deployment in the stores.

Most of the time, a retailer uses a combination of aforementioned to increase the Gross Cash Margins. Since our cost of operations is largely fixed (once a store is opened, there is limited variable cost), maximizing Gross Cash Margins becomes the key to enhancing profitability. As a result of this there maybe a reduction in percentage margins in periods of high growth.

Gross Cash Margins = (Gross Retail Sales – Cost of Goods Sold)

Our Gross Retail Sales, Cost of Goods Sold (COGS) and Gross Cash Margins for the last 3 years are given below:

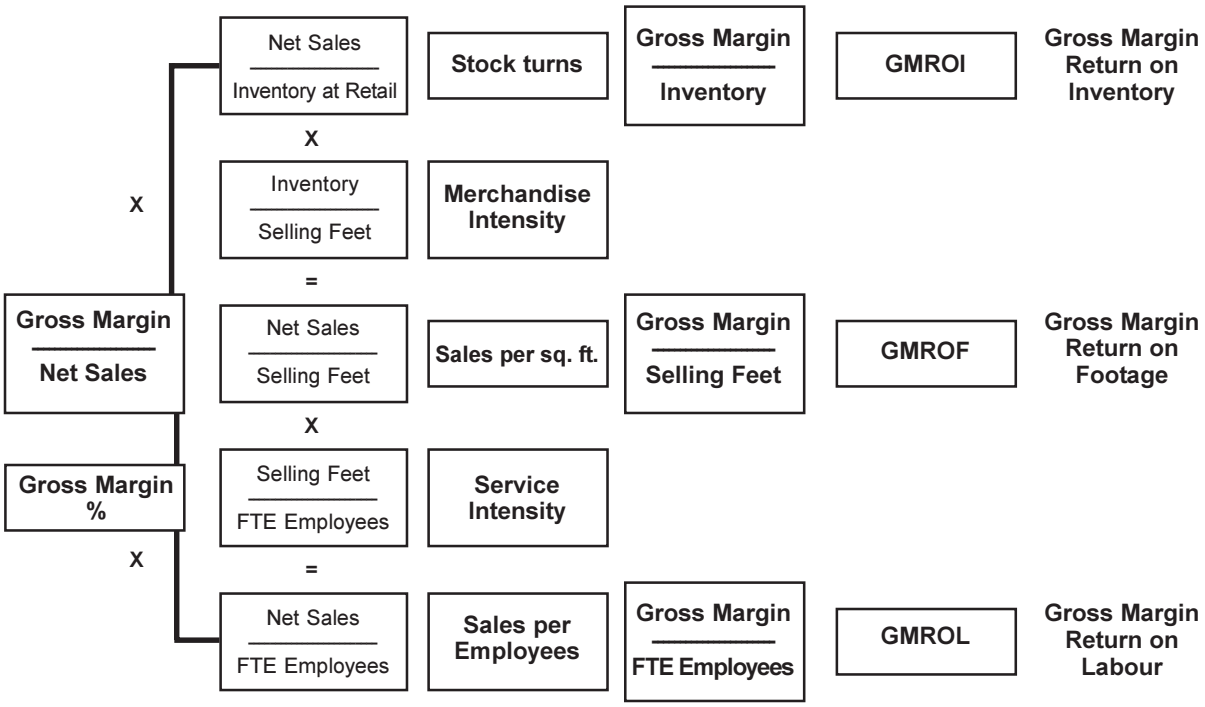
Rs mn

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Sales Of Products Traded in by the Company				
– Own Merchandise (including concessionaire sales)	2522	3001	2508	2010
– Consignment Merchandise	702	952	441	392
Gross Retail Sales (A)	**3224**	**3953**	**2,949**	**2402**
Cost of Consignment Merchandise	504	708	291	282
Less: Increase in Inventories	118	111	158	55
Add: Purchases (for own merchandise including concessionaire Purchases)	1788	2115	1944	1530
Cost of Goods Sold (B)	**2174**	**2712**	**2077**	**1757**
Gross Cash Margin (A-B)	**1050**	**1242**	**872**	**645**
Gross Cash Margin as % of Gross Retail Sales	**32.6%**	**31.4%**	**29.6%**	**26.9%**

We also look at our Gross Margin with reference to our inventory, area and labour to monitor our efficiency.

- ✓ GMROI (Gross Margin Return on Inventory)
- ✓ GMROF (Gross Margin Return on Footage)
- ✓ GMROL (Gross Margin Return on Labour)

The relationship and importance of the above three margin ratios can be understood by the figure below:



FTE: Full Time Equivalent.

It is our constant endeavor to maximize GMROF and optimize GMROI & GMROL.

The trends for our key ratios (GMROI, GMROF, and GMROL) for FY 2002, FY 2003 and FY 2004 are as below:

Period ending	March 31, 2004	March 31, 2003	March 31, 2002
GMROI (Rs)	2.24	2.41	2.69
GMROF (Rs per unit of retail space)	2000	1910	1775
GMROL (Rs per employee)	6,36,690	6,76,509	5,94,971

Our gross margin returns on inventory, footage and labour indicate decline, inter alia impacted by new stores that were open only for a part of the year whilst inventory was added to fill the store.

Business Segments

We operate department stores retailing lifestyle and aspirational merchandise and services and thus have only one segment of operation.

Other Operating Income

We receive facility management fees against our conducting arrangements.

Conducting arrangements

Under this arrangement, we permit others to conduct their business in our stores in demarcated areas, and in return pay us a conducting fee. The conductor has its own billing and cash collection system, and independently manages its operations. The conducting fee that we receive from such arrangements is generally fixed as a percentage of the revenues generated by the conductor subject to a fixed minimum amount.

Our conducting arrangements include those with Music World (Music), Bombay Blues (restaurant), Barista (coffee shop), Facet (gold shop), etc.

We also receive sponsorship income, which varies with the type, and the number of promotional events organised by us.

We recognize revenue from store displays and sponsorships based on the period for which the products or the sponsor's advertisements are promoted/displayed. Facility management fees are recognised pro-rata over the period of the contract. Revenue trend from our other operating income is shown as below:

Rs mn

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Gross Retail Sales	3224	3953	2,949	2402
Facility management fees	23	30	30	27
Income from store displays	22	24	12	19
Sponsorship income	3	19	16	7
Other Operating Income	48	73	58	53
Other Operating Income as percentage of Gross Retail Sales	**1.49%**	**1.85%**	**1.96%**	**2.21%**

Other Income

In past years, Other Income mainly comprised of interest income, credit balance and provisions written back, write back of liability towards expired gift vouchers, refund of sales tax, scrap sales, miscellaneous income and credit. The trend for the last 3 years is shown as under:

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Interest income	0	1	2	9
Credit balance and provisions written back (net)	2	7	13	10
Write back of liability towards expired gift vouchers	-	-	-	7
Refund of sales-tax	-	-	-	5
Scrap sales	2	3	2	2
Miscellaneous income and credits	2	7	6	7
Total	**6**	**18**	**23**	**40**

Sales Tax:

Sales Tax is applicable on certain merchandise and varies from state-to-state. Sales tax expense for the period ended 30th November 2004 is Rs. 87 mn against FY 2004 was Rs.100 mn, and Rs. 25 mn in FY 2003 and Rs 9 mn in FY 2002.

Seasonality in Business

Our business operations are affected by seasonalities, which arise due to:

1) Festival Related Seasonality

Our business exhibits seasonality due to the bunching up of festivals like Durga Puja, Diwali, Christmas, Id, etc in the 3rd quarter of our financial year, with the October-December quarter traditionally being our best quarter in terms of sales. Since our overheads are largely fixed, any expansion in sales directly helps improve margins, and hence the 3rd quarter tends to have higher Gross Retail Sales and profits

2) End of Season Period

Our product range comprises of lifestyle and aspirational products, which are dependent on fashion cycles and trends and are also seasonal in nature. We currently operate in two seasons, Autumn-Winter and Spring-Summer.

It is important for all fashion retailers to ensure that shelf space is continuously available for new, fast moving, and high margin merchandise for sale. In order to achieve the same, all fashion retailers conduct end-of-period clearance sale to achieve the following:

1. Merchandise left at the End of the Season is sold out
2. Space is generated for the new season merchandise
3. Customer acquisition in the value segment (customers in this segment make purchases during such sales as the merchandise becomes affordable to them)

Such end of season sales impact our margins during the quarter that they are held. Internationally, the end of season sale takes place two to four times a year, while in India it currently takes place only twice.

1) Flow Merchandise: Flow merchandise means goods which are not fashion oriented neither season oriented and can be sold during any season (subject to their being in saleable condition).

   For example: Merchandise bought with an intention to continue and repeat purchases season after season under the same style code from the same /alternate or multiple vendor.

2) Season Merchandise: Season Specific merchandise are those goods that are used during the specific season and are flow items for the respective season.

Expenditure

We continuously focus our efforts towards achieving process improvement in our business. We have invested in technology over a period of time so that we can monitor business activities on a day-to-day basis.

Purchases

We have various types of arrangements with our vendors for the merchandise they supply to us. These include:

- Bought Out Merchandise
- Merchandise on Consignment Basis
- Concessionaires

Operating expenses (other than Purchases):

Our operating and other expenses were 27.46% of Gross Retail Turnover in FY 2004 and have increased by 43% to Rs 1086 mn in FY 2004 as compared to Rs. 757 mn in FY 2003. We had opened 2 new stores in FY 2004 and also achieved full year of operations for the 3 stores that were opened in FY 2003.

Our operating expenses can be broadly classified into Staff Costs, Administration Expenses, and Selling & Distribution Expenses.

(Rs. Mn)

Period ending	**For the period from 1 April to 30th November 2004**	**March 31, 2004**	**March 31, 2003**	**March 31, 2002**
Gross Retail Sales	3224	3953	2949	2402
Staff Costs	198	224	171	158
% of Gross Retail Sales	**6.1**	**5.7**	**5.8**	**6.5**

Selling Expenses include our advertising/publicity expenses, direct marketing expenses, sales promotions, discounting charges on credit card transactions and packaging materials.

Administration expenses include expenses related to occupation costs, insurance, security, professional expenses, security expenses, printing, electricity, travel and conveyance, and other miscellaneous expenses.

Occupation costs include contractual charges paid for occupying the properties in which our stores are located and common area maintenance. Occupation costs are largely fixed and form a large percentage of total fixed costs.

Depreciation

Fixed assets are stated at their original cost of acquisition less accumulated depreciation. Cost includes all cost incurred to bring the assets to their present condition and location. Expenditure incurred upto the date of launching new stores, to the extent attributable to the acquisition, or construction of fixed assets are also capitalised.

The Company capitalizes software and related implementation costs where it is reasonably estimated that the software has an enduring useful life.

Depreciation is provided, pro rata to the period of use, by the straight line method, based on management's estimate of useful lives of the fixed assets, or at the SLM rates prescribed in Schedule XIV to the Act whichever is higher, at the following annual rates:

Particulars	Effective depreciation rates(%)
Trademarks and copyrights	10
Air conditioning and other equipment	5
Furniture, fixtures and other fittings	10
Computers	20
Vehicles	20

Leasehold improvements are depreciated over the total period of the lease, (including the renewal periods), or 20 years, whichever is lower.

Taxation / Deferred Tax

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid/recovered from the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.

Earnings before Interest, Depreciation, Tax, Amortisation and Exceptional items (EBIDTA).

A comparison of EBIDTA (Rs. in million) and as percentage to Gross Retail Sales (Revenues from sales of bought out merchandise, sales from concessions and sales from consignment arrangements).

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Gross Retail Sales	**3224**	**3953**	**2,949**	**2402**
Profit after Tax	**106**	**120**	**106**	**1**
Add:				
Finance Charges	29	40	32	54
Depreciation	61	75	58	49
Tax	9	10	-	-
Non Recurring Items	-	1	-	4
EBIDTA	205	246	196	108
EBIDTA as a %age of Gross Retail Sales	**6.4%**	**6.2%**	**6.7%**	**4.5%**

Profit After Tax (before restatement)

The profit after tax (before restatement) was Rs 121million in FY 2004, Rs. 106 million in FY 2003, and Rs. 2 million in FY 2002. Our profit after tax margins to Gross Retail Turnover have been 2.9%, 3.5% and 0.08%for FY 2004, FY 2003 and FY 2002 respectively.

Sundry Debtors

The following table presents the details of our debtors:

Rs. mn

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Gross Retail Sales	3224	3953	2,949	2402
Outstanding Debtors at the end of the period	**32**	**15**	**12**	**15**
Debtors Less than 180 days	30	14	12	15
Debtors more than 180 days	2	1	0	0
Debtors less than 180 days as a % of Gross Retail Sales	**0.9%**	**0.3%**	**0.4%**	**0.6%**
Debtors more than 180 days as a % of Gross Retail Sales	**0%**	**0%**	**0%**	**0%**
Bad Debts Written off/Provision	1	1	0	0
Outstanding Debtors (Days)	3.6	1.4	1.4	2.2
% of Bad Debts to Gross Retail Sales	**0%**	**0%**	**0%**	**0%**

Our sales collections are primarily by cash or by way of credit card transactions. The number of days for which sales are outstanding in our business thus tend be much lower than other businesses such as manufacturing, etc.

Current Liabilities

Our current liabilities largely relate to our payables to our suppliers for merchandise and includes our consignors and concessionaires where accounts are settled and payments made periodically.

Besides these, we also have current liabilities related to the following:

1) FCC points – We provide for points accruing to our First Citizens on their purchases in our stores, which they can redeem for merchandise. We study our past data to derive percentage of points actually redeemed and accordingly provide for the same percentage of accrued points in our expenses.

2) Gift Vouchers – We sell Gift Vouchers to our customers including corporates who use them for gifting purposes. The Vouchers are accounted as current liabilities till they are redeemed for purchases at our stores.

3) Credit Notes on Merchandise returns: We follow a merchandise return policy under which customers can return merchandise purchased. At times, the merchandise sold is returned but new merchandise not purchased simultaneously. We issue credit notes to such customers for the amount of the products returned by them to enable them to exchange the same for merchandise later.

The trend of how our current liabilities (other than debts) have been for the last 3 years is given below:

Rs mn

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Gift Vouchers	81	41	22	15
Merchandise Credit Note	6	4	2	4
FCC Payable	22	14	10	9
Others including for purchase of merchandise	594	494	409	243
Total	**703**	**553**	**443**	**271**
Sundry Creditors as a percentage to Total Current Liability	**83%**			
Sundry Creditors More than Six Months	**61**			
Sundry Creditors Less than Six Months	**525**			

Our Results of Operations

The table below sets forth various line items from our restated audited financial statements for FY 2002, FY 2003,FY 2004 and for the period ended 30th November, 2004

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Gross Retail Turnover	**3278**	**4044**	**3,030**	**2,495**
Sales– Own merchandise (including concessionaire sales).	2522	3001	2508	2010
Sales – Consignment merchandise	702	952	441	392
Gross Retail Sales	**3224**	**3953**	**2949**	**2402**
Other Retail Operating Income	**48**	**73**	**58**	**53**
Other Income	**6**	**18**	**23**	**40**
Cost of goods Sold	**2174**	**2712**	**2077**	**1757**
Cost of goods sold as a % to Gross Retail Sales	**67.43%**	**68.61%**	**70.43%**	**73.15%**
Gross Margin as % to Gross Retail Sales	**32.57%**	**31.39%**	**29.57%**	**26.85%**
Gross Margin	1050	1241	872	645
EBIDTA as % of Gross Retail Turnover	**6.25%**	**6.08%**	**6.47%**	**4.33%**
EBIDTA	205	246	196	108
Depreciation as % of Gross Retail Turnover	**1.86%**	**1.85%**	**1.91%**	**1.96%**
Depreciation	61	75	58	49
Finance Charges as % of Gross Retail Turnover	**0.88%**	**0.99%**	**1.06%**	**2.16%**
Finance Charges	29	40	32	54
Profit Before Tax as % of Gross Retail Turnover	**3.51%**	**3.21%**	**3.50%**	**0.04%**
Profit Before Tax	115	130	106	1
Profit after Tax as % of Gross Retail Turnover	**3.23%**	**2.97%**	**3.50%**	**0.04%**
Profit after Tax (as per audited accounts)	106	120	106	1
Total Restatement	**3**	**(1)**	**(16)**	**5**
Profit after Tax (after Restatement) as % of Gross Retail Turnover	3.33%	2.94%	2.97%	0.24%
Profit after Tax (after Restatement)	**109**	**119**	**90**	**6**

Comparison of FY 2002 with FY 2001

Some of the key developments that occurred during 2002 include the following:

The two stores that we opened in the previous year in Chembur (Mumbai) and Chennai were now fully operational. We also opened two new stores in Pune and Bandra (Mumbai), taking the store count to nine from seven. We were also able to stabilize our ERP and focused on de-risking our business model through a mix of concessionaire and consignment arrangements.

Gross Retail Turnover

Our Gross Retail Turnover increased by 13.9% in FY 2002 to Rs. 2495 mn as compared to Rs. 2190 mn in FY 2001.

Other Income

Other income increased by 14.3 % from Rs. 35 mn in FY 2001 to Rs. 40 mn in FY 2002. The increase was primarily due to certain write backs of liability towards expired gift vouchers and refund of Sales Tax.

Expenditure

Cost of Goods Sold grew only by about 6.16% relative to an 8.82% growth in sales to about Rs. 1530 mn in FY 2002. We also did not spend as much on Selling and Distribution expenses due to a cutback on advertising and direct marketing expenses. This led to a reduction in selling expenses by about 22% to Rs. 149 mn in 2002.

We also made an additional write-off of Rs.4 mn related to Shoppers' Stop.Com (India) Ltd.

Earnings before Interest, Depreciation, Tax and Amortisation and exceptional items (EBIDTA)

EBIDTA increased substantially by about 204% to Rs. 108 mn in FY 2002 over a loss made in FY 2001. This was a result of a stronger brand (due to effective spending on direct marketing and advertising in the prior year), better grip over the supply chain that led to more controlled inventory levels and increase margins.

Finance Charges

Finance charges increased marginally to Rs.54 mn in FY 2002 from Rs.51 mn in FY 2001 representing a 5.9 % increase. This was mainly due to a higher bank borrowing utilization for increase in working capital needs due to addition of new stores.

Depreciation

The depreciation expense on fixed assets reduced in value from Rs. 62 mn in FY 2001 to Rs. 49 mn in FY 2002. This was the result of increasing the residual life of the fixed assets, though the accounting method followed did not change.

Income tax

No provisions were made for any taxes due to losses incurred in earlier years

Profit after tax as per Audited statement of Accounts

Profit after tax for FY 2002 was about Rs. 1 mn as we turned around and reported profits after 2 years of losses.

Adjusted Profit

Our profit after tax has been adjusted on account of, adoption of accounting policy prescribed by AS-26, with respect to intangible items namely preliminary expenses, brand development expenses and store launch expenses and due to reclassification and capitalization of software consultancy cost as fixed assets and provision of depreciation on the same at the rate of 20% each year.

Adjustment for fiscal 2002

We have adjusted our profits for fiscal 2002 to present the net effect of change in accounting policy pursuant to adoption of AS-26 from fiscal 2004 to reallocate the cost relating to amortisation of preliminary expenses, brand development expenses and store launch expenses to period in which they are incurred. Also due to reclassification of software consultancy cost as fixed assets and provision of depreciation on the same. On account of the following adjustments, we have restated our profits for fiscal 2002 upwards by Rs.5 million.

Comparison of FY 2003 with FY 2002

Some of the key developments that occurred during FY 2003 include the following:

Our two stores that we had opened in Pune and Bandra (Mumbai) had now become fully operational. On the other side we also opened 3 more stores in Kandivli (Mumbai), Gurgaon, and Kolkata. This took our total store count to 12 stores. We also started to emphasis the sale of private label merchandise.

We also went in for a debt swap replacing the loan facility of Rs.280 Million from ICICI Bank with HDFC Ltd in January 2003, thereby reducing interest rate by 4% per annum.

Gross Retail Turnover

Our Gross Retail Turnover increased by 21.4% in FY 2003 to Rs. 3030 mn as compared to Rs. 2495 mn in FY 2002.

Expenditure

Cost of goods sold grew by about 18% over the previous financial year as compared to increase in gross retail turnover of 21.4%, thus helping us in reporting higher margins in our business.

Other Income

Other income decreased by 42.5 % from Rs. 40 mn in FY 2002 to Rs. 23 mn in FY 2003 as we reported lower write backs of liability towards expired gift vouchers and did not have Sales Tax refunds as in the previous financial year.

Earnings before Interest Depreciation Tax and Amortisation and exceptional items (EBIDTA)

EBIDTA margins as a percentage of Gross Retail Turnover increased to 6.5% in FY 2003from 4.3% in FY 2002. We reported an EBIDTA of Rs. 196 mn in FY 2003 as against Rs. 109 mn in FY 2002.

Finance Charges

Finance charges, as a percentage of Gross Retail Turnover, declined from about 2.1% of Gross Retail Turnover to about 1.05% of Gross Retail Turnover. This represented a drop of about 40.7%, due to our getting funds at lower rates.

Depreciation.

Depreciation charges accounted for 1.9% of Gross Retail Turnover due to increase in fixed assets on account of opening of additional stores and renovation capex incurred during the year. Our depreciation charges amounted to Rs. 58 mn in FY 2003 as against Rs. 49 mn in FY 2002.

Income tax

We provided for income tax as our profits increased and had a tax charge of about Rs. 0.17 mn.

Profit after tax as per Audited statement of Accounts

Our profit after tax margins, as a percentage of Gross Retail Turnover was about 3.5% as our profits increased to Rs. 106 mn in FY 2003 as against Rs. 2 mn in the prior year.

Adjusted Profit

Our profit after tax has been adjusted on account of, adoption of accounting policy prescribed by AS-26, with respect to intangible items namely preliminary expenses, brand development expenses and store launch expenses and due to reclassification and capitalization of software consultancy cost as fixed assets and provision of depreciation on the same at the rate of 20% each year.

Adjustment for fiscal 2003

We have adjusted our profits for fiscal 2003 to present the net effect of change in accounting policy pursuant to adoption of AS-26 from fiscal 2004 to reallocate the cost relating to amortisation of preliminary expenses, brand development expenses and store launch expenses to period in which they are incurred. Also due to reclassification of software consultancy cost as fixed assets and provision of depreciation on the same. On account of the following adjustments, we have restated our profits for fiscal 2003 downwards by Rs.16 million.

Comparison of fiscal 2004 with fiscal 2003

Some of the key developments that occurred during 2004 include the following: We opened 2 new stores in FY2004. Also the 3 stores that we had opened last year were now fully operational, taking our store count to 14 stores.

Gross Retail Turnover

Our Gross Retail Turnover increased by 33.5% in FY 2004 to Rs. 4044 mn as compared to Rs. 3030 mn in FY 2003.

Other Income

Other income decreased by 21.8 % from Rs. 23 mn in FY 2003 to Rs. 18 mn in FY 2004 as we reported non-recurring write-ups of liability.

Earnings before Interest Depreciation Tax and Amortisation and exceptional items (EBIDTA)

EBIDTA margins, as a percentage of Gross Retail Turnover is 6.1% in FY 2004 and 6.5 % in FY 2003. We reported an EBIDTA of Rs. 246 mn in FY 2004 as against Rs. 196 mn in FY 2003.

Finance Charges

Finance charges as a percentage of Gross Retail Turnover is 1% of Gross Retail Turnover in FY 2004 and 1.05% FY 2003.

Depreciation.

Depreciation charges accounted for 1.9 % of Gross Retail Turnover. Our depreciation charges amounted to Rs. 75 mn in FY 2004 as against Rs. 58 mn in FY 2003.

Income tax

We provided for income tax as our profits increased and had a tax charge of about Rs. 10 mn.

Profit after tax as per Audited statement of Accounts

Our profit after tax margins, as a percentage of Gross Retail Turnover was about 3 % as our profits increased to Rs. 120 mn in FY 2004 as against Rs. 106 mn in the prior year, an increase of 13.2% from last year.

Adjusted Profit

Our profit after tax has been adjusted on account of, adoption of accounting policy prescribed by AS-26, with respect to intangible items namely preliminary expenses, brand development expenses and store launch expenses and due to reclassification and capitalization of software consultancy cost as fixed assets and provision of depreciation on the same at the rate of 20% each year.

Adjustment for fiscal 2004

We have adjusted our profits for fiscal 2004 to present the net effect of change in accounting policy pursuant to adoption of AS-26 from fiscal 2004 to reallocate the cost relating to amortisation of preliminary expenses, brand development expenses and store launch expenses to previous period in which they were incurred. Also due to reclassification of software consultancy cost as fixed assets and provision of depreciation on the same. On account of the following adjustments, we have restated our profits for fiscal 2003 downwards by Rs.1 million.

For the period from 1 April to 30 November 2004

Some of the key developments that occurred during the above period include the following: We opened 1 new store in Kolkata and Bangalore each. Also the 2 stores that we had opened last year were now fully operational, taking our store count to 17 stores.

Gross Retail Turnover

Our Gross Retail turnover is Rs. 3278 mn for the period from 1 April to 30 November 2004.

Other Income

Other income is Rs. 6 mn for the eight month ended November 30, 2004.

Expenditure

The total expenditure before Interest and depreciation charges was Rs. 2,687 mn.

Earnings before Interest Depreciation Tax and Amortisation and exceptional items (EBIDTA)

EBIDTA margins, as a percentage of Gross Retail Turnover is 6.25% and we reported an EBIDTA of Rs. 205 mn during the above period.

Finance Charges

Finance charges as a percentage of Gross Retail Turnover is 0.9% of Gross Retail Turnover during the above period.

Depreciation

Depreciation charges accounted for 1.8% of Gross Retail Turnover. Our depreciation charges amounted to Rs. 61 mn during the above period.

Income tax

We provided for income tax as our profits increased and had a tax charge of about Rs. 9 mn.

Profit after tax as per Audited statement of Accounts

Our profit after tax margins, as a percentage of Gross Retail Turnover was about 3.3 %.

Adjusted Profit

Our profit after tax has been adjusted on account of, adoption of accounting policy prescribed by AS-26, with respect to intangible items namely preliminary expenses, brand development expenses and store launch expenses and due to reclassification and capitalization of software consultancy cost as fixed assets and provision of depreciation on the same at the rate of 20% each year.

Adjustment for the period 1 April to 30 November 2004

We have adjusted our profits for period ended November2004 to present the net effect of change in accounting policy pursuant to adoption of AS-26 from the above period to reallocate the cost relating to amortisation of preliminary expenses, brand development expenses and store launch expenses to previous period in which they were incurred. Also due to reclassification of software consultancy cost as fixed assets and provision of depreciation on the same. On account of the following adjustments, we have restated our profits for the above period upwards by Rs.3 million.

Liquidity and Capital Resources

Liquidity

Our primary liquidity needs have historically been to finance our capital expenditure and to some extent our working capital needs. To fund these costs, we have relied on cash flows from operations and working capital limits.

Cash Flows

The table below summarizes our cash flows trends for FY 2002, FY 2003 , FY 2004 and for the period ended November 30, 2004

Rs mn

Period ending	For the period from 1 April to 30th November 2004	March 31, 2004	March 31, 2003	March 31, 2002
Net Cash Flow from Operations	96	118	166	29
Net Cash Flow from Investing	(188)	(187)	(249)	42
Net Cash Flow from Financing	101	63	80	(82)
Net Cash and Cash Equivalents	9	(6)	(3)	(11)

Figures in brackets represent cash outflow

Key terms of our outstanding indebtedness as of March 31st were as follows:

Outstanding Debt

Historical and Planned Capital Expenditures as on March 31 and 8 month ended November 30,2004.

Rs mn

	For the period 1 April to 30th November, 2004	31st March,		
		2004	2003	2002
A. **SECURED LOANS**				
Term loans				
- From Banks				
- From HDFC Ltd	–	–	298	284
			Note "c"	Note "c"
Short Term Loan From Bank	80	–	–	–
	Note " e "			
Working Capital Demand Loans	361	301		
	Note "a"	Note "a"		
Cash credit facilities- from banks	98	237	196	70
	Note "b"	Note "b"	Note "d"	Note "d"
	539	**538**	**494**	**354**
B. **UNSECURED LOANS**				
Commercial Paper with Banks	180	50		
	Note "f"			
Interest due on loan from K. Raheja Pvt. Ltd.				
Interest free loans from CL Raheja Group of Companies				30
From Banks				Note " g "
	180	**50**	**-**	**30**

Notes:

a. Working capital demand loans are secured by a pari passu charge on the current assets, both present and future exclusive lien on lease deposits and by hypothecation of movable fixed assets of the company both present and future.

b. Secured by a pari passu charge against on all the movable properties of the Company, both present and future.

c. Represents a notional US dollar denominated loan equivalent to USD 5,804,312 at the exchange rate of USD 1= Rs. 48.24. The loan was repayable on October 31, 2006 (fully repaid on October 6, 2003) at the exchange rate of USD 1 = Rs. 60. It was secured by (a) charge over the leasehold rights of commercial properties where the Company's outlets are set up and charge on all deposits placed by the Company with the lessor/s, licensor/s, conductors (b) a first charge

on all the movable properties of the Company both present and future ranking pari passu with ICICI Bank Limited; and (c) Charge over the brand name 'Shoppers' Stop' which includes all the rights, title and interest over the said trademark as also all other rights that may be available under law.

d. Secured against pari passu charge with HDFC Ltd. on all the moveable properties of the company, both present and future.

e Secured by a first charge over all the movable tangible properties, both present & future and a paripasu charge on all current assets of the company both present & future.

f. Rs. 30.00 Allahabad Bank @ 5.30% per annum payable on 30 Dec 2004. Rs. 50.00 UCO Bank @ 5.30% per annum payable on 5 Jan 2005, Rs. 50.00 Allahabad Bank @ 5.38% per annum payable on 13 Jan 2005, Rs. 50.00 UCO Bank @ 5.90% per annum payable on 2 Feb 2005,

g. There were no stipulations as to repayment.

Historical and Planned Capital Expenditures

In FY 2002, we made additions to Fixed Assets, including capital work in process amounting to Rs.117 mn, primarily for opening new stores and in our IT systems.

In FY 2003, we made additions to Fixed Assets, including capital work in process amounting to Rs.236 mn, primarily for opening new stores and in our IT systems.

In FY 2004, we made addition to Fixed Assets, including capital work in process amounting to Rs 173 mn, primarily to open new store and in our IT systems

Our capital expenditure plan as per our objects for the current issue is as below: Objects of the Issue

Activities	Amount for the period (Rs in million)						
	Total Project Cost	Already spent upto July 31, 2004	Amount spent from August 1, 2004 till February 28, 2005	Balance Amount			Amount to be raised by way of this Issue
				March 1, 2005 to March 31, 2005	Year ending March 31, 2006	Year ending March 31, 2007	
A. Setting up of new stores							
Store Capex & Deposits for Store Sites	1,125	38	96	116	312	562	1,086
B. Renovation and expansion of existing stores	156	6	2	64	84	-	150
C. Issue Expenses	80	-	-		80	-	80
Total	**1,361**	**44**	**98**	**180**	**476**	**562**	**1,316**

Out of the project cost of Rs.1361 mn., we have already spent Rs.44 mn till July 31, 2004 and Rs.98 mn from August 1, 2004 to February 28, 2005, on store capex, deposits and renovation and expansion of existing stores. We have already opened one store in Bangalore (Commerce @ Mantri Mall) in October 2004. The amount of Rs.98 mn incurred towards the capex from August 1, 2004 till February 28, 2005 will be replenished through the proposed Issue proceeds.

We intend financing the above fund requirements of Rs.1316 mn through the proceeds of this Issue.

In case of any shortfall/cost overrun, we intend meeting the funds requirements through our internal accruals. Our internal accruals (our adjusted restated net profits plus depreciation) for FY 2004 was Rs 195 mn. For the 8 months ended November 30, 2004 as per our last audited accounts, our internal accruals was Rs. 170 mn.

We plan opening the eleven new stores as given below:

Year ending	Number of Stores	Locations tied up	Area (Sq. Ft)
March 31, 2005	1	Bangalore*	52152
March 31, 2006	6	Bangalore, Mumbai, Delhi, Pune+ (2), UP	326929
March 31, 2007	4	Bangalore (2)#, Noida, Hyderabad	338,470

* Bangalore store opened in October, 2004.

\+ One Pune store opened in April, 2005.

Other than the above-mentioned Capital Expenditure, we intend to pursue our growth strategy of expanding our retail chain through new stores or expansion of existing stores. Pursuant to our strategy we have entered into a contractual agreement for additional thirteen store sites, planned for opening by FY2008

Related Party Transactions

For details of related party transactions, please refer to the section entitled "Related Party Transactions" on page 198 of this Prospectus.

Financial Market Risks

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to financial market risks from changes in interest rates and inflation

Interest rate risk

Our interest rate risk results from changes in interest rates, which may affect our financial expenses. We bear interest rate risk with respect to indebtedness as on March 31, 2004 as the interest rate could vary in the near future. Though all our loans are currently fixed, they are subject to review by both parties at the end of every financial year. Any rise in interest rates could have our lenders push higher rates of interest on the loans.

Effect of Inflation

In line with changing inflation rates, we alter our margins to absorb the inflationary impact.

Information required as per Clause 6.8 of SEBI Guidelines

1. **Unusual or infrequent events or transactions**

   The following events/transactions were infrequent:

   1) Write off relating to Shoppers Stop Services (India) Ltd FY 2002 amounting to Rs 0.5 mn and Rs.3.5mn relating to Shoppers Stop .Com (India) Ltd.

   2) Write off in FY 2004 relating to Shoppers Stop .Com (India) Ltd and Upasna Trading Ltd amounting to Rs. 1 mn.

   3) Write back of liability towards expired gift vouchers in FY 2002 of Rs. 7 mn

   4) Refund of Sales Tax in FY 2002 of Rs.5 mn

2. **Option Agreement**

   We have an option to acquire upto 51% of the equity share capital of Hypercity Retail (India) Pvt Ltd (formerly known as Rainbow Retail Private Limited), which has been set up to venture into food and value retailing. For further details please refer to section titled "Business Overview" on page no 39 of this Prospectus.

3. **Known trends or Uncertainties**

   Other than as described in this section in this Prospectus, to the best of our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenue or income of the Company from continuing operations.

4. **Future relationship between costs and income**

   We are continuously working to create efficient processes resulting in cost reduction and have a better control over our supply chain. We expect to continue this effort of improving our technology initiatives and try and realise better margins in the future.

   Other than as described in this section in this Prospectus, to the best of our knowledge, there are no known factors, which will affect the future relationship between the costs and income, or which will have a material impact on the operations and finances of the Company.

5. **Turnover for the industry segment in which we operate.**

   Please refer to the discussions in the paragraphs entitled "Industry Overview" in this Prospectus on page 28.

6. **New Products or business segments**

   We are in the business of selling aspirational products and thus have only one segment of operation.

   We believe that the department store format offers significant opportunities in the country with the changing consumer aspirations and drive for a better lifestyle. We believe that a younger population with higher disposable income would drive customer aspirations for lifestyle products.

   We are thus focused on the Indian markets in the department store format. At the same time, we consistently evaluate other opportunities and may look at alternative delivery formats or product categories should we find the opportunity compelling or to strengthen our existing format.

Our growth strategy is based on:

1. Increasing our penetration in existing cities and expanding our reach across our country.
2. Furthering *Shoppers' Stop* as an experiential retail brand through unique national and international promotions.
3. Enhancing our merchandise width by adding product categories.
4. Introducing new brands and developing private labels to offer a better depth in each category.
5. Increasing our First Citizen base.
6. Utilising economies of scale as we grow in size and expand our reach.
7. Enhancing our operational efficiencies.
8. Enhancing our human capital.

7. Seasonality of business

Our business exhibits seasonality due to the bunching of festivals like Durga Puja, Diwali, Christmas and Id in the third quarter of our financial year, in which historically we have reported higher sales. Other than as described in the "Business Overview" section on page 39 this Prospectus, to the best of our knowledge, there are no known factors, which are seasonal in nature and which we feel will have a material impact on the operations and finances of the Company.

8. Dependence on single or few suppliers / customers

We source our products from a very diverse group of suppliers and thus our operations are risk averse from supplier side. Similarly we sell our products to a wide variety of customer segments and do not foresee business risk arising from our customers.

9. Competitive Conditions

We believe that we are well positioned to enhance our position as a preferred shopping destination for customers in the region in which we operate. On account of our competitive strengths we feel we are well positioned to serve our customers. Such strengths include:

Experienced professional management team

Strong focus on systems and processes

Extensive use of Information Technology (IT) systems

Strong distribution and logistics network and supply chain

Vast range of lifestyle products and services

Internationally benchmarked shopping environment

Strong understanding of the real estate business

Large base of loyal customers

10. Significant developments after March 31st, 2004 that may affect our future results of operations

- We have opened our 15th store in June 2004 at Kolkata (Salt Lake City).
- Our debt has increased from Rs 589 mn as at March 31, 2004 to Rs 806.22 mn as at March 31, 2005.

We have invested Rs 15 mn in a rights issue by our subsidiary, Crosswords Bookstores Ltd. Our shareholding in the company remains 51% after the rights issue. Pursuant to an agreement dated February 28, 2005, we have the option of acquiring the remaining 49% from ICICI Trusteeship Services Limted.

In the case of Crossword Bookstores Ltd (CBL), the infrastructure set up has consumed huge amount of investment and requires considerable amount of operating expenses to maintain. Further the brand acquisition cost is being amortized over the years, which is the major cost adding up to the losses.

- We have opened our 16th store in October 2004 at Banglore.
- The operation of the jaipur store was impacted by a fire which occurred in the basement of the mall in November 2004. To the extent of insurance claim not received , we have incurred loss of Rs 1.5 mn on stocks damaged. The operation of the store is still discontinued and the renovation work is being carried out and is expected to be operatonal in first week of May 2005.
- We have opened our 17th store in April 2005 at Pune.

Save as stated in this section of this Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statement as disclosed in the Prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Company, or the value of its assets, or its ability to pay its liability within the next twelve months.

AUDITOR'S REPORT

Ref: A/2591/ 11291

To

The Board of Directors
Shoppers' Stop Limited
Construction House "A"
24th Road, Khar (W)
Mumbai- 400 052

Dear Sirs,

Re: The proposed public issue of 6,946,033 equity shares of the face value of Rs. 10/- each of Shoppers' Stop Limited ("SSL" or "the Company")

SSL is proposing to make a public offering of 6,946,033 equity shares of the face value of Rs. 10/- each for cash, at an issue price to be arrived at by the book building process. We have been requested by the Company to furnish a report in respect of the financial information relating to SSL and its subsidiaries, [namely, Upasna Trading Limited, ("Upasna"), Crossword Bookstores Limited, ("Crossword"), Shoppers' Stop Services (India) Limited, ("SSSIL") and Shoppers' Stop Dot Com (India) Limited, ("SSDotcom")], as required by Part II of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("the Guidelines") and related clarifications thereto issued by the Securities and Exchange Board of India (SEBI) under section 11 of the Securities and Exchange Board of India Act, 1992.

The financial information referred to above, relating to assets and liabilities and profits and losses of SSL and its subsidiaries is contained in the following Annexures to this report:

- Annexures I (a) to I (e) contain stand alone Summary Statements of Assets and Liabilities, as restated, of SSL and its subsidiaries as at the close of the period ended on 30 November 2004, as at the close of the financial year ended on 31 March 2004 and the immediately preceding four financial years (or less as applicable).
- Annexures II (a) to II (e) contain stand alone Summary Statements of Profits and Losses, as restated, of SSL and its subsidiaries for the period from 1 April 2004 to 30 November 2004, for the financial year ended 31 March 2004 and the immediately preceding four financial years (or less as applicable).
- Annexures III (a) to III (e) contain the Significant Accounting Policies adopted in the preparation of the financial statements of SSL and its subsidiaries, as relevant to the Summary Statements in Annexures I (a) to I (e) and II (a) to II (e) and Notes to the Summary Statements, which include as required by the Guidelines, additional information prepared by the Company related to Other Income and promoter group transactions.

We have reviewed and examined, as appropriate, the financial information contained in these Annexures and are to state as follows:

(a) The financial data is based on the reviewed/audited balance sheets and profit and loss accounts of the respective companies. In respect of those companies where we are the present auditors, we have examined the books of account and other relevant records for the period/years where the review/audit was carried out by us and have relied on the audited balance sheets and profit and loss accounts and the disclosures made therein for the period/years where the audit was not carried out by us. In respect of those companies where we are not the auditors we have accepted the statements furnished to us by the auditors of those companies. We have not carried out any additional audit tests or review procedures in respect of those companies and for those period/years where we did not perform the audit, (reference is invited to the summary below).

Company	Period/Year ended	Reviewed / Audited by
SSL	30 November 2004 31 March 2004 31 March 2003	Deloitte Haskins and Sells
	31 March 2002 31 March 2001 31 March 2000	Arthur Andersen & Associates
Upasna	30 November 2004 31 March 2004 31 March 2003	Deloitte Haskins and Sells
	31 March 2002 31 March 2001	Arthur Andersen & Associates
	31 March 2000	Ford, Rhodes, Parks & Co.
Crossword	30 November 2004 31 March 2004 31 March 2003	Deloitte Haskins and Sells
	31 March 2002 31 March 2001 31 March 2000	Arthur Andersen & Associates

Company	Period/Year ended	Reviewed / Audited by
SSSIL	30 November 2004 31 March 2004 31 March 2003 31 March 2002	Dixit Dattatray & Associates
	31 March 2001	Ford, Rhodes, Parks & Co.
SSDotcom	30 November 2004 31 March 2004 31 March 2003 31 March 2002	Dixit Dattatray & Associates
	31 March, 2001	Ford, Rhodes, Parks & Co.

(b) Annexures I (a) to I (e), II (a) to II (e) and III (a) to III (e) are prepared in accordance with the requirements of Part II B of Schedule II to "the Act" and paragraph 6.18 of Chapter VI of "the Guidelines".

(c) The financial information in Annexures I (a) to I (e) and II (a) to II (e) has been incorporated after making relevant adjustments in accordance with the requirements of paragraph 6.18.7 (b) of Chapter VI of the Guidelines [see note 7 in Annexures III (a)], except for the following:

Attention is invited to note 9 in Annexure III (a): The operations of Upasna, a 100% subsidiary of SSL are entirely dependent on SSL and SSL is committed to provide the necessary level of financial support to Upasna to enable it to operate and pay its debts, if required. We are informed that management plans to enhance Upasna's role in the distribution and logistics operations of group companies and it will therefore be able to repay SSL's dues in the near future. Of the Rs. 39.30 million and Rs. 39.84 million outstanding as at 30 November 2004 and 31 March 2004 respectively, Rs. 26.42 million and Rs. 25.30 million respectively, had been advanced to meet certain disputed liabilities which has been paid by Upasna under protest and SSL has correspondingly included such amounts under contingent liabilities [see note 2 in Annexure III (a)]. In respect of the balance of Rs. 12.88 million and Rs. 14.54 million respectively, since the impact of non-recovery, if any, cannot be quantified the Summary Statements [Annexures I (a) and II (a)] have not been adjusted.

This item has been the subject matter of an audit qualification in the financial statements prepared by the Company for the period ended 30 November 2004 and the annual financial statements of SSL for the year ended 31 March 2004.

(d) We confirm that the Company has not paid any dividends for any financial years since its inception.

Other financial information

Other financial information relating to SSL prepared by the management and approved by the board of directors and examined and reviewed by us, as appropriate, is attached in Annexures IV to XII of this report:

- Annexure IV contains a Summary Statement of Principal terms of loans and assets charged as security.
- Annexure V contains the Accounting Ratios relating to Earnings Per Share, Return on Net Worth and Net Asset Value per share.
- Annexure VI contains the Capitalisation Statement as at 30 November 2004.
- Annexure VII contains the Statement of Tax Shelters.
- Annexure VIII contains the Statement of Sundry Debtors and Loans and Advances.
- Annexure IX contains the Statement of Investments.
- Annexure X contains the Statement of Cash Flows.
- Annexure XI contains the Statement of Tax Benefits
- Annexures XII (a) to XII (d) contain the Consolidated Summary Statement of Assets and Liabilities, Consolidated Summary Statement of Profits and Losses, Consolidated Summary Statement of Cash Flows and the Accounting Policies and Notes to the Consolidated Summary Statements of SSL and its subsidiaries.

In reviewing and examining as appropriate the other financial information listed above, the same procedures as outlined in the paragraph numbered '(a)' on page 2 above have been adopted.

Throughout our report amounts in rupees have been rounded to the nearest million or thousand, except where it has also been necessary to disclose decimals.

This report is intended solely for your use and information for inclusion in the Offer Document in connection with the Proposed Public Issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Deloitte Haskins & Sells
Chartered Accountants

P.B. Pardiwalla
Partner

Place: Mumbai

Dated: 23rd February 2005

SHOPPER'S STOP LIMITED **(Rupees in Millions)**

ANNEXURE I (a) : SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

	As at 30th November 2004	As at 31st March,				
		2004	2003	2002	2001	2000
A Fixed Assets :						
Gross Block	1,199	1,023	844	643	529	320
Less : Depreciation	371	311	242	179	124	56
Net Block	828	712	602	464	405	264
Capital Work in Progress	55	58	64	29	26	2
	883	**770**	**666**	**493**	**431**	**266**
B. Investments- Unquoted	**108**	**93**	**94**	**94**	**69**	**69**
C. Current Assets, Loan and Advances:						
Inventories	648	530	419	262	207	167
Sundry Debtors	32	15	12	15	6	6
Cash and Bank Balances	17	8	14	17	28	385
Loans and Advances	620	501	378	328	516	453
	1,317	**1,054**	**823**	**622**	**757**	**1,011**
D. Liabilities and Provisions :						
Secured Loans	539	539	494	354	377	432
Unsecured Loans	180	50	-	30	30	-
Current Liabilities and Provisions	703	553	443	271	304	153
	1,422	**1,142**	**937**	**655**	**711**	**585**
E. Networth : (A+B+C-D)	**886**	**775**	**646**	**554**	**546**	**761**
Represented by :						
Shares Holders' Funds:						
Share Capital	274	274	265	263	263	263
Reserves	612	572	571	571	569	569
Less: Profit & Loss Account (Debit)/ Credit Balance (as restated)	–	(71)	(190)	(280)	(286)	(71)
	886	**775**	**646**	**554**	**546**	**761**

Significant Accounting Policies and Notes to Summary Statement [See Annexure III (a)]

ANNEXURE II (a) : SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

	For the period 1 April to 30 November 2004	As at 31st March				
		2004	2003	2002	2001	2000
INCOME						
Gross Retail Turnover	**3,278**	**4,044**	**3,030**	**2,495**	**2,190**	**1,566**
- Own Merchandise (including concession sales)	2,522	3,001	2,508	2,010	1,847	1,362
- Consignment Merchandise	702	952	441	392	251	171
Gross Retail Sales	3,224	3,953	2,949	2,402	2,098	1,533
Less: Cost of Consignment Merchandise	504	708	291	282	213	138
	2,720	**3,245**	**2,658**	**2,120**	**1,885**	**1,395**
Other Retail Operating Income	48	73	58	53	57	20
	2,768	**3,318**	**2,716**	**2,173**	**1,942**	**1,415**
Other Income	6	18	23	40	35	13
Increase in Inventories	118	111	158	55	40	4
	2,892	**3,447**	**2,897**	**2,268**	**2,017**	**1,432**
EXPENDITURE						
Purchases (for own merchandise including concession sales)	1,788	2,115	1,944	1,530	1,482	1,007
Staff Costs	198	224	171	158	153	100
Administration Expenses	474	571	421	323	296	197
Selling and Distribution Expenses	227	291	165	149	191	128
Depreciation	61	75	58	49	62	42
Interest and Finance Charges	29	40	32	54	51	42
Exceptional and Non-Recurring Items [See note 6 of Annexure III (a)]	-	1	-	4	12	-
	2,777	**3,317**	**2,791**	**2,267**	**2,247**	**1,516**
Net Profit/(Loss) before tax	**115**	**130**	**106**	**1**	**(230)**	**(84)**
Taxation-Current	9	10	-	-	-	-
Net Profit/(Loss) after Tax as per Audited Accounts	**106**	**120**	**106**	**1**	**(230)**	**(84)**
Impact on account of adjustments required by paragraph 6.18.7 (b) of chapter VI of the Guidelines [See note 7 of Annexure III (a)]	3	(1)	(16)	5	15	(12)
Adjusted Profits/(Losses) for the year	**109**	**119**	**90**	**6**	**(215)**	**(96)**
Accumulated Profits/(Losses) from previous years	(71)	(190)	(280)	(286)	(71)	25
Balance carried to summary of Assets and Liabilities	**38**	**(71)**	**(190)**	**(280)**	**(286)**	**(71)**

Significant Accounting Policies and Notes to summary Statement [see Annexure III (a)]

ANNEXURE III (a): SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE SUMMARY STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

[used in the preparation of the Company's financial statements and relevant to the Summary Statement in Annexures I (a) and II (a)]

a) Basis of preparation of financial statements

The accompanying financial statements have been prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialize.

c) Fixed Assets and Depreciation

Fixed assets are stated at their original cost of acquisition less accumulated depreciation. Cost includes all cost incurred to bring the assets to their present condition and location.

Expenditure incurred upto the date of launching new stores, to the extent attributable to the acquisition, or construction of fixed assets are also capitalised.

The company capitalizes software and related implementation costs where it is reasonably estimated that the software has an enduring useful life.

Depreciation is provided, pro rata to the period of use, by the straight line method, based on management's estimate of useful lives of the fixed assets, or at the SLM rates prescribed in Schedule XIV to the Act whichever is higher, at the following annual rates:

	Effective depreciation rates (%)
Trademarks and copyrights	10.00
Air conditioning and other equipment	5.00
Furniture, fixtures and other fittings	10.00
Computers	20.00
Vehicles	20.00

Leasehold improvements are depreciated over the total period of the lease, (including the renewal periods), or 20 years, whichever is lower.

d) Investments

The company has classified all its investments as "long term". Long term investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of investments.

e) Revenue recognition

Revenue is recognised where it is earned and no significant uncertainty exists as to its realisation or collection.

Retail sales and revenues are recognised on delivery of the merchandise to the customer, when the property in the goods is transferred for a price, when significant risks and rewards have been transferred and no effective ownership control is retained. Sales include amount recovered towards sales tax and are net of discounts.

The property in the merchandise of third party concession stores located within the main departmental store of the Company passes to the Company once a customer decides to purchase an item from the concession store. The Company in turn sells the item to the customer and is accordingly included under Retail Sales.

The property in the merchandise of third party consignment stock does not pass to the Company. Since, however, the sale of such stock forms a part of the Gross Retail Turnover of the Company's stores, the gross sales values and the cost of the merchandise are displayed separately in the Profit and Loss Account.

The Company also displays, separately, "Gross Retail Turnover" in the Profit and Loss Account so as to indicate gross volume of business and operations.

In respect of gift vouchers and point award schemes operated by the Company, sales are recognised when the gift vouchers or points are redeemed and the merchandise is sold to the customer.

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsor's advertisements are promoted / displayed. Facility management fees are recognised pro-rata over the period of the contract.

f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprise of all costs of purchase incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method.

Merchandise received under consignment and concessionaire arrangements belong to the consignors/ concessionaires and are therefore excluded from the Company's inventories.

g) Retirement benefits

Retirement benefits to employees comprise of gratuity, provident fund contributions and leave encashment entitlements. Retirement benefit costs are expensed to revenue, as incurred.

The Company's employees are covered under the group gratuity scheme with the Life Insurance Corporation of India ('LIC'). This scheme is a defined benefit scheme and is funded in line with the LIC's yearly actuarial valuation. The valuation was carried out at 31 March 2004 and incremental liability in respect of new employees has been determined on the lines prescribed under the Payment of Gratuity Act 1972.

Contributions to the provident fund, a defined contribution scheme, are made in accordance with the rules of the fund.

Liability for leave encashment, a defined benefit scheme, is provided for based on an actuarial valuation carried out by an independent actuary at the year-end.

h) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency assets and liabilities (except those covered by forward contracts) are translated into Indian Rupees at the exchange rate prevailing at the balance sheet date. All exchange differences are dealt with in the Profit and Loss Account, except those relating to the acquisition of fixed assets, which are adjusted to the carrying cost of the related fixed asset.

i) Income Tax

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid/recovered from the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.

j) Borrowing costs

Borrowing costs attributable to the acquisition of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs", are capitalized as part of the cost of acquisition. Other borrowing costs are expensed as incurred.

k) Stock based Compensation

The compensation cost of stock options granted to employees is measured by the difference between the fair value of the Company's shares on the date of the grant as determined by an independent specialist and the exercise price to be paid by the option holders. The compensation expense is amortised uniformly over the vesting period of the option.

l) Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

m) Intangible items

Till 31 March 2003, expenditure on store launch incurred to provide future economic benefits to the enterprise, but against which no intangible or others asset was acquired or created was carried in the balance sheet under Miscellaneous Expenditure and amortised over the expected period of benefit. From 1 April 2003, in accordance with the requirements of Accounting Standards 26 on "Intangibles Assets", such expenditure is recognized as expense when incurred.

SHOPPERS STOP LIMITED
NOTES TO THE SUMMARY STATEMENTS

(Rupees in Millions)

1. Brief Background of the Company:

   The Company was incorporated on 16 June 1997. The Company is engaged in the business of selling garments and a variety of other products through departmental stores facilities. As at 30 November 2004 the Company operated through 17 stores located in the cities of Mumbai, Bangalore, Hyderabad, Jaipur, New Delhi, Chennai, Kolkatta, Gurgoan and Pune.

2. Contingent Liabilities:

Particulars	**As at 30 November 2004**	**As at 31 March**				
		2004	**2003**	**2002**	**2001**	**2000**
Contractual liability	46	38	26	NIL	15	7
Counter Guarantee	NIL	NIL	70	70	70	70
Total	**46**	**38**	**96**	**70**	**85**	**77**

3. Outstanding Capital Commitments (Net of Advances)

	As at 30 November 2004	**As at 31 March**				
		2004	**2003**	**2002**	**2001**	**2000**
Capex contract remaining to be executed and not provided (Net of advances)	11	24	NIL	NIL	44	7
Investment in subsidiary	NIL	50	NIL	NIL	NIL	NIL

4. Summary of other income:

	For the period from 1 April to 30 November 2004	**For the year ended**					**Nature of Income**
		2004	**2003**	**2002**	**2001**	**2000**	
Interest income	0	1	2	9	28	5	Recurring
Credit balance and provisions no longer required (net)	2	7	13	10	NIL	NIL	Non-Recurring
Expired gift vouchers	NIL	NIL	NIL	7	NIL	NIL	Non-Recurring
Refund of sales-tax	NIL	NIL	NIL	5	NIL	NIL	Non-Recurring
Scrap sales	2	3	2	2	1	2	Recurring
Miscellaneous income and credits	2	7	6	7	6	6	Recurring
Total	**6**	**18**	**23**	**40**	**35**	**13**	

5. Revision in useful lives of fixed assets:

   During the year ended 31 March 2002, the Company revised its estimate of the useful lives of some of its fixed assets (see table below). A revision in the useful life of fixed assets, being a change in accounting estimate, in accordance with Accounting Standard 5 on "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" and Accounting Standard 6 on "Depreciation Accounting", the change has been applied prospectively and the concerned assets have been depreciated over the balance of their new estimated useful lives.

	Depreciation (%)	
Asset	**Previous**	**New**
Leasehold Improvements	11.11	5
Air-conditioning and other equipment	20-11.11	5
Furniture fixtures and other fittings	33.33,20 and 11.11	10
Computers	33.33-20	20
Trade marks and copy rights	16.67	10 (see note 7(b) below)

6. Exceptional and non-recurring items:

   (a) During the year ended 31 March 2001, the Company wrote off an unsecured loan of Rs.12 million advanced to its 100% subsidiary SSDotcom.

   (b) During the year ended 31 March 2002, the Company assumed liabilities of SSDotcom aggregating to Rs 3.5 million consequent to the closure of SSDotcom's business and also provided for dimunition in the value of investments aggregating to Rs. 0.5 million in SSSIL.

   (c) During the year ended 31 March 2004, the Company provided for diminution in the value of investments aggregating to Rs. 1 million in SSDotcom and Upasna.

7. Impact on account of adjustments required by paragraph 6.18.7(b) of the Guidelines.

	For the period from 1 April 2004 to 30 November 2004	**For the year ended 31 March**				
		2004	**2003**	**2002**	**2001**	**2000**
Net Profit/(Loss) after tax as per reviewed / audited accounts	106	120	106	1	(230)	(84)
Adjustments on account of changes in accounting policies:-						
Deferred costs adjustment [See (a) below]	3	(1)	(16)	5	15	(12)
Adjusted Profits / (Losses)	**109**	**119**	**90**	**6**	**(215)**	**(96)**

a) Till 31 March 2003 the Company deferred costs related to certain intangible items, namely, preliminary expenses, software consultancy costs, brand development expenses and store launch expenses, and amortised them to revenue over a period of three years. Consequent to the mandatory adoption of Accounting Standard 26 on "Intangible Assets", the Company now expenses such items (other than software consultancy costs) to revenue as they are incurred. Software consultancy costs have been reclassified and capitalized under fixed assets. They are written off over a period of five years, the estimated useful life of the software. Adjustments have been made in the above table to reflect these changes.

b) Excess provision of earlier years made on estimated basis in those years have been adjusted in the years to which they relate, to the extent identified.

8. On 13 November 2004 one of the Company's stores was severely affected by a fire accident. The book value of the assets at the store for which Company has lodged an insurance claim amounts to Rs.23.79 million. The Company has recorded this amount in its books as a receivable, the collection of which is dependant upon the ultimate outcome of processing and settlement of the claim by the insurance company.

9. The operations of Upasna, a 100% subsidiary are entirely dependent on the Company, and the Company is committed to provide the necessary level of financial support to Upasna to enable it to operate and pay its debts if required. We are informed that management plans to enhance Upasna's role in the distribution and logistics operations of group companies and it will therefore be able to repay SSL's dues in the near future. Of Rs.39.30 million and Rs.39.84 million outstanding as at 30 November 2004 and 31 March 2004 respectively, Rs.26.42 million and Rs.25.30 million respectively, had been advanced to meet certain disputed liabilities which Upasna has paid under protest and the Company has correspondingly included this amount under contingent liabilities (see note 2 above). With regard to the balance of Rs. 12.88 million and Rs.14.54 million as at 30 November, 2004 and 31 March 2004 respectively, the impact of non-recovery, if any cannot be quantified.

10. On 31 March 2004 the Company effected a 2:1 share split, pursuant to which the Company redesignated its equity share capital as follows:

Equity Share Capital	**Before share split**	**After share split**
Authorised	40,000,000 shares of Rs. 10 each	80,000,000 shares of Rs. 5 each
Issued	27,421,875 shares of Rs. 10 each	54,843,750 shares of Rs. 5 each
Subscribed	27,421,875 shares of Rs. 10 each	54,843,750 shares of Rs. 5 each

On 30 July 2004 the Company consolidated its shares, pursuant to which the Company redesignated its equity share capital as follows:

Equity Share Capital	Before consolidation	After consolidation
Authorised	80,000,000 shares of Rs. 5 each	40,000,000 shares of Rs. 10 each
Issued	54,843,750 shares of Rs. 5 each	27,421,875 shares of Rs. 10 each
Subscribed	54,843,750 shares of Rs. 5 each	27,421,875 shares of Rs. 10 each

11. The uniform tax year end being March 31, provision for taxation comprises the aggregate of the tax provision on profits for the eight months ended 30 November, 2004 and the tax provision on profits for the four months ended 31 March 2005. Results of the four months ending 31 March 2005 will determine the ultimate tax liability for the year and may therefore impact the current tax provision amount.

12. Assets and Liabilities and Profits and Losses of the Subsidiaries have been dealt with separately in Annexure I(b) to I(e) and II(b) to II(e) of this report. Below given is a summary of amounts so far as they relate to the SSL. No adjustments have been made in the books of SSL in respect of these amounts.

Subsidiary	For the period from 1 April 2004 to 30 November 2004	For the year ended 31 March				
		2004	2003	2002	2001	2000
	Share of Profits/Losses					
Upasna (100%)	0.90	0.04	0.39	1.06	(14.67)	0.02
SS.Com India (100%)	0.00	3.99	(0.01)	(0.36)	(3.67)	Nil
SSSIL (100%)	0.09	0.03	0.03	0.05	(0.12)	Nil
Crossword (51%)	(3.56)	(6.44)	(11.53)	(13.19)	(15.14)	(1.82)
	Share of Accumulated Profits/Losses					
Upasna (100%)	(12.25)	(13.15)	(13.18)	(13.57)	(14.63)	0.04
SS.Com India (100%)	(0.07)	(0.04)	(4.04)	(4.03)	(3.67)	Nil
SSSIL (100%)	0.08	(0.01)	(0.04)	(0.07)	(0.12)	Nil
Crossword (51%)	(51.68)	(48.11)	(41.68)	(30.15)	(16.96)	(1.82)

The impact of inter-company transactions, if any, has not been considered in the above.

13. Deferred tax:

Till 31 March 2002 the Company accounted for current income tax only and did not account for deferred tax. Consequent to the mandatory adoption of Accounting Standard 22 on "Taxes on Income", the Company now also accounts for deferred taxes. No adjustments for net deferred tax credits relating to unabsorbed depreciation and carried forward losses have been made on considerations of prudence, in accordance with the requirements of the Standard.

14. The Guidelines requires disclosure of transactions with Companies in Promoters Group. Following are the transaction with Promoters Group :

Name of Promoters Group

Anbee Constructions Private Limited, Cape Trading Private Limited, Casa Maria Properties Private Limited, Capstan Trading Private Limited, Ivory Properties and Hotels Private Limited, Inorbit Malls (India) Private Limited, K. Raheja Private Limited, K. Raheja Corp Private Limited, Palm Shelter Estate Development Private Limited, Raghukool Estate Development Private Limited,

Shoppers' Stop Services (India) Limited, Shoppers' Stop .Com (India) Limited, Upasna Trading Limited, Crossword Bookstores Limited;

Avacado Properties and Trading (India) Private Limited, Beach Haven Properties Private Limited, Carin Hotels Limited, Chalet Hotels Limited, Grandwell Properties and Leasing Private Limited, Hornbil Trading Company Private Limited, K Raheja IT Park (Hyderabad) Private Limited, K Raheja Services Private Limited, Louisiana Investments and Finance Private Limited, Marvel International Private Limited, Mindspace IT Park Private Limited, Nask Realtors Private Limited, Neerav Properties & Hotels Private Limited, Newfound Properties and Leasing Private Limited, Rockfort Estate Developers Limited, Serene Properties Private Limited, Touchstone Properties and Hotels Private Limited, Rainbow Retail Private Limited, Uptown Properties and Leasing Private Limited,

Carlton Trading Private Limited, Debonair Estate Development Private Limited, Dindoshila Estate Development Private Limited, Eastlawn Resorts Limited, Fems Estate (India) Private Limited, Hill Queen Estate Development Private Limited, Juhuchandra Agro & Development Private Limited, K. R. Consultants Private Limited, K. Raheja Trusteeship Private Limited, K. R. Developers Private Limited, Lakeside Hotels Limited, Nectar Properties Private Limited, Neel Estates Private Limited, Oyster Shell Estate Development Private Limited, Peninsular Housing Finance Private Limited, Rendezvous Estate Private Limited, Raheja Hotels Limited, Sea Breeze Estate Development Private Limited, Sevaram Estate Private Limited, S.K. Estates Private Limited, Springleaf Properties Private Limited, Suruchi Trading Private Limited, Wiseman Finance Private Limited,

Asiatic Properties Limited, Ashoka Apartments Private Limited, Formost Granite Exports Private Limited, K. Raheja Development & Construction Private Limited, K. Raheja Hotels & Estate Private Limited, Mass Traders Private Limited Juhu Beach Resorts Limited, Kamala Ceramics Tiles Limited, Euroweave Exports Private Limited, Terraco India Private Limited, Knight Frank India Private Limited, Nandjyot Properties & Hotels Private Limited, Amber Apartments Makers Private Limited, Gesco South Realty Private Limited, Timezone Entertainment Private Limited

Notes :-

1) Only the companies in which Mr. C.L. Raheja is holding directly or indireclty 10% or more equity capital are given in the above list

2) Canvera Properties Private Limited is not included in the above list since Mr. C.L. Raheja group is not holding any equity shares. However in accordance with the Writings referred to in Prospectus the beneficial interest and control of this company is equally with Mr. G.L. Raheja and Mr. C.L. Raheja

3) Presently Mr. C.L. Raheja group is not having any shares in Kamala Ceramics Tiles Limited but Mr. C. L. Raheja group has sent its capital contribution by way of shares application money, which is pending allotment for the last several years. However we are unable to confirm the shareholding of this company since it is managed by some other group.

Transaction with Companies in Promoters Group

For the year 1999-2000 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Purchase of Goods	Sales of goods	Expenses					
				Compensation paid for Inventory w/off	Conducting fees/Rent	Interest Paid	Hotel Booking	Maintenance	Service Charges
Subsidiaries									
1	Upasana Trading Limited	404.94							
2	Crossword Bookstores Limited								
3	Shoppers Stop Services Ltd								
4	Shoppers Stop.Com (India) Limited								
	Total	**404.94**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Associates & Promoter Group Companies									
5	Ivory Properties and Hotels Private Limited				7.51				
6	K Raheja Corp Private Limited				8.68				
7	Palm Shelter Estate Development Private Limited								
8	K Raheja Private Limited								
9	Chalet Hotels Ltd								
10	Knight Frank India Pvt. Ltd.								
11	Nectar Properties Private Limited								
	Total	**–**	**–**	**–**	**16.19**	**–**	**–**	**–**	**–**

Transaction with Companies in Promoters Group

For the year 1999-2000 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Income		Sale of Assets	Purchase of Assets	Deposit Given	Loan Given	Loan Taken
		Service Charges	Interest Received					
Subsidiaries								
1	Upasana Trading Limited						116.48	
2	Crossword Bookstores Limited						80.20	
3	Shoppers Stop Services Ltd						–	
4	Shoppers Stop.Com (India) Limited						1.72	
	Total						**198.39**	
Associates & Promoter Group Companies								
5	Ivory Properties and Hotels Private Limited							
6	K Raheja Corp Private Limited							
7	Palm Shelter Estate Development Private Limited							
8	K Raheja Private Limited							
9	Chalet Hotels Ltd							
10	Knight Frank India Pvt. Ltd.							
11	Nectar Properties Private Limited							
	Total							

Transaction with Companies in Promoters Group

For the year 1999-2000 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Loan Repaid	Loan Recovered	Remuneration	Outstanding Payable	Outstanding Receivable
Subsidiaries						
1	Upasana Trading Limited				643.66	
2	Crossword Bookstores Limited				73.21	
3	Shoppers Stop Services Ltd					
4	Shoppers Stop.Com (India) Limited				1.72	
	Total				**718.59**	
Associates & Promoter Group Companies						
5	Ivory Properties and Hotels Private Limited				0.73	
6	K Raheja Corp Private Limited					
7	Palm Shelter Estate Development Private Limited					
8	K Raheja Private Limited					
9	Chalet Hotels Ltd					
10	Knight Frank India Pvt. Ltd.					
11	Nectar Properties Private Limited				66.31	
	Total				**67.04**	

Transaction with Companies in Promoters Group

For the year 2000-2001 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Purchase of Goods	Sales of goods	Expenses					
				Compensation paid for Inventory w/off	Conducting fees/Rent	Interest Paid	Hotel Booking	Maintenance	Service Charges
Subsidiaries									
1	Upasana Trading Limited	1481.59		12.90					
2	Crossword Bookstores Limited								
3	Shoppers Stop Services Ltd								0.30
4	Shoppers Stop.Com (India) Limited								
	Total	**1481.59**		**12.90**					**0.30**
Associates & Promoter Group Companies									
5	Ivory Properties and Hotels Private Limited				21.28				
6	K Raheja Corp Private Limited								
7	Palm Shelter Estate Development Private Limited								
8	K Raheja Private Limited								
9	Chalet Hotels Ltd						0.09		
10	Knight Frank India Pvt. Ltd.							1.24	
11	Nectar Properties Private Limited								
Total					**21.28**		**0.09**	**1.24**	

Transaction with Companies in Promoters Group

For the year 2000-2001 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Income		Sale of Assets	Purchase of Assets	Deposit Given	Loan Given	Loan Taken
		Service Charges	Interest Received					
Subsidiaries								
1	Upasana Trading Limited	1.02						
2	Crossword Bookstores Limited	3.36	6.75	3.66			23.40	
3	Shoppers Stop Services Ltd							
4	Shoppers Stop.Com (India) Limited							
	Total	**4.38**	**6.75**	**3.66**			**23.40**	
Associates & Promoter Group Companies								
5	Ivory Properties and Hotels Private Limited							
6	K Raheja Corp Private Limited							0.46
7	Palm Shelter Estate Development Private Limited							
8	K Raheja Private Limited							
9	Chalet Hotels Ltd							
10	Knight Frank India Pvt. Ltd.							
11	Nectar Properties Private Limited							
	Total							**0.46**

Transaction with Companies in Promoters Group

For the year 2000-2001 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Loan Repaid	Loan Recovered	Remuneration	Outstanding Payable	Outstanding Receivable
Subsidiaries						
1	Upasana Trading Limited				144.06	
2	Crossword Bookstores Limited					31.80
3	Shoppers Stop Services Ltd				0.03	
4	Shoppers Stop.Com (India) Limited					
	Total				**144.09**	**31.80**
Associates & Promoter Group Companies						
5	Ivory Properties and Hotels Private Limited					94.64
6	K Raheja Corp Private Limited				0.46	
7	Palm Shelter Estate Development Private Limited				30.00	
8	K Raheja Private Limited					
9	Chalet Hotels Ltd					
10	Knight Frank India Pvt. Ltd.					
11	Nectar Properties Private Limited				66.31	
	Total				**96.77**	**94.64**

Transaction with Companies in Promoters Group

For the year 2001-2002 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Purchase of Goods	Sales of goods	Expenses					
				Compensation paid for Inventory w/off	Conducting fees/Rent	Interest Paid	Hotel Booking	Maintenance	Service Charges
Subsidiaries									
1	**Upasana Trading Limited**	1418.12		2.69					
2	**Crossword Bookstores Limited**	2.47				0.70			
3	**Shoppers Stop Services Ltd**								0.30
4	**Shoppers Stop.Com (India) Limited**								
	Total	**1420.59**	**–**	**2.69**	**–**	**0.70**	**–**	**–**	**0.30**
Associates & Promoter Group Companies									
5	**Ivory Properties and Hotels Private Limited**				24.01				
6	**K Raheja Corp Private Limited**				5.48				
7	**Palm Shelter Estate Development Private Limited**								
8	**K Raheja Private Limited**								
9	**Chalet Hotels Ltd**						0.43		
	Total	**-**	**-**		**29.49**	**-**	**0.43**	**-**	**-**

Transaction with Companies in Promoters Group

For the year 2001-2002 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Income		Sale of Assets	Purchase of Assets	Deposit Given	Loan Given	Loan Taken
		Service Charges	Interest Received					
Subsidiaries								
1	Upasana Trading Limited	0.36		0.50				
2	Crossword Bookstores Limited	8.48	2.11	0.04			3.20	15.00
3	Shoppers Stop Services Ltd							
4	Shoppers Stop.Com (India) Limited							
	Total	**8.84**	**2.11**	**0.54**			**3.20**	15.00
Associates & Promoter Group Companies								
5	Ivory Properties and Hotels Private Limited				0.58			
6	K Raheja Corp Private Limited			0.16		5.39		
7	Palm Shelter Estate Development Private Limited							
8	K Raheja Private Limited							
9	Chalet Hotels Ltd							
	Total			**0.16**	**0.58**	**5.39**		

Transaction with Companies in Promoters Group

For the year 2001-2002 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Loan Repaid	Loan Recovered	Remuneration	Outstanding Payable	Outstanding Receivable
Subsidiaries						
1	Upasana Trading Limited				138.85	
2	Crossword Bookstores Limited				0.01	
3	Shoppers Stop Services Ltd				0.12	
4	Shoppers Stop.Com (India) Limited					
	Total				**138.97**	
Associates & Promoter Group Companies						
5	Ivory Properties and Hotels Private Limited					97.13
6	K Raheja Corp Private Limited	0.46				5.39
7	Palm Shelter Estate Development Private Limited				30.00	
8	K Raheja Private Limited					
9	Chalet Hotels Ltd					
10	Knight Frank India Pvt. Ltd.					
11	Nectar Properties Private Limited					
	Total	**0.46**			**30.00**	**102.52**

Transaction with Companies in Promoters Group

For the year 2002-2003 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Purchase of Goods	Sales of goods	Expenses	
				Conducting fees/Rent	Service Charges
Subsidiaries					
1	Upasana Trading Limited	1152.74		0.55	
2	Crossword Bookstores Limited				
3	Shoppers Stop Services Ltd				0.30
4	Shoppers Stop.Com (India) Limited				
	Total	**1152.74**		**0.55**	**0.30**
Associates & Promoter Group Companies					
5	Ivory Properties and Hotels Private Limited			29.22	
6	K Raheja Corp Private Limited			3.13	
7	Palm Shelter Estate Development Private Limited				
8	K Raheja Private Limited			0.18	
	Total			**32.53**	

Transaction with Companies in Promoters Group

For the year 2002-2003 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Income		Sale of Assets	Purchase of Assets	Deposit Given	Loan Given	Loan Taken
		Lease Rent Received	Interest Received					
Subsidiaries								
1	Upasana Trading Limited	0.36						
2	Crossword Bookstores Limited	5.17	0.19				4.00	
3	Shoppers Stop Services Ltd							
4	Shoppers Stop.Com (India) Limited							0.13
	Total	**5.53**	**0.19**				**4.00**	0.13
Associates & Promoter Group Companies								
5	Ivory Properties and Hotels Private Limited							
6	K Raheja Corp Private Limited							
7	Palm Shelter Estate Development Private Limited							
8	K Raheja Private Limited							
	Total							

Transaction with Companies in Promoters Group

For the year 2002-2003 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Loan Repaid	Loan Recovered	Remuneration	Outstanding Payable	Outstanding Receivable
Subsidiaries						
1	Upasana Trading Limited					3.94
2	Crossword Bookstores Limited					0.52
3	Shoppers Stop Services Ltd				0.38	
4	Shoppers Stop.Com (India) Limited					
	Total				**0.38**	**4.46**
Associates & Promoter Group Companies						
5	Ivory Properties and Hotels Private Limited				2.18	
6	K Raheja Corp Private Limited					
7	Palm Shelter Estate Development Private Limited	30.00				
8	K Raheja Private Limited					0.10
	Total	**30.00**			**2.18**	**0.10**

Transaction with Companies in Promoters Group

For the year 2003-2004 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Purchase of Goods	Sales of goods	Expenses					
				Conducting fees/Rent	Interest	Service Charges	C & F Charges	Hotel Booking	Maintenance
Subsidiaries									
1	**Upasana Trading Limited**					2.50	25.11		
2	**Crossword Bookstores Limited**	19.09							
3	**Shoppers Stop Services Ltd**					0.30			
4	**Shoppers Stop.Com (India) Limited**								
	Total	**19.09**				**2.80**	**25.11**		
Associates & Promoter Group Companies									
5	**Ivory Properties and Hotels Private Limited**			39.14					
6	**K Raheja Corp Private Limited**				1.43				
7	**Palm Shelter Estate Development Private Limited**								
8	**K Raheja Private Limited**			0.14					
9	**Inorbit Mall Private Limited**			3.91					
10	**Knight Frank India Private Limited**								3.88
11	**Chalet Hotels Ltd**							0.63	
	Total	**–**	**–**	**43.19**	**1.43**			**0.63**	**3.88**

Transaction with Companies in Promoters Group

For the year 2003-2004 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Income		Service Charges	Sale of Assets	Purchase of Assets	Deposit Given	Loan Given
		Lease Rent Received	Interest Received					
Subsidiaries								
1	Upasana Trading Limited				0.97			33.50
2	Crossword Bookstores Limited	3.71	0.38	1.31				
3	Shoppers Stop Services Ltd							
4	Shoppers Stop.Com (India) Limited							
	Total	**3.71**	**0.38**	**1.31**	**0.97**			**33.50**
Associates & Promoter Group Companies								
5	Ivory Properties and Hotels Private Limited							
6	K Raheja Corp Private Limited			0.01	18.08			
7	Palm Shelter Estate Development Private Limited				0.08			
8	K Raheja Private Limited							
9	Inorbit Mall Private Limited						9.19	
10	Knight Frank India Private Limited							
11	Chalet Hotels Ltd							
	Total			**0.01**	**18.16**		**9.19**	

Transaction with Companies in Promoters Group

For the year 2003-2004 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Loan Repaid	Loan Recovered	Remuneration	Outstanding Payable	Outstanding Receivable
Subsidiaries						
1	Upasana Trading Limited					39.84
2	Crossword Bookstores Limited					0.83
3	Shoppers Stop Services Ltd				0.36	
4	Shoppers Stop.Com (India) Limited					0.01
	Total				**0.36**	**40.67**
Associates & Promoter Group Companies						
5	Ivory Properties and Hotels Private Limited				2.09	
6	K Raheja Corp Private Limited	75.00				0.01
7	Palm Shelter Estate Development Private Limited					
8	K Raheja Private Limited					
9	Inorbit Mall Private Limited					
10	Knight Frank India Private Limited					
11	Chalet Hotels Ltd					
	Total	**75.00**			**2.09**	**0.01**

Transaction with Companies in Promoters Group

For the period 1st April 2004 to 30th November 2004 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Purchase of Goods	Sales of goods	Expenses					
				Conducting fees/Rent	C & F Freight Charges	Reimbur-sement of Expenses	Hotel Booking	Maintenance Charges/ Tax	Service Charges
Subsidiaries									
1	Upasana Trading Limited				27.59				3.20
2	Crossword Bookstores Limited	15.26				2.05			
3	Shoppers Stop Services Ltd					0.01			0.20
4	Shoppers Stop.Com (India) Limited					0.18			
	Total	**15.26**			**27.59**	**2.24**			**3.40**
Associates & Promoter Group Companies									
5	Ivory Properties and Hotels Private Limited			31.25				0.52	
6	K Raheja Corp Private Limited								
7	Palm Shelter Estate Development Private Limited								
8	K Raheja Private Limited					0.08			
9	Inorbit Mall Private Limited			24.50				4.64	
10	Knight Frank India Private Limited							12.25	
11	Rainbow Retail Private Limited					0.48			
11	Chalet Hotels Ltd						0.02		
	Total			**55.75**		**0.55**	**0.02**	**17.41**	**-**

Transaction with Companies in Promoters Group

For the period 1st April 2004 to 30th November 2004 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Income		Service Charges	Sale of Assets	Purchase of Assets	Deposit Given	Loan Given
		Lease Rent Received	Interest Received					
Subsidiaries								
1	Upasana Trading Limited							
2	Crossword Bookstores Limited	3.34	0.39					
3	Shoppers Stop Services Ltd							
4	Shoppers Stop.Com (India) Limited							
	Total	**3.34**	**0.39**					
Associates & Promoter Group Companies								
5	Ivory Properties and Hotels Private Limited				0.06			
6	K Raheja Corp Private Limited							
7	Palm Shelter Estate Development Private Limited							
8	K Raheja Private Limited							
9	Inorbit Mall Private Limited							
10	Knight Frank India Private Limited							
11	Rainbow Retail Private Limited	1.72		1.10				
12	Chalet Hotels Ltd							
	Total	**1.72**		**1.10**	**0.06**			

Transaction with Companies in Promoters Group

For the period 1st April 2004 to 30th November 2004 **(All figures are in Millions)**

Sr No	Name of the Companies in Promoters Group	Advances	Loan Recovered	Remuneration	Outstanding Payable	Outstanding Receivable
Subsidiaries						
1	Upasana Trading Limited		0.55			39.29
2	Crossword Bookstores Limited					1.24
3	Shoppers Stop Services Ltd				0.54	
4	Shoppers Stop.Com (India) Limited					0.19
	Total		**0.55**		**0.54**	**40.72**
Associates & Promoter Group Companies						
5	Ivory Properties and Hotels Private Limited				3.99	
6	K Raheja Corp Private Limited				0.31	
7	Palm Shelter Estate Development Private Limited					0.03
8	K Raheja Private Limited				0.45	
9	Inorbit Mall Private Limited	0.05				0.38
10	Knight Frank India Private Limited					
11	Rainbow Retail Private Limited					0.48
12	Chalet Hotels Ltd					
	Total	**0.05**			**4.76**	**0.88**

Upasna Trading Limited (Rupees in '000)

ANNEXURE I(b): SUMMARY OF ASSESTS AND LIABILITIES, AS RESTATED

	As at 30th November 2004	As at 31st March				
		2004	2003	2002	2001	2000
A Fixed Assest :						
Gross Block	9,634	9,634	10,134	9,769	7,507	-
Less : Depreciation	4,579	3,892	3,026	2,060	1,126	-
Net Block	**5,055**	**5,742**	**7,108**	**7,709**	**6,381**	-
B Current Assests, Loan and Advances:						
Inventories	-	-	-	47,494	62,577	190,354
Sundry Debtors	-	-	-	138,851	131,158	139
Cash and Bank Balances	803	1,070	722	626	1,197	139
Loans and Advances	31,741	29,799	11,903	3,256	8,326	9,172
	32,544	**30,869**	**12,625**	**190,227**	**203,258**	**199,804**
C Liabilities and Provisions :						
Unsecured Loans	39,293	39,839	3,937	-	116	139
Current Liabilities and Provisions	10,052	9,420	28,482	211,011	223,656	199,134
	49,345	**49,259**	**32,419**	**211,011**	**223,772**	**199,273**

	As at 30th November 2004	As at 31st March				
		2004	2003	2002	2001	2000
D Networth : (A+B-C)	**(11,746)**	**(12,648)**	**(12,686)**	**(13,075)**	**(14,133)**	**531**
Represented by :						
Shares Holders' Funds:						
Share Capital	500	500	500	500	500	500
Less: Profit & Loss Account (Debit)/ Credit Balance	(12,246)	(13,148)	(13,186)	(13,575)	(14,633)	**36**
Miscellaneous Expenditure to the extent not written off	-	-	-	-	-	(5)
	(11,746)	**(12,648)**	**(12,686)**	**(13,075)**	**(14,133)**	**531**

Significant Accounting Policies and Notes to the Summary Statement [See Annexure III(b)]

Upasna Trading Limited (Rupees in '000)

ANNEXURE II (b): SUMMARY OF PROFIT AND LOSSES, AS RESTATED

	For the period from 1 April to 30 November 2004	For the year ended 31 March				
		2004	2003	2002	2001	2000
INCOME						
SALES :						
Of Products Traded in by the Company	-	-	1,153,493	1,369,384	1,438,106	387,958
Other Operating Income	30,841	27,340	550	-	-	-
	30,841	**27,340**	**1,154,043**	**1,369,384**	**1,438,106**	**387,958**
Other Income	395	2,143	2,906	7,084	13,142	49
Increase (Decrease) in Inventories	-	-	(47,494)	(15,083)	(127,777)	188,022
	31,236	**29,483**	**1,109,455**	**1,361,385**	**1,323,471**	**576,029**
EXPENDITURE						
Purchases	-	-	1,085,988	1,320,021	1,290,834	563,418
Staff Costs	1,382	2,038	1,979	1,955	2,025	1,461
Operating & Administration Expenses	28,188	26,333	17,436	29,637	32,103	7,180
Selling and Distribution Expenses	-	82	2,477	7,616	11,748	3,887
Depreciation	687	967	966	934	1,126	-
Interest	-	4	194	164	304	56
	30,257	**29,424**	**1,109,040**	**1,360,327**	**1,338,140**	**576,002**
Net Profit/(Loss) before tax	**979**	**59**	**415**	**1,058**	**(14,669)**	**27**
Taxation-Current	77	21	26	-	-	11
Net Profit/(loss) after tax as per Audited Accounts	**902**	**38**	**389**	**1,058**	**(14,669)**	**16**
Accumulated Profits/(Losses) from previous year	(13,148)	(13,186)	(13,575)	(14,633)	36	20
Balance carried to Summary of Assets and Liabilities	**(12,246)**	**(13,148)**	**(13,186)**	**(13,575)**	**(14,633)**	**36**

Significant Accounting Policies and Notes to the Summary Statement [See Annexure III (b)]

UPASNA TRADING LIMITED

(All amounts in thousand Indian Rupees)

ANNEXURE III (b) :SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

[used in the preparation of the Company's financial statements and relevant to the Summary Statement in Annexures I(b) and II(b)]

a) Basis of preparation of financial statements

The Company prepares its financial statements under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles and the provisions of the Companies Act, 1956.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialize.

c) Fixed Assets and Depreciation

Fixed assets are stated at their original cost of acquisition, less accumulated depreciation. Cost includes all costs incurred to bring the assets to their present condition and location. Depreciation is provided, pro rata to the period of use, by the straight line method based on management's estimate of useful lives of the fixed assets or at the SLM rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher, at the following annual rates:

	Depreciation/Amortisation rates (%)
Air Conditioner	5.00
Furniture fixtures and Other equipment	10.00
Computers	20.00
Trademarks and copyrights	6.67

Leasehold Improvements are depreciated over a period of 20 years. Assets costing less than Rs.5000 are depreciated at 100%.

d) Inventories :

Items of inventory are measured at the lower of cost and net realizable value. Cost of inventories comprise of all costs of purchase incurred in bringing the inventories to their present condition and location. Cost of inventories is measured by weighted average cost method.

e) Retirement Benefits

Retirement benefits to employees comprise of gratuity and provident fund contributions. Retirement benefit costs are expensed to revenue, as incurred.

The Company's employees are covered under the group gratuity scheme with the Life Insurance Corporation of India ('LIC'). This scheme is a defined benefit scheme and is funded in line with the LIC's yearly actuarial valuation. Annual contributions to the scheme are made by SSL on behalf of the Company and the Company in term reimburses SSL.

Contributions to the provident fund, a defined contribution scheme, are made in accordance with the rules of the fund.

Liability for leave encashment, a defined benefit scheme, is provided for considering the balance of unavailed encashable leave to the credit of employees at the year end and the salary last drawn.

f) Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Service Fees are recognised when the service is performed, in accordance with contractual obligations.

g) Income Taxes

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to/recovered from the taxation authorities, using applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.

h) Contingent Liabilities

Contingent liabilities as defined in Accounting Standard 29 on " Provisions, Contingent Liabilities & Contingent Assets" are disclosed by way of notes to the accounts. Provision is made if it becomes probable that an outflow of Future economic benefits will be required for an item previously dealt as a contingent liability

NOTES T0 THE SUMMARY STATEMENTS

(Rupees in '000)

1. Brief background

a) About the Company

Upasna Trading Ltd was incorporated on 8 December 1995. It is a 100 per cent subsidiary of SSL.

The main activity of the Company is to procure and supply merchandise to SSL. Up to 31 December 2002, the Company carried out this activity on a principal-to-principal basis with suppliers of the merchandise and in turn with SSL. From 1 January 2003, the Company carries on this activity as a Carrying and Forwarding agent of SSL.

b) Operational outlook

As at 30 November 2004, the Company had accumulated losses of Rs. 12,246/- which exceeds the shareholders' funds of Rs. 500 as at that date.

The Company's operations are entirely dependent on its holding company SSL. SSL has committed to provide the necessary level of financial support to the Company to enable it to operate and pay its debts as and when they become due. Further, SSL's business plans envisage a significant increase in its operations. Accordingly, these Summary Statements have been prepared assuming that the Company will continue as a going concern and do not therefore include any adjustments relating to the recoverability and classification of asset amounts or the amounts and classification of liabilities that might result should the Company be unable to continue as a going concern.

2. Contingent Liabilities:

	As at 30 November 2004	As at 31 March				
		2004	2003	2002	2001	2000
Sales tax liability	44,947	37,018	25,993	Nil	Nil	Nil

3. Summary of other income:

	For the period from 1 April to 30 November 2004	For the year ended 31 March					Nature of Income
		2004	2003	2002	2001	2000	
Interest income	31	80	Nil	Nil	Nil	30	Recurring
Compensation for inventory written off, received from SSL	Nil	Nil	Nil	2691	12,904	Nil	Non-Recurring
Refund of sales-tax	Nil	Nil	996	1,400	Nil	Nil	Non-Recurring
Scrap sales	Nil	3	459	310	111	Nil	Recurring
Profit on sale of assets	Nil	574	Nil	Nil	Nil	Nil	Non-Recurring
Miscellaneous income and credits	Nil	1,486	1,451	2,683	127	19	Recurring
Rent Received	364	Nil	Nil	Nil	Nil	Nil	Recurring
Total	**395**	**2,143**	**2,906**	**7,084**	**13,142**	**49**	

4. Revision in useful life of fixed assets:

During the year ended 31 March 2002, the Company revised its estimate of the useful life of some of its fixed assets (see table below). A revision in the useful life of fixed assets, being a change in accounting estimate, in accordance with Accounting Standard 5 on "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" and Accounting Standard 6 on "Depreciation Accounting", the change has been applied prospectively and the concerned assets have been depreciated over the balance of their new estimated useful life.

Asset	Depreciation (%) Previous	New
Leasehold Improvements	11.11	5
Airconditioning and other equipment	20-11.11	5
Furniture fixtures and other fittings	33.33,20 and 11.11	10
Computers	33.33-20	20

5. There are no significant adjustments that are required to be made in terms of paragraph 6.18.7 (b) of the Guidelines.

6. **Deferred tax:**

Till 31st March 2002 the Company accounted for current income tax only and did not account for deferred tax. Consequent to the mandatory adoption of Accounting Standard 22 on "Taxes on Income", the Company now also accounts for deferred taxes. No adjustments for deferred tax credits relating to unabsorbed depreciation and carried forward losses have been made on considerations of prudence, in accordance with the requirements of the Standard.

7. The Company being a 100% subsidiary of SSL, the entire Assets and Liabilities and Profits/Losses reported in Annexures I (b) and II (b) relate to the holding Company. No adjustments in respect of these have been made in the books of the holding Company.

CROSSWORD BOOKSTORES LIMITED **(Rupees in '000)**

ANNEXURE I (c) : SUMMARY OF ASSETS AND LIABILITIES, AS RESTATED

	As at 30th November 2004	As at 31st March				
		2004	2003	2002	2001	2000
A Fixed Assest :						
Gross Block	200,932	192,088	169,904	172,724	172,717	145,568
Less : Depreciation	82,988	69,788	53,243	36,225	17,897	-
Net Block (See note 7 of Annexure III (C))	117,944	122,300	116,661	136,499	154,820	145,568
Capital Work in Progress	1,183	244	447	2,102	-	-
	119,127	**122,544**	**117,108**	**138,601**	**154,820**	**145,568**
B Current Assets, Loan and Advances:						
Inventories	58,688	32,221	22,423	21,006	26,086	8,410
Sundry Debtors	43,001	32,941	12,214	14,912	13,952	9,293
Cash and Bank Balances	2,725	4,522	5,111	6,735	2,109	402
Loans and Advances	9,223	6,955	12,559	9,505	9,165	5,772
	113,637	**76,639**	**52,307**	**52,158**	**51,312**	**23,877**
C Liabilities and Provisions :						
Secured Loans	-	13,808	5,087	-	-	-
Unsecured Loans	-	-	-	-	26,559	79,821
Current Liabilities and Provisions	107,084	82,705	49,040	53,225	66,529	25,850
	107,084	**96,513**	**54,127**	**53,225**	**93,088**	**105,671**
D Networth : (A+B-C)	**125,680**	**102,670**	**115,288**	**137,534**	**113,044**	**63,774**
E **Represented by :**						
ShareHolders' Funds:						
Share Capital	95,625	65,625	65,625	65,625	50,000	25,500
Reserves	131,382	131,382	131,382	131,382	97,007	41,834
Less: Profit & Loss Account Debit Balance	(101,327)	(94,337)	(81,719)	(59,115)	(33,247)	(3,560)
Miscellaneous Expenditure to the extent not written off	-	-	-	(358)	(716)	-
Total	**125,680**	**102,670**	**115,288**	**137,534**	**113,044**	**63,774**

Significant Accounting Policies and Notes to the Summary Statement [See Annexure III(C)]

CROSSWORD BOOKSTORES LIMITED **(Rupees in '000)**

ANNEXURE II (c) : STATEMENT OF PROFIT AND LOSS, AS RESTATED

	For the period from 1 April to 30 November 2004	For the year ended 31 March				
		2004	2003	2002	2001	2000
INCOME						
SALES :						
Of Products Traded in by the Company	225,517	222,123	187,541	178,989	144,972	213
Other Operating Income	6,150	8,017	7,972	5,027	3,233	5
	231,667	**230,140**	**195,513**	**184,016**	**148,205**	**218**
Other Income	1,150	2,362	1,119	2,394	597	301
Increase (Decrease) in Inventories	26,467	9,798	1,417	(5,080)	17,676	8,410
	259,284	**242,300**	**198,049**	**181,330**	**166,478**	**8,929**
EXPENDITURE						
Purchases	204,218	188,246	148,991	132,228	128,417	8,851
Staff Costs	13,218	15,297	16,228	17,400	12,844	-
Administration Expenses	16,125	17,094	23,298	26,825	23,905	3,458
Selling and Distribution Expenses	18,350	13,686	7,287	10,017	7,111	7
Depreciation and Amortization	8,902	12,095	16,866	11,358	10,736	-
Interest and Finance Charges	686	1,337	820	2,207	5,989	173
	261,499	**247,755**	**213,490**	**200,035**	**189,002**	**12,489**
Net Loss after tax as per Audited Accounts	**(2,214)**	**(5,455)**	**(15,441)**	**(18,705)**	**(22,524)**	**(3,560)**
Impact on account of adjustments required by paragraph 6.18.7 (b) of chapter VI of the guidelines [see note 7 of annexure III (a)]	(4,776)	(7,163)	(7,163)	(7,163)	(7,163)	-
Adjusted Profit/(losses) for the year	**(6,990)**	**(12,618)**	**(22,604)**	**(25,868)**	**(29,687)**	**(3,560)**
Accumulated s/(Losses) from previous year	(94,337)	(81,719)	(59,115)	(33,247)	(3,560)	-
Balance carried to Summary of Assets and Liabilities	**(101,327)**	**(94,336)**	**(81,719)**	**(59,115)**	**(33,247)**	**(3,560)**

Significant Accounting Policies and Notes to the Summary Statement [See Annexure III(C)]

ANNEXURE III (c): SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE SUMMARY STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

[used in the preparation of the Company's financial statements and relevant to the Summary Statement in Annexures I and II(c)]

(a) Basis of preparation of financial statements:

The Company prepares its financial statements under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles and the provisions of the Companies Act, 1956.

(b) Use of Estimates:

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual figures could differ from those estimated and differences between actual results and estimates are recognised in the periods in which the results are known / materialize.

(c) Fixed assets and depreciation:

Fixed Assets are stated at their original cost of acquisition less accumulated depreciation or amortization. Costs include all costs incurred to bring the assets to their present condition and location.

The Company capitalizes software and related implementation costs, where it is reasonably estimated that the software has an enduring useful life.

Expenditure related to and incurred prior to the commissioning of a new store is capitalised as a part of the cost of construction of the store and allocated to the relevant fixed assets.

Depreciation is provided, pro-rata to the period of use, by the straight line method, based on managements estimate of useful lives of the fixed assets or at the SLM rates prescribed in Schedule XIV of the Companies Act, 1956 whichever is higher, at the following annual rates:

	Depreciation rates (%)
Furniture, fixtures and other equipment	10.00
Computers	20.00
Vehicles	20.00

Leasehold improvements are depreciated over the total period of lease or 20 years, whichever is lower. Assets costing less than Rs. 5,000 are depreciated @ 100%.

Trademarks, Copyrights and Goodwill are amortized uniformly over a period of 20 years. (See Note 6 (a)). Software is depreciated over management estimate of its useful life (5 years).

(d) Inventories :

Items of Inventory are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition and is determined on an "Average cost basis".

(e) Revenue recognition :

Revenue is recognised when it is earned and no significant uncertainty exits as to it's realization or collection.

Sale of merchandise is recognised on delivery to customers or franchisees, or when sales are made by the store in which the company has a concessionaire outlet, or when the property in the goods is transferred for a price, when significant risks and rewards have been transferred and no effective ownership control is retained. Sales include amounts recovered towards sales tax, as applicable, and are net of sales returns and discounts.

In respect of gift vouchers and point award schemes operated by the company, sales are recognised when the gift voucher or points are redeemed and merchandise is sold to the customer. Franchisee income is recognised in accordance with the rates specified in the franchisee agreements and based on the sales recorded by the franchisees for the year.

(f) Retirement benefits:

Retirement benefits to employees comprise payments to provident fund and gratuity. Retirement benefit costs are expensed to revenue as incurred. Annual contributions to the provident fund, a defined contribution scheme, are made as per the rules of the fund. The company participates in the group gratuity cum life assurance scheme administered by Life Insurance Corporation of India (LIC). The scheme is funded in accordance with LIC's yearly actuarial valuation.

(g) Miscellaneous expenses:

Miscellaneous expenses comprise start-up costs as incurred for the launch of a new store. These expenses are amortized equally over a period of three years.

(h) Income Tax:

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid/recovered from the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.

(i) Contingent Liabilities:

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those liabilities, which are likely to materialize after the year end till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

NOTES TO THE SUMMARY STATEMENTS

(Rupees in '000)

1. Brief Background of the Company:

Crossword was incorporated on November 3, 1999. The Company is a subsidiary of Shoppers Stop Limited (SSL). SSL holds 51% of its equity share capital. The company is engaged in the business of retailing books, music, toys, stationery etc., through departmental and concessionaire stores, operated either by itself or by franchisees. At present the Company has 10 owned or franchisee stores and 11 Crossword Corner stores, owned or franchised

2. Contingent Liabilities:

	As at November 30 2004	As at March 31,				
		2004	2003	2002	2001	2000
Clams against the Company not acknowledged as debts.	266	266	266	356	466	408

3. Summary of other income:

	For the period from 1 April to 30 November 2004	For the year ended 31 March					Nature of Income
		2004	2003	2002	2001	2000	
Interest income	1	9	172	1,024	Nil	Nil	Recurring
Profit on sale of Assets	52	181	NIL	NIL	NIL	NIL	Non- Recurring
Credit balances and provisions no longer required (net)	Nil	Nil	Nil	Nil	338	Nil	Non-Recurring
Expired gift vouchers	Nil	Nil	Nil	137	170	Nil	Non-Recurring
Miscellaneous income and credits	1,097	2172	947	1,233	89	301	Recurring
Total	**1,150**	**2,362**	**1,119**	**2,394**	**597**	**301**	

4. Revision in useful life of fixed assets:

During the year ended March 31, 2002, the Company revised its estimate of the useful life of some of its fixed assets (see table below). A revision in the useful life of fixed assets, being a change in accounting estimate, in accordance with Accounting Standard 5 on "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" and Accounting Standard 6 on "Depreciation Accounting", the change has been applied prospectively and the concerned assets have been depreciated over the balance of their new estimated useful lives.

Asset	Depreciation (%)	
	Previous	New
Leasehold Improvements	20	5
Furniture fixtures and other fittings	20	10
Computers	33-20	20

5. Deferred tax:

Till March 31, 2002 the Company accounted for current income tax only and did not account for deferred tax. Consequent to the mandatory adoption of Accounting Standard 22 on "Taxes on Income", the Company now also accounts for deferred taxes. No adjustments for deferred tax credits relating to unabsorbed depreciation and carried forward losses have been made on considerations of prudence, in accordance with the requirements of the Standard.

6. Impact on account of adjustments required by paragraph 6.18.7(b) of the Guidelines.

	For the period from 1 April to 30 November 2004	For the year ended 31 March				
		2004	2003	2002	2001	2000
Net Loss as per reviewed / audited accounts	(2,214)	(5,455)	(15,441)	(18,705)	(22,524)	(3,560)
Adjustments on account of changes in accounting policies :-						
Amortisation of Goodwill, Trademarks and Copyrights[See (a) below]	(4,776)	(7,163)	(7,163)	(7,163)	(7,163)	—
Adjusted Losses	**(6,990)**	**(12,618)**	**(22,604)**	**(25,868)**	**(29,687)**	**(3,560)**

a. The Company amortises Intangible Assets in the nature of Goodwill, Trademarks and Copyrights uniformly over a period of 20 years. Such assets are required to be amortized over a period not exceeding 10 years in accordance with the Accounting Standard 26 on "Intangible Assets". Adjustments have been made in the above table to reflect such a change.

7. The Company being a 51% subsidiary of SSL, 51% of the Assets and Liabilities and 51% of Profits/Losses reported in Annexures I (c) and II (c) relate to the holding Company. No adjustments in respect of these have been made in the books of the holding Company.

SHOPPERS' STOP. COM (INDIA) LIMITED **(Rupees in '000)**

ANNEXURE I(e) : SUMMARY OF ASSETS AND LIABILITIES, AS RESTATED

	As at 30th November 2004	As at 31st March			
		2004	2003	2002	2001
A. Current Assets, Loans and Advances :					
Cash and Bank Balances	506	505	493	131	660
Loans and Advances	160	7	7	7	278
	666	**512**	**500**	**138**	**939**
B. Liabilities and Provisions :					
Current Liabilities and Provisions	235	55	4,036	4,167	4,607
	235	**55**	**4,036**	**4,167**	**4,607**
C. Networth : (A-B)	**431**	**457**	**(3,536)**	**(4,029)**	**(3,669)**
Represented by :					
Shareholders' Funds :					
Share Capital	500	500	500	-	-
Less Profit & Loss Account Debit Balance	(69)	(43)	(4,036)	(4,029)	(3,669)
	431	**457**	**(3,536)**	**(4,029)**	**(3,669)**

Significant Accounting Policies and Notes to the Summary Statement [See Annexure – III (E)]

SHOPPERS' STOP. COM (INDIA) LIMITED **(Rupees in '000)**

ANNEXURE II(e) : SUMMARY OF PROFIT AND LOSSES, AS RESTATED

	For the period from 1 April to 30 November 2004	For the year ended 31 March			
		2004	2003	2002	2001
INCOME					
SALES :					
Of Products Traded in by the Company	-	-	-	-	570
Other Income	-	4000	-	-	31
Exceptional and Non Recurring Items	-	-	-	-	11,881
	-	**4,000**	**-**	**-**	**12,482**
EXPENDITURE					
Raw Material consumed	-	-	-	-	490
Staff Costs	-	-	-	-	4,982
Administration Expenses	26	7	7	360	7,376
Selling and Distribution Expenses	-	-	-	-	1,260
Depreciation	-	-	-	-	2,043
	26	**7**	**7**	**360**	**16,151**
Net Profit/(Loss) after tax as per Audited Accounts	**(26)**	**3,993**	**(7)**	**(360)**	**(3,669)**
Accumulated Profits/(Losses) from previous year	**(43)**	(4,036)	(4,029)	(3,669)	-
Balance carried to Summary of Assets and Liabilities	**(69)**	**(43)**	**(4,036)**	**(4,029)**	**(3,669)**

Significant Accounting Policies and Notes to the Summary Statement [See Annexure – III (e)]

SHOPPERS' STOP. COM INDIA LIMITED

ANNEXURE - III(e) : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE SUMMARY STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The company follows accrual system of accounts and the historical cost convention in accordance with generally accepted accounting practices. Revenues are recognised and expenses are accounted on accrual basis with necessary provision for all known liabilities.

(b) Fixed Assets and Depreciation:

Fixed assets include Cost of acquisition and installation. Depreciation on straight line basis has been charged based on the useful life of the fixed assets which is taken as 5 years for all assets.

NOTES TO SUMMARY STATEMENTS

(Rupees in '000)

a) Brief Background about the Company:

The Company was incorporated on 11 February 2000 and is engaged in the business of selling apparel and accessories over the Internet based on the recognition that this would be an important medium of sales. Further it is also to be seen as online extension of Shoppers' Stop Ltd. With over 1400 options, it soon became the largest apparel site amongst Indian e-commerce internet sites. Dot Com corners were established in the various terrestrial stores of Shoppers' Stop Ltd.

b) Summary of other income:

	For the period from 1 April 2004 to 30 November 2004	For the year ended 31st March				Nature of Income
		2004	2003	2002	2001	
Credit balance and provisions no longer required (net)	Nil	4,000	-	-	-	Non-Recurring
Total	Nil	**4,000**	**-**	**-**	**-**	

Till 31 March 2002 the Company accounted for current income tax only and did not account for deferred tax. Consequent to the mandatory adoption of Accounting Standard 22 on "Taxes on Income", the Company now also accounts for deferred taxes. No adjustments for deferred tax credits relating to unabsorbed depreciation and carried forward losses have been made on considerations of prudence, in accordance with the requirements of the Standard.

Operations of the Company have been closed in February 2001. However accounts have been prepared on Going Concern basis as the Company proposes to restructure its operations.

The Company being a 100% subsidiary of SSL the entire Assets and Liabilities and Profit/Losses reported in Annexures-I (e) and II (e) relate to the holding company, No adjustments in respect of these have been made in the books of the holding company.

SHOPPERS' STOP. SERVICES (INDIA) LIMITED **(Rupees in '000)**

ANNEXURE I(d) : SUMMARY OF ASSETS AND LIABILITIES, AS RESTATED

	As at 30th November 2004	As at 31st March			
		2004	2003	2002	2001
A. Fixed Assets :					
Gross Block	-	-	-	427	427
Less : Depreciation	-	-	-	171	85
Net Block	-	-	**-**	**256**	**342**
B. Current Assets, Loans and Advances:					
Inventories					
Sundry Debtors	630	472	477	208	33
Cash and Bank Balances	20	54	8	18	47
Loans and Advances	10	-	16	-	-
	660	**526**	**501**	**226**	**80**
C. Liabilities and Provisions :					
Current Liabilities and Provisions	81	39	41	52	43
	81	**39**	**41**	**52**	**43**
D. Networth : (A+B-C)	**579**	**487**	**460**	**430**	**379**
Represented by :					
Shareholders' Funds:					
Share Capital	500	500	500	500	500
Add /(Less) Balance in Profit & Loss Account	79	(13)	(40)	(70)	(121)
	579	**487**	**460**	**430**	**379**

Significant Accounting Policies and Notes to the Summary Statement [See Annexure – III (d)]

SHOPPERS' STOP. SERVICES (INDIA) LIMITED **(Rupees in '000)**

ANNEXURE II(d) : SUMMARY OF PROFIT AND LOSSES, AS RESTATED

	For the period from 1 April to 30 November 2004	For the year ended 31 March			
		2004	2003	2002	2001
INCOME					
SALES :					
Service Charges	200	300	300	360	300
Other Income	-	15	32	-	2
	200	**315**	**332**	**360**	**302**
EXPENDITURE					
Staff Costs	92	270	264	206	297
Administration Expenses	8	16	13	13	41
Depreciation	-	-	22	86	85
Total	**100**	**286**	**299**	**305**	**423**
Net Profit/(Loss) before tax	**100**	**29**	**33**	**55**	**(121)**
Taxation-Current	**8**	**2**	**3**	**4**	**-**
Net Profit/(Loss) after Tax as per Audited Accounts	**92**	**27**	**30**	**51**	**(121)**
Accumulated Profits/(Losses) from previous year	**(13)**	**(40)**	**(70)**	**(121)**	**-**
Balance carried to Summary of Assets and Liabilities	**79**	**(13)**	**(40)**	**(70)**	**(121)**

Significant Accounting Policies and Notes to the Summary Statement [See Annexure – III (d)]

SHOPPERS' STOP SERVICES (INDIA) LIMITED

ANNEXURE - III(d): SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE SUMMARY STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

(c) Basis of Accounting

The company follows accrual system of accounts & the historical cost convention in accordance with generally accepted accounting practices. Revenues are recognised and expenses are accounted on accrual basis with necessary provision for all known liabilities.

(d) Fixed Assets and Depreciation:

Fixed assets include Cost of acquisition and installation. Depreciation on straight line basis has been charged based on the useful life of the fixed assets which is taken as 5 years for all assets.

NOTES TO SUMMARY STATEMENTS **(Rupees in '000)**

a) Brief Background about the Company:

The Company was incorporated on 15th March 2000 as a Private Company with intention of providing services and undertake consultation in the area of accounting, operations, business and other fields. Presently Company is performing certain accounting outsourcing activities for its holding company Shoppers' Stop Limited.

b) Summary of other income:

	For the period from 1 April 2004 to 30 November 2004	For the year ended 31st March				Nature of Income
		2004	2003	2002	2001	
Leave Encashment provision Write back	Nil	15	Nil	Nil	Nil	Non-Recurring
Profit on sale of Assets	Nil	Nil	32	Nil	Nil	Non-Recurring
Miscellaneous income and credits	Nil	Nil	Nil	Nil	2	Non-Recurring
Total	Nil	**15**	**32**	**Nil**	**2**	

c) Till 31 March 2002 the Company accounted for current income tax only and did not account for deferred tax. Consequent to the mandatory adoption of Accounting Standard 22 on "Taxes on Income", the Company now also accounts for deferred taxes. No adjustments for deferred tax credits relating to unabsorbed depreciation and carried forward losses have been made on considerations of prudence, in accordance with the requirements of the Standard.

d) The Company being a 100% subsidiary of SSL the entire Assets and Liabilities and Profit/Losses reported in Annexures- I (d) and II (d) relate to the holding company, No adjustments in respect of these have been made in the books of the holding company.

SHOPPERS' STOP LIMITED **(Rupees in Millions)**

ANNEXURE - IV: SUMMARY STATEMENT OF PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITY

	As at 30th November 2004	As at 31st March				
		2004	2003	2002	2001	2000
A. **SECURED LOANS**						
Term loans						
- From Banks	-	-	-	-	277 Note "e"	277 Note "e"
- From HDFC Ltd	-	-	298 Note "c"	284 Note "c"	-	-
Short Term Loan from Bank	80 Note "i"	-	-	-	-	
Working Capital Demand Loans	361 Note "a"	301 Note "a"	-	-	-	-
Cash credit facilities- from banks	98 Note "b"	237 Note "b"	196 Note "d"	70 Note "d"	100 Note "f"	155 Note "f"
	539	**538**	**494**	**354**	**377**	**432**
B. **UNSECURED LOANS**						
From a Bank - Short Term	-					
Commercial Paper with Banks	180 Note "g"	50	-	-	-	
Interest free loans from CL Raheja Group of Companies	-	-	-	30 Note "h"	30 Note "h"	-
	180	**50**	**-**	**30**	**30**	**-**

Notes:

a. Working capital demand loans from UTI Bank are secured by a pari passu charge on the current assets, both present and future exclusive lien on lease deposits and by hypothecation of movable fixed assets of the company both present and future. Working Capital demand loan from IDBI, CITI Bank & Kotak Mahindra Bank Ltd are secured by first charge on all movable tangible properties, stocks & debtors of the company, both present & future.

b. Secured by a paripasu charge against on all the movable properties of the Company, both present and future.

c. Represents a notional US dollar denominated loan equivalent to USD 5,804,312 at the exchange rate of USD 1= Rs. 48.24. The loan was repayable on October 31, 2006 (fully repaid on October 6, 2003) at the exchange rate of USD 1 = Rs. 60. It is secured by (a) charge over the lease hold rights of commercial properties where the companies outlets are set up & Charge on all deposits placed by the company with the lessors/s, licensor's, conductors (b) offers charge on all the movable properties of the companies both present & future ranking paripassu with ICICI Bank ltd; & (c) and charge over the brand name "Shopper's Stop" which includes all the rights, title & interest over the said trade marks as also all other rights that may be available under Law.

d. Secured by a pari passu charge with HDFC Ltd. on all the moveable properties of the company, both present and future.

e. Secured by (a) mortgage and first charge on all the company's immovable and movable properties, both present and future (b) mortgage of leasehold right of commercial properties, present and future, including the lease deposit with lessor (c) charge on all current assets of the company d) Assignment of all insurance policies of the company (except cash in transit) of all stores in favour of ICICI e) Personal Guarantees of Two Directors. The Term Loan carries an interest rate of 50 basis points over the prime lending rate and is repayable in 14 equal instalments commencing June 30, 2002.

f. Secured by a pari passu charge with ICICI as mentioned in (c) above. Further, the cash credit facility bears an interest rate of 100 basis points above the ICICI bank advance rate.

g. Rs 30.00 Allahabad Bank @ 5.30% per annum payable on 30 Dec 2004, Rs 50.00 UCO Bank @ 5.30% per annum payable on 5 Jan 2005, Rs 50.00 Allahabad Bank @ 5.38% per annum payable on 13 Jan 2005 & Rs 50.00 UCO Bank @ 5.90% per annum payable on 2 Feb 2005.

h. There are no stipulations as to repayment.

i. Secured by a first charge over all the moveable tangible properties, both present & future and a paripasu charge on all current assets of the Company, both present & future.

SHOPPERS' STOP LIMITED

ANNEXURE V : ACCOUNTING RATIOS RELATING TO EARNINGS PER SHARE, RETURN ON NETWORTH & NET ASSET VALUE PER SHARE

(Rs In Millions)

	For the period from 1 April to 30 November 2004	For the year ended 31 March				
		2004	2003	2002	2001	2000
Adjusted net Profit / (Loss) (A) (see Annexure II(a))	109	119	90	6	(215)	(96)
Weighted average number of shares outstanding -during the period/ year (B)	27	27	26	26	26	21
Number of equity shares outstanding at the end of the period/year (C)	27	27	26	26	26	26
Net Worth (D) (see Annexure I(a))	886	775	646	554	546	761
Accounting Ratios : Earning / (Loss) Per shares (Rs.)						
- Basic (A/B)	4.04	4.48	3.46	0.27	(8.27)	(4.52)
- Diluted	4.04	4.45	3.41	0.27	(8.27)	(4.52)
Net Asset value per share (D)/(C)	32.81	28.70	24.85	21.31	21.00	29.27
Return on Net Worth (%) (A)/(D)	12.30%	15.35%	13.93%	1.08%	-39.38%	-12.61%

Notes:

1. The above ratios have been computed on the basis of the restated Summary Statements of SSL
2. In calculating diluted EPS, the effects of potential dilution pursuant to public offer of equity shares has not been considered since at the quantum of equity shares which will be isued cannot be worked out, at present.
3. Earnings per share is calculated on the basis of Profit After Tax as Restated, divided by the weighted average number of shares outstanding during the period.
4. Net Assets Value is calculated as Net Worth at the end of each finanacial year divided by the number of equity shares at the end of each financial year.
5. Return on Net Worth (%) represents Profit After Tax as restated, divided by Net Worth.

SHOPPERS' STOP LIMITED

ANNEXURE VI : CAPITALISATION STATEMENT

(Rupees in Millions)

	Pre-issue As at 30 November 2004	Post Issue As at May 05, 2005
Debts:		
Short Term	719	719
Shareholders' Funds:		
Share Capital	274	344
Reserves (Including share premium)	612	2,195
Total Shareholders' Funds	**886**	**2,539**
Long Term Debt / Total Shareholders' Funds	**Not Applicable**	**Not Applicable**

Notes:

1 The above has been computed on the basis of the restated Summary Statements of SSL.

2 Share premium stated above is gross of the expense directly related to the Company Initial Public Offer

SHOPPERS' STOP LIMITED

ANNEXURE VII : STATEMENT OF TAX SHELTERS

(Rupees in Millions)

		For the year ended 31 March				
		2004	2003	2002	2001	2000
Profit /(Loss) before tax as per Audited Accounts	**A**	130	106	2	(230)	(83)
Tax Rate		35.88%	36.75%	35.70%	39.55%	38.50%
Tax at Actual Rate on Profits		47	39	1	Nil	Nil
Adjustments						
Permanent Differences						
Dimunition in Value of Investments		1	-	1	-	-
Provision for Doubtful Debts		1	-	-	3	-
Share issue expenses		-	-	-	-	-
Purchases not accounted		-	-	-	-	-
Others		3	-	-	-	(1)
	B	5	-	1	3	(1)
Timinig Differences						
Depreciation		(38)	(43)	(34)	(12)	(9)
Deferred revenue expenses		6	(8)	-	21	(24)
Items covered by Section 43B of the Income Tax Act		1	(1)	3	4	3
	C	(31)	(52)	(31)	13	(30)
Total Net Adjustments	**B + C**	(26)	(52)	(30)	16	(31)
Tax Saving thereon		(9)	(19)	(11)	6	(12)
Profit/(loss) as per Income Tax	**A-(B+C)**	104	54	(28)	(214)	(114)
Unabsorbed Losses set-off		(104)	(54)	-	-	-
Taxable Loss		-	-	(28)	(214)	(114)
Tax payable as per Minimum Alternate Tax		10	-	-	-	-
Provision per books		10	-	-	-	-
Carried forward unabsorbed losses		(204)	(308)	(362)	(334)	(120)

Notes:

1 The tax shelter is worked out on the basis of profit/ loss as per audited accounts and is not based on profits as per the "Summary Statement in Annexure II (a)"

2 The permanent / timing differences have been computed considering the income tax returns filed by the company.

SHOPPERS STOP LIMITED **(Rupees in Millions)**

ANNEXURE VIII : STATEMENT OF SUNDRY DEBTORS AND LOANS AND ADVANCES

	As at 30th November 2004	As at 31st March				
		2004	2003	2002	2001	2000
A. SUNDRY DEBTORS :						
Due from Promoters Group	-	-	-	-	-	-
Others						
Debt outstanding for a period exceeding six months:						
Considered Good	1	-	-	-	-	-
Considered Doubtful	1	1	-	-	-	-
	2	**1**	**-**	**-**	**-**	**-**
Other Debts :						
Considered Good	31	15	12	15	6	6
Considered Doubtful	-	-	-	-	3	-
Less : Provision	(1)	(1)	-	-	(3)	-
Total	**32**	**15**	**12**	**15**	**6**	**6**
B. LOANS AND ADVANCES :						
Due from Promoters Group	142	141	104	100	292	298
Others.	478	360	274	228	224	155
Grand Total	**620**	**501**	**378**	**328**	**516**	**453**

SHOPPERS STOP LIMITED **(Rupees in Millions)**

ANNEXURE IX : STATEMENT OF INVESTMENTS

	As at 30 November 2004	For the year ended 31 st March				
		2004	2003	2002	2001	2000
INVESTMENTS (Long Term, at Cost)						
Trade Investments (Unquoted)						
1. Shopper's Stop Services (India) Limited						
50,000 equity shares of Rs. 10/- each	-	-	-	-	-	-
2. Upasna Trading Limited						
5,000 equity shares of Rs. 100/- each	-	-	1	1	1	1
3. Shoppers' Stop.com (India) Limited						
50,000 equity shares of Rs. 10/- each	-	-	-	-	-	-
4. In Partly owned subsidiary company: Crossword Bookstores Limited (See Note 1 below)						
4,876,858 (PY 3,346,875) equity shares of Rs. 10/- each	**108**	**93**	**93**	**93**	**68**	**68**
	108	93	94	94	69	69

Notes:

1. The Company holds 51 per cent equity stake in Crossword Bookstore Limited, which it is restricted from transferring without the approval of the other shareholders.
2. Full provision for diminition in value of investments has been made in respect of item 1 above in 2002 and in respect of items 2 and 3 above in 2004.

SHOPPERS STOP LIMITED

ANNEXURE X : SUMMARY STATEMENT OF CASH FLOWS **(Rupees in Millions)**

	For the period from 1 April to 30 November 2004	For the year ended 31 March				
		2004	2003	2002	2001	2000
Cash flows from operating activities						
Net Profit,as restated before tax	118	130	90	7	(215)	(95)
Adjustments to reconcile profit before tax and exceptional item to cash provided by operating activities						
Depreciation and amortisation	61	81	58	49	62	42
Interest and finance charges	29	40	32	54	51	36
Deferred revenue expenses	-	-	20	15	12	38
Employee stock option	2	1	-	-	-	-
Loss on sale of fixed assets	-	3	-	1	-	-
Exceptional and non- recurring items	-	1	-	4	12	-
Write-back of share issue expenses to Share Premium account	-	-	-	1	-	-
Interest income	-	(1)	(2)	(9)	(28)	-
	210	255	198	122	(106)	21
Changes in assets and liabilities						
Increase in inventories	(118)	(110)	(157)	(55)	(40)	(4)
(Increase) / Decrease in sundry debtors	(17)	(3)	3	(9)	(1)	(2)
(Increase) / Decrease in loans and advances	(128)	(120)	(37)	(1)	53	(274)
Increase / (Decrease) in current liabilities and provisions	149	100	159	(24)	140	59
Cash generated from / (used in) operations	96	122	166	33	46	(200)
Prior period item and adjustments	-	-	-	-	-	(8)
Payment of income-tax	-	(4)	-	(4)	(5)	-
Net cash from / (used in) operating activities	96	118	166	29	41	(208)
Cash flow from investing activities						
Purchase of fixed assets (including capital work in progress)	(173)	(226)	(239)	(130)	(224)	(139)
Store launch expenses	-	-	(13)	(4)	(5)	(7)
Sale proceeds of fixed assets	-	38	2	2	1	-
Investment in Crossword Bookstores Limited	(15)	-	-	(25)	-	-
Investment in Upasna Trading Pvt. Ltd.	-	-	-	-	-	-
Investment in Shoppers' Stop services (India) Ltd.	-	-	-	-	-	(1)
Investment in Shoppers' Stop.Com (India) Ltd.	-	-	(1)	-	-	-
Payment of liabilities on behalf of subsidiary	-	-	-	(4)	(12)	-

	For the period from 1 April to 30 November 2004	For the year ended 31 March				
		2004	2003	2002	2001	2000
Receipt / (Placement) of inter-corporate deposits	-	-	-	160	(160)	-
Receipt of loans and advances given to subsidiary companies	-	-	-	32	50	-
Addition of Investments	-	-	-	-	-	(68)
Receipt of interest income	-	1	2	11	26	-
Net cash (used in) / generated from investing activities	(188)	(187)	(249)	42	(324)	(215)
Cash flows from financing activities						
Increase in share capital	-	9	2	-	-	88
Premium on issue of shares	-	-	-	-	-	569
Increase in secured loans	-	44	140	3	-	283
Proceeds / (Repayment) of unsecured loans	130	50	(30)	-	30	(59)
Payment of interest and finance charges	(29)	(40)	(32)	(50)	(55)	(36)
Net repayment of short-term borrowings	-	-	-	(30)	(49)	-
Payment of loan processing fees	-	-	-	(5)	-	(43)
Net cash flow from / (used in) financing activities	101	63	80	(82)	(74)	802
Net decrease in cash and cash equivalents	9	(6)	(3)	(11)	(357)	379
Net change in cash and cash equivalents						
Cash and cash equivalents as at the end of the period / year	17	8	14	17	28	385
Cash and cash equivalents as at beginning of the period / year	8	14	17	28	385	6
	9	(6)	(3)	(11)	(357)	379

SHOPPER'S STOP LIMITED

ANNEXURE XI : STATEMENT OF TAX BENEFITS.

INCOME TAX ACT, 1961:

A. To the Company:

1. In accordance with and subject to the provisions of section 35 of the Income tax Act, the Company will be entitled to deduction in respect of expenditure laid out or expended on scientific research related to the business other than expenditure on land.

2. In accordance with and subject to the provisions of section 32, the Company will be entitled to claim depreciation in respect of tangible assets and intangible assets being in the nature of copyrights and trademarks or any other business or commercial rights of similar nature acquired on or after 1 April 1998 at the rates prescribed under the Income tax Rules.

3. By virtue of section 10(34) of the Income Tax Act, dividend income referred to in section 115-O of the IT Act, will be exempt from tax in the hands of the Company.

4. By virtue of section 10(35) of the Income Tax Act, the following income shall be exempt in the hands of the Company

   (a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

   (b) Income received in respect of units from the Administrator of the specified undertaking; or

   (c) Income received in respect of units from the specified company;

   Provided that this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be. For this purpose:

   (i) "Administrator" means the Administrator as referred to in clause (a) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;

   (ii) "specified company" means a company as referred to in clause (h) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;

5. In terms of section 10(36) of the Income tax Act, any long term capital gain arising to the Company from the transfer of a long term capital asset being an eligible equity share in a company purchased on or after the 1st day of March 2003 and before 1st day of March 2004 and held for a period of more than 12 months would not be liable to tax in the hands of the Company:

   For this purpose, "eligible equity share" means-

   (i) any equity share in a company being a constituent of BSE – 500 Index of the Stock Exchange, Mumbai as on the 1st day of March 2003 and the transaction of purchase and sale of such equity share are entered into on a recognised stock exchange in India; or

   (ii) an equity share in a company allotted through a public issue on or after the 1st day of March 2003 and listed in a recognized stock exchange in India before the 1st day of March 2004 and the transaction of sale of such share is entered into on a recognised stock exchange in India.

6. In terms of section 10(38) of the Income tax Act, any long term capital gain arising to the company from the transfer of a long term capital asset being an equity shares in a company or unit of an equity oriented fund on or after 1st day of October 2004, where such transaction is chargeable to securities transaction tax, would not be liable to tax in the hands of the company.

   For this purpose, "equity oriented fund" means-

   (i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than fifty per cent of the total proceeds of such fund; and

   (ii) Which has been set up under a scheme of a Mutual Fund specified under clause (23D):

7. In terms of section 111A of the Income tax Act, any short term capital gain arising to the company from the transfer of a short term capital asset being an equity shares in a company or unit of an equity oriented fund on or after 1st day of October 2004, where such transaction is chargeable to securities transaction tax, would be subject to tax at a rate of 10 per cent (plus applicable surcharge and Education Cess)

8. Under section 54EC of the Income tax Act and subject to the conditions and to the extent specified therein, long term capital gains arising on transfer of a long term capital asset shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long term specified asset.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

B. To the Members of the Company:

Resident Members

1. In terms of section 10(34) of the Income tax Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the Company) is exempt from tax.

2. In accordance with section 10(23D) of the Income tax Act, all Mutual Funds registered under the Securities and Exchange Board of India Act or set up by public sector banks or a public financial institutions or authorised by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income tax all their income, including income from investment in the shares of the Company.

3. In terms of section 10(38) of the Income tax Act, any long term capital gain arising to the members from the transfer of a long term capital asset being an equity shares in a company on or after 1st day of October 2004, where such transaction is chargeable to securities transaction tax, would not be liable to tax in the hands of the company.

4. In terms of section 111A of the Income tax Act, any short term capital gain arising to the company from the transfer of a short term capital asset being an equity shares in a company or unit of an equity oriented fund on or after 1st day of October 2004, where such transaction is chargeable to securities transaction tax, would be subject to tax at a rate of 10 per cent (plus applicable surcharge and Education Cess)

Under the Wealth Tax Act, 1957:

Shares of the company will not be treated as an asset within the meaning of section 2(ea) of the Wealth Tax Act, 1957, hence the shares will not be liable to wealth-tax.

Under the Gift Tax Act, 1958 :

Gift of shares of the company made on or after October 1, 1998 would not be liable to Gift tax.

SHOPPERS' STOP LIMITED **(Rupees in millions)**

ANNEXURE XII (a) :CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

	As at 30 November	As at 31 March	
	2004	2004	2003
A. Fixed Assets :			
Gross Block	1,409	1,224	1,024
Less : Depreciation	459	385	298
Net Block	950	839	726
Capital Work in Progress	56	58	65
	1,006	**897**	**791**
B. Goodwill on Consolidation	**13**	**-**	**-**
C. Current Assets, Loans and Advances:			
Inventories	707	562	441
Sundry Debtors	75	49	24
Cash and Bank Balances	22	15	21
Loans and Advances	621	498	399
	1,425	**1,124**	**885**
D. Liabilities and Provisions :			
Secured Loans	539	553	499
Unsecured Loans	180	50	(0)
Current Liabilities and Provisions	818	644	519
	1,537	**1,247**	**1,018**
E. Minority Interest (in Crossword)	**62**	**50**	**56**
F. Net Worth (A+B+C-D-E)	**845**	**724**	**602**
Represented by :			
Shareholders' Funds :			
Share Capital	274	274	265
Reserves	574	573	571
Less Profit and Loss Account Debit Balance (as restated)	(3)	(123)	(234)
	845	**724**	**602**
Significant Accounting Policies and Notes to the Consolidated Summary Statement [See Annexure XII (d)]			

SHOPPERS' STOP LIMITED **(Rupees in millions)**

ANNEXURE XII (b) :CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSSES AS RESTATED

	For the Period from 1 April to	For the year ended at 31 March	
	30 November 2004	2004	2003
Gross Retail Turnover	**3,493**	**4,254**	**3,209**
- Own Merchandise (including concession sales)	2,733	3,204	2,680
- Consignment Merchandise	702	952	441
Gross Retail Sales	3,435	4,156	3,121
Less: Cost of Consignment Merchandise	504	708	291
	2,931	3,448	2,830
Other Retail Operating Income	51	76	60
	2,982	3,524	2,890
Other Income	7	22	28
Increase in Inventories	144	121	112
	3,133	**3,667**	**3,030**
Purchases (for own merchandise including concession sales)	1,946	2,257	2,010
Staff Costs	212	241	189
Administration Expenses	512	606	466
Selling and Distribution Expenses	245	305	174
Depreciation	76	102	89
Interest and Finance Charges	30	41	33
	3,021	**3,552**	**2,961**
Net Profit before tax	**112**	**115**	**69**
Provision for tax- Current	9	10	-
Net Profit after Tax	**103**	**105**	**69**
Minority Interest (in Crossword)	(3)	(6)	(11)
Net Profit for the year	**106**	**111**	**80**
Impact on consolidation resulting from additional investment in subsidiary	**14**	**-**	**-**
Accumulated Losses from previous year	(123)	(234)	(314)
Balance carried to Summary of Assets and Liabilities	**(3)**	**(123)**	**(234)**

Significant Accounting Policies and Notes to the Consolidated Summary Statement [See Annexure XII (d)]

SHOPPERS' STOP LIMITED **(Rupees in millions)**

ANNEXURE XII (a) :CONSOLIDATED SUMMARY CASH FLOW STATEMENT, AS RESTATED

	For the Period from 1 April to 30 November 2004	For the year ended at 31 March 2004	2003
Cash flows from operating activities			
Net profit before tax	**112**	**115**	**69**
Adjustments to reconcile profit before tax and exceptional item to cash provided by operating activities			
Depreciation and Amortisation	76	102	89
Interest and finance charges	30	41	33
Loss on sale of fixed assets	-	3	-
Exceptional & Non Recurring items	-	-	-
Employee stock option	2	1	
Interest income	-	(1)	(2)
	220	**261**	**189**
Changes in assets and liabilities			
Increase in inventories	(145)	(121)	(112)
(Increase) / Decrease in sundry debtors	(26)	(25)	7
Increase in loans and advances	(132)	(109)	(62)
Increase in current liabilities and provisions	172	125	123
Cash generated from operations	**89**	**131**	**145**
Refund/(Payment) of income-tax	**-**	-	**-**
Net Cash generated from operating activities	**89**	**131**	**145**
Cash flow from investing activities			
Purchase of fixed assets (including capital work in progress)	(183)	(249)	(242)
Sale proceeds of fixed assets	-	39	7
Receipt of interest income	-	1	2
Net cash used in investing activities	**(183)**	**(209)**	**(233)**
Cash flows from financing activities			
Increase in share capital	-	9	2
Increase in secured loans	(14)	54	145
Increase / (Decrease) in unsecured loans	130	50	(30)
Investment by minority shareholder	15	-	-
Payment of interest and finance charges	(30)	(41)	(33)
Net cash flow from financing activities	**101**	**72**	**84**
Net increase / (decrease) in cash and cash equivalents	**7**	**(6)**	**(4)**
Net change in cash and cash equivalents	22	15	21
Cash and cash equivalents as at the end of the period / year	15	21	25
Cash and cash equivalents as at beginning of the period / year	**7**	**(6)**	**(4)**

ANNEXURE XII (d): SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED SUMMARY STATEMENTS

a) Principles of Consolidation

The subsidiaries are consolidated on a line-by-line basis. Interest of the minority shareholders in the subsidiaries' profits or losses and net worth is displayed separately in the consolidated Summary Statements. (Refer note 1 below). Inter-company transactions and balances are eliminated on consolidation.

b) Uniform Accounting Policies

SSL and its subsidiaries, in preparing their standalone annual financial statements have adopted uniform accounting policies. The Consolidated Statement of Assets and Liabilities and Profits and Losses (Annexures XI(a) and XI(b) have been prepared using the same accounting policies, referred to in Annexures III(a) to III(e).

c) Cash Flow Statement

The Consolidated Cash Flows have been prepared on the basis of the restated Consolidated Summary Statement of Assets and Liabilities and Profits and Losses. The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the company.

Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

NOTES TO THE CONSOLIDATED SUMMARY STATEMENTS

(Rupees in millions)

1. Brief background

SSL does not prepare general-purpose annual consolidated financial statements. The Consolidated Summary Statements included in Annexures XII(a) and XII(b) contain a line by line consolidation of Annexures I(a) to I(e) and II(a) to II(e) which are the Summary Statements of SSL and its subsidiaries Upasna, Crossword, SSSIL and SSDotcom .

2. Contingent Liabilities:

Particulars	As at 30 November 2004	As at 31 March	
		2004	2003
Contractual liability	46	38	26
Claims against the Company not acknowledged as debts	1	1	1
Counter Guarantee	NIL	NIL	70
Total	**47**	**39**	**97**

3. **Outstanding Capital Commitments (Net of Advances):**

As at 30 November	As at 31 March	
2004	2004	2003
11	24	NIL

4. On 31 March 2004 SSL effected a 2:1 share split, pursuant to which the Company redesignated its equity share capital as follows:

Equity Share Capital	Before share split	After share split
Authorised	40,000,000 shares of Rs. 10 each	80,000,000 shares of Rs. 5 each
Issued	27,421,875 shares of Rs. 10 each	54,843,750 shares of Rs. 5 each
Subscribed	27,421,875 shares of Rs. 10 each	54,843,750 shares of Rs. 5 each

On 30 July 2004 the Company consolidated its shares, pursuant to which the Company redesignated its equity share capital as follows:

Equity Share Capital	Before consolidation	After consolidation
Authorised	80,000,000 shares of Rs. 5 each	40,000,000 shares of Rs. 10 each
Issued	54,843,750 shares of Rs. 5 each	27,421,875 shares of Rs. 10 each
Subscribed	54,843,750 shares of Rs. 5 each	27,421,875 shares of Rs. 10 each

SECTION V: OFFERING INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of the Company, the terms of this Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the allotment advices, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at the Extra Ordinary General Meeting of our members held on March 31, 2004 and at an Annual General Meeting held on July 30, 2004. The Board of Directors has pursuant to resolutions dated January 24, 2004, March 29, 2004 and Jully 24, 2004. constituted a committee referred to as the IPO Committee to deal with matters relating to the Issue.

Ranking of Equity Shares

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

Face Value and Issue Price

The Equity Shares with a face value of Rs.10/- each are being offered in terms of this Prospectus at a total price of Rs. 238 per share. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI in the SEBI Guidelines and through circulars/ notifications/letters from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, our equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Articles of Association of the Company.

For further details on the main provisions of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to section titled "Main Provisions of Articles of Association of the Company" on page no. 418 of this Prospectus.

Market Lot

In terms of Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialised form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of the Company shall only be in dematerialised form for all investors.

Since trading of our Equity Shares will be in dematerialised mode, the tradable lot is one Equity Share.

Allocation and allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Share to the successful Bidders subject to minimum allotment of 25. For details of allocation and allotment, please refer to section titled "Statutory and Other Information - Basis of Allotment and Allocation" on page no. 411 of this Prospectus.

Jurisdiction

The jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, India.

Nomination Facility to the Investor

Pursuant to the provisions of Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transferred, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A and 109B of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective depository participant.

Subscription by non-residents/ NRIs/ FIIs/Foreign Venture Capital Funds/ persons resident outside India

We are not offering shares in this Issue to persons resident outside India including FIIs, NRIs, Foreign Venture Capital Funds and companies in which there is majority ownership and control by persons resident outside India.

ISSUE STRUCTURE

This Offer is being made through a 100% Book Building Process. The present Issue of 6,946,033 Equity Shares of face value of Rs.10/- each at a price of Rs. 238 comprising of (a) Promoter Contribution of 1,190,477 Equity Shares (b) Reservation for Employees of 200,000 Equity Shares and (c) Net Offer to the Public of 5,555,556 Equity Shares, and, is being made through the Book Building Process.

	Employees	**QIBs**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	Upto 200,000 Equity Shares	Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders, subject to a minimum of 33,33,334 Equity Shares.	Minimum of 833,333 Equity Shares.	Minimum of 1,388,889 Equity Shares.
Percentage of Issue Size available for allocation	Upto 2.879% of size of the Issue**	60% of Net Offer*	Minimum 15% of Net Offer or Net Offer less allocation to QIB Bidders and Retail Individual Bidders.*	Minimum 25% of Net Offer or Net Offer less allocation to QIB Bidders and Non Institutional Bidders *
Basis of Allocation if respective category is over-subscribed	Proportionate	Discretionary	Proportionate	Proportionate
Minimum Bid	25 Equity Shares and in multiples of 25 Equity Share thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs 50,000 and in multiples of 25 Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs 50,000 and in multiples of 25 Equity Shares thereafter	25 Equity Shares and in multiples of 25 Equity Share thereafter
Maximum Bid	Such number of Equity Shares not exceeding 200,000	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits	Such number of Equity Shares not exceeding the Net Issue subject to applicable limits	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 50,000
Mode of Allotment	Compulsorily in dematerialised mode	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Employees as on 1 (One) day prior to Bid Opening Date / Issue Opening Date	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds, Venture Capital Funds registered with SEBI; and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 Million and pension funds with minimum corpus of Rs. 250 Million in accordance with applicable law.	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts	Individuals (including HUFs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 50,000 in value.
Terms of Payment	Full Bid Amount on bidding unless waived by the Syndicate	Full Bid Amount on bidding unless waived by the Syndicate	Full Bid Amount on bidding unless waived by the Syndicate	Full Bid Amount on bidding unless waived by the Syndicate
Margin Amount	Full Bid Amount on bidding	Nil	Full Bid Amount on bidding	Full Bid Amount on bidding

*Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in Non-Institutional and Retail Individual categories would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of the Company, BRLMs and Co-BRM and subject to applicable provisions of SEBI Guidelines.

** Incase the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.

Under-subscription, if any, in the reserved category will be added back to the Net Offer to the Public.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein 60% of the Net Offer to the Public shall be available for allocation on a discretionary basis to QIBs. Further, not less than 25% shall be available for allocation on a proportionate basis to the Retail Individual Bidders and 15% shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Our Company, in consultation with the BRLMs/Co-BRM, reserves the right to reject any Bid procured by any or all members of the Syndicate without assigning any reason thereof from QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares would be transferred to all successful allottees only in the dematerialised form.

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of the Syndicate Members for the purpose of making a Bid in terms of this Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple bids. Upon the allocation of Equity Shares, dispatch of the "CAN", and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in this Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The Bid cum Application form for our employees will be marked as "Employees".

Who can Bid

1. Indian nationals resident in India who are not minors, in single or joint names (not more than three);
2. Hindu Undivided Families (HUFs) in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Companies, and societies registered under the applicable laws in India and authorised to invest in Equity Shares;
4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations or permissions, as applicable);
6. Venture Capital Funds registered with SEBI;
7. State Industrial Development Corporations;
8. Insurance companies registered with the Insurance Regulatory and Development Authority;
9. Provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
10. Pension funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
11. Trust/ society registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/ society and who are authorised under their respective constitutions to invest and hold in Equity Shares; and
12. Scientific and/ or Industrial Research Organisations authorised to invest in equity shares;

Note: The BRLMs, Co-BRM ,Syndicate Members and any associate of the BRLMs, Co-BRM and Syndicate Members (except asset management companies on behalf of mutual funds, Indian financial institutions and public sector banks) cannot participate in that portion of the Issue where allocation is discretionary. Further, the BRLM, Co-BRM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

Important: Persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control of persons resident outside India are not eligible to apply in this Issue.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws as specified in this Prospectus.

Investments by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under its scheme should own more than 10% of any company's paid-up capital carrying voting rights. Bidders may bid as per the limits prescribed above.

As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds:

The SEBI (Venture Capital Funds) Regulations, 1996 prescribed investments restriction on the venture capital funds registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI should not exceed 25% of Company's paid up capital. The aggregate holdings of venture capital funds registered with SEBI could, however, go up to 100% of the Company's paid-up Equity capital. Equity Shares allotted to venture capital funds through this Issue shall be locked in as per SEBI (Venture Capital Funds) Regulations, 1996.

The above information is given for the benefit of the Bidders. Our Company, the BRLMs and the Co-BRM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of 25 Equity Shares and in multiples of 25 Equity Shares thereafter, subject to maximum Bid Amount of Rs.50,000. In case the maximum Bid amount is more than Rs.50,000, then the same would be considered for allocation under the Non-Institutional Bidders category. In case of revision of Bids, the Retail Bidders have to ensure that the Bid Amount does not exceed Rs. 50,000. In case the Bid Amount is over Rs. 50,000 due to revision or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

For Other (Non-Institutional Bidders and QIBs) Bidders: The Bid must be for a minimum of such Equity Shares and in multiples of 25 Equity Shares such that the Bid Amount exceeds Rs. 50,000. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date. In case of revision of bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 50,000. In case the Bid Amount reduces to Rs. 50,000 or less due to a revision in Bids, the same would be considered for allocation under the Retail portion.

For Bidders in the Employee Reservation Portion: The Bid must be for a minimum of 25 Equity Shares and in multiples of 25 Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the Bidding Options not exceeding Rs. 50,000 may bid at "Cut-off".

Bidding Process

(a) Our Company will file the Prospectus with the RoC at least three days before the Bid/ Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Prospectus along with the Bid-cum-Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Bid-cum-Application Form can obtain the same from our registered office or from any of the BRLMs, Co Book Running Manager or Syndicate Members.

(d) Our Company, the BRLM and Co-BRM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi) and one Marathi newspaper. This advertisement shall contain the salient features of the Prospectus as specified under Form 2A of the Companies Act, the method and process of bidding and the names and addresses of the BRLMs and Co-BRM, and their bidding centres. The BRLMs, Co-BRM and Syndicate Members shall accept Bids from the Bidders during the Issue Period.

(e) Investors who are interested in subscribing for our Company's Equity Shares should approach any of the BRLMs or Co-BRM, or Syndicate Members or their authorised agent(s) to register their Bid.

(f) The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the Syndicate members. Bid-cum-Application Forms, which do not bear the stamp of the Syndicate members, will be rejected.

Bidding

(a) Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels")and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(b) The Bidder cannot bid on another Bid-cum-Application Form after his or her Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another Syndicate member will be treated as multiple bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids" on page 275.

(c) The Syndicate Members will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form. It is the responsibility of the Bidder to obtain the TRS from the Syndicate Member.

(d) Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment" on page no.274 of this Prospectus.

Bids at Different Price Levels

(a) The Price Band has been fixed at Rs.210 to Rs.250 per Equity Share of Rs.10/- each, Rs.210 being the Floor Price and Rs. 250 being the Cap Price. The Bidders can bid at any price with in the Price Band, in multiples of Re 1. In accordance with SEBI Guidelines, the Company in consultation with the BRLMs/Co-BRM can revise the Price Band by informing the Stock Exchanges, releasing a press release, disclosure on the website of the members of Syndicate, if any and notification on the terminal of the Syndicate members. In case of a revision in the Price Band, the Issue will be kept open for a period of three days after the revision of the Price Band, subject to the total Bidding Period not exceeding thirteen days. The Company in consultation with the BRLMs and Co-BRM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(b) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders and Employees may bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**

(c) Retail Individual Bidders and Employees who bid at the Cut-Off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Employees bidding at Cut-Off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the successful Retail Individual Bidders or Employees (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders or Employees shall receive the refund of the excess amounts from the Escrow Account.

(d) The Floor of the Price Band can move up or down to the extent of 20% of the Floor Price as disclosed in the Prospectus.

(e) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges.

(f) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 25 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 to Rs. 7,000.

(g) In case of an upward revision in the Price Band announced as above, Retail Bidders who had bid at Cut Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the Revised Price Band, with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 50,000, the Bid will be considered for allocation under the Non Institutional category in terms of this Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off.

(h) In case of a downward revision in the Price Band, announced as above, Retail Bidders who have bid at Cut Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

Escrow Mechanism

Escrow Account

Our Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received from Bidders would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of this Prospectus and an Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, the Registrar to the Issue and BRLMs, Co-BRM, Syndicate Members to facilitate collections from the Bidders.

Payment of refund, if any, to the Bidders shall also be made from the respective Escrow Account by the Escrow Collection Banks, as per the terms of the Escrow Agreement and this Prospectus.

Terms of Payment and Payment into the Escrow Collection Account

Each Bidder shall, with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (For further details, please refer to "Issue Procedure - Payment Instructions") and submit the same to the Syndicate member to whom the Bid is being submitted. Bid-cum-Application Forms accompanied by cash shall not be accepted. The maximum Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.

The Syndicate members shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds on the Designated Date, and no later than 15 days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders, Retail Individual Bidders and Employees would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 270 of this Prospectus and shall be uniform across all the Bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the Syndicate Members by the BRLMs and Co-BRM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date.

Electronic Registration of Bids

(a) The Syndicate members will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity to each city where the Bids are accepted.

(b) BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate members and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on an half-hourly basis. On the Bid/Issue Closing Date, the Syndicate Members shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centers. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period.

(d) At the time of registering each Bid, the Syndicate Members shall enter the following details of the investor in the on-line system:

Name of the investor (investors should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the demat account of the investor is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form).

- ☐ Investor Category such as Individual, Corporate, or Mutual Fund.
- ☐ Numbers of Equity Shares bid for
- ☐ Bid price
- ☐ Bid-cum-Application Form number
- ☐ Whether payment is made upon submission of Bid-cum-Application Form
- ☐ Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the Syndicate.** The registration of the Bid by the Syndicate member does not guarantee that the Equity Shares shall be allocated either by the Syndicate members or the Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) Consequently, the Syndicate member also has the right to accept the Bid or reject it without assigning any reason, in case of QIBs. In case of Non-Institutional Bidders, Retail Individual Bidders and Bids under the Employee Reservation Portion, Bids would not be rejected except on technical grounds listed in this section of this Prospectus.

(h) It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, BRLMs, Co-BRM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our promoters, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the Syndicate members shall be electronically transmitted to the BSE and NSE mainframe on half-hourly basis. Data would be uploaded on a half hourly basis.

b) The Price Band can be revised during the Bidding Period, in which case the Bidding Period shall be extended further for a period of three days, subject to the total Bidding Period not exceeding thirteen days. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in this Prospectus.

c) Any revision in the Price Band will be widely disseminated by informing the Stock Exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional newspaper (Marathi) and also indicating the change on the relevant websites and the terminals of the Syndicate members.

d) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which enclosed with the Bid-cum-Application Form.

e) Revisions can be made in both the desired number of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the Syndicate members.

f) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Syndicate member through whom he or she had placed the original Bid.

g) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Prospectus. In case of QIBs, the Syndicate members may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.

h) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the Bid.**

i) In case of discrepancy of data between BSE or NSE and the Syndicate members, the decision of the BRLMs, Co-BRM based on the records of BSE or NSE shall be final and binding to all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs, Co-BRM will analyse the demand generated at various price levels and discuss pricing strategy with us.

(b) Our Company in consultation with BRLMs and Co-BRM shall finalise the "Issue Price", the number of Equity Shares to be allotted and the allocation to successful QIB Bidders. The allocation will be decided based on the quality of the Bidder determined broadly by the size, price and time of the Bid.

(c) The allocation for QIBs for up to 60% of the Issue Size would be discretionary. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not more than 15% and not less than 25% of the Net Offer to the Public respectively would be on proportionate basis, in consultation with Designated Stock Exchange (BSE), subject to valid Bids being received at or above the Issue Price.

(d) Under subscription, if any, in Non-Institutional Bidders and/or Retail Individual Bidders categories would be allowed to be met with spillover from any of the other categories at the discretion of the Company and BRLMs/Co-BRM.

e) Any over subscription in QIB category will be allowed to meet the under-subscription in Non-Institutional Bidders and/or Retail Individual Bidders categories **at the sole discretion of the company BRLMs and Co-BRM.**

(f) Under-subscription, if any, in the reserved category for Employees will be added back to the Net Offer to the Public

(g) The BRLMs, Co-BRM in consultation with us, shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(h) **Our Company reserves the right to cancel the Issue any time after the Bid/Issue Closing Date but before allotment without assigning any reasons therefor**.

(i) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid Closing Date/Issue Closing Date.

(j) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) We, the BRLMs, Co-BRM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.

(b) After signing the Underwriting Agreement, we would update and file the updated Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note / Allotment Advice

(a) The BRLMs, Co-BRM or Registrar to the Issue shall send to the Syndicate members a list of their Bidders who have been allocated / allotted Equity Shares in this Issue.

(b) The BRLMs, Co-BRM or Syndicate Members would then send the CAN / Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN / Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Account of the Company at the time of bidding shall pay in full the amount payable into the Escrow Account of the Company by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account of the Company at the time of bidding shall directly receive the Allotment Advice from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Account. The despatch of a CAN / Allotment Advice shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

Designated Date and Transfer of Equity Shares

(a) After the funds are transferred from the Escrow Account of the Company to the Public Issue Account on the Designated Date, we would ensure allotment and transfer the Equity Shares to the allottees within two days of the finalisation of the basis of allotment.

(b) All allottee will receive credit for the Equity Shares directly in their depository account. **Equity Shares will be offered only in the dematerialised form to the allottees**. Allottees will have the option to re-materialise the Equity Shares so transferred, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

We would ensure the allotment of Equity Shares within 15 days of Bid Opening Date/Issue Closing Date and also ensure that credit is given to the allottees depository accounts within two working days from the date of allotment.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) Read all the instructions carefully and complete the Bid-cum-Application Form;

c) Enter correct details about DP and Beneficiary Account as no physical shares will be issued

d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a Syndicate member;

e) Ensure that you have been given a TRS for all your Bid options; and

f) Submit Revised Bids to the same member of the Syndicate through whom the Original Bid was placed and obtain a revised TRS.

g) Ensure that the Bid is only within the Price Band.

Dont's:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the Syndicate members;

(d) Do not pay the Bid amount in cash;

(e) Do not send Bid-cum-Application Forms by post; instead submit the same to a Syndicate member only;

(f) Do not Bid at cut off price (for QIBs and Non-Institutional Bidders);

(g) Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

(h) Do not submit Bid accompanied with Stockinvest.

(i) Do not Bid if you are a person resident outside India including FIIs, NRIs and companies in which there is majority ownership and control of persons resident outside India.

(j) Do not provide your GIR Number instead of your PAN.

Instructions for Completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLMs, Co Book Running Manager or Syndicate Members.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

a) Made only in the prescribed Bid-cum-Application Form or Revision Form.

b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.

c) The Bids from the Retail Individual Bidders must be for a minimum of 25 Equity Shares and in multiples of 25 thereafter subject to a maximum Bid amount of Rs.50,000.

d) For Non-institutional and QIB Bidders, Bids must be for such number of Equity Shares and in multiples of 25 Equity Shares such that the Bid Amount is more than Rs.50,000. Bids cannot be made for more than the Net Offer to the Public Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

e) For Employees, the Bid must be for a minimum of 25 Equity Shares and shall be in multiples of 25 Equity Shares thereafter.

f) In single name or in joint names (not more than three).

g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Employees

1. Employees should mention their Employee number at the relevant place in the Bid cum Application Form.
2. The sole/first Bidder should be an Employee. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and in the same sequence in which they appear in the Bid cum Application Form.
3. Only Employees on the rolls of the Company as on the one day prior to the Bid Opening Date/Issue Opening Date will be eligible to apply in this Issue under reservation for Employees on a competitive basis.
4. Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allotment under this category.
5. If the aggregate demand in this category is less than or equal to 200,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Any under subscription in Equity Shares reserved for Employees would be treated as part of the Net Offer to the Public and Allotment in accordance with the description in "**Basis of Allocation**" as described in page 413 of this Prospectus.
6. If the aggregate demand in this category is greater than 200,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis subject to a minimum of 25 Equity Shares. For the method of proportionate basis of allocation, refer to para "**Basis of Allocation**" on page 413 of this Prospectus.
7. Bidding at Cut-off is allowed only for Employees whose Bid Amount is less than or equal to Rs 50,000.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders' bank account details. These Bank Account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders' sole risk.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form. These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/ Allocation Advice and printing of Bank particulars on the refund order and the Demographic Details given by Bidders in the Bid-cum-application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorise the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records. Refund Orders/Allocation Advice/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a Power of Attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by Insurance Companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs.250 million and pension funds with minimum corpus of Rs.250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Bid-cum-Application form, subject to such terms that we may deem fit.

Payment Instructions

The Company shall open an Escrow Account(s) with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account:

(i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid-cum-Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate members.

(ii) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate members by the BRLMs and Co Book Running Manager.

(iii) The payment instruments for payment into the Escrow Account should be drawn in favour of **"Escrow Account – Shoppers Stop Ltd. Public Issue"**

(iv) Payments should be made by cheque or demand draft drawn on any bank, which is situated at, and is a member of sub member of the bankers' clearing house located at the center where the Bid cum Application form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(v) Where a Bidder has been allotted a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allotted, will be refunded to the Bidder from the Escrow Account.

(vi) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated date.

(vii) On or after the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

(viii) No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allotment to the Bidders

Payment by Stockinvest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn.

Applications accompanied by cash / stock invest / money order / postal order will not be accepted.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. Syndicate Member may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the Syndicate members will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

We reserve the right to reject, in our absolute discretion to accept or reject, all or any multiple Bids in any or all categories. Applications made by any employee under the Net Offer and the Employee Reservation category will not be treated as multiple Bids

We reserve the right to reject, in our absolute discretion to accept or reject, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of an Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form

60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

Our Right to Reject Bids

We and the members of the Syndicate reserve the right to reject any Bid without assigning any reason therefore in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, we and the BRLMs/Co-BRM have a right to reject bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on among others on the following technical grounds:

1. Amount paid doesn't tally with the highest number of Equity Shares bid for;
2. Age of First Bidder not given;
3. Bid by minor;
4. PAN or GIR Number not given if Bid is for Rs. 50,000 or more;
5. Bids for lower number of Equity Shares than specified for that category of investors;
6. Bids at a price less than lower end of the Price Band;
7. Bids at a price more than the higher end of the Price Band;
8. Bids at cut-off price by Non-Institutional and QIB Bidders;
9. Bids for number of Equity Shares that are not in multiples of 25;
10. Category not ticked;
11. Multiple bids;
12. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
13. Bids accompanied by cash / stock invest / money order / postal order;
14. Signature of sole and / or joint Bidders missing;
15. Bid-cum-Application Form does not have the stamp of the BRLMs, Co Book Running Manager or Syndicate Members;
16. Bid-cum-Application Form does not have Bidder's depository account details;
17. Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Prospectus and as per the instructions in this Prospectus and the Bid-cum-Application Form;
18. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations.
19. Bids by OCBs;
20. Bids by persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India
21. In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), depository participant identification number and beneficiary account number
22. PAN Number not given if Bid is for Rs. 50,000 or more and GIR number given instead of PAN number;

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be transferred only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed between our Company and the Depositories:

a) an agreement dated June 12, 2000 with NSDL, Karvy Computershare Limited (Registrar) and us.

b) an agreement dated December 17, 2004 with CDSL, Karvy Computershare Limited (Registrar) and us.

All Bidders can seek allotment only in dematerialised mode. Bids from any investor without details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.

c) Equity shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

e) If incomplete or incorrect details are given under the heading 'Request for Equity Shares in electronic form' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.

g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares of our Company would be in dematerialised form only for all investors.

i) Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to this Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, number of Equity Shares applied for, date, bank and branch where the Bid was submitted and cheque, draft number and issuing bank thereof.

Despatch of Refund Orders

Our Company shall ensure despatch of refund orders of value over Rs.1,500 by registered post or speed post only and adequate funds for the purpose shall be made available to the Registrar to the Issue by us.

Refund orders shall be payable at par at all centers where bidding terminals was set-up to receive bids from Bidders.

Undertaking by the Company

The Company undertake as follows:

- that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- that the funds required for despatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Company;
- that no further issue of Equity Shares shall be made till the Equity Shares issued through this Prospectus are listed or until the bid monies are refunded on account of non-listing, under-subscription etc.
- that the promoters contribution in full, shall be brought in advance before the Bid/Issue opening date.

Utilisation of Issue proceeds

The Board of Directors of the Company certify that:

(a) all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

(b) details of all monies utilised out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such unutilised monies have been invested; and

(c) details of all unutilised monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Company will not have recourse to the Issue Proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Procedure and Time Schedule for Transfer of Equity Shares and **Disposal of Applications and Application Money**

We shall ensure dispatch of allotment advice or refund orders and give benefit to the beneficiary account of investors with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of date of finalisation of allotment of Equity Shares. We shall dispatch refund orders, if any, of value up to Rs.1,500, "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by Registered Post or Speed Post at the sole or First Bidder's sole risk. Refund orders of a value of less than Rs.1,500 shall be dispatched under certificate of posting.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for allotment and trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we further undertake that:

- ☐ we will allot Equity Shares only in dematerialised form within 15 days of the Bid/Issue Closing Date;
- ☐ we will ensure despatch of refund orders within 15 days of the Bid/Issue Closing Date would be ensured; and
- ☐ **in Case of Delay in Despatch of allotment letters / refund orders, we** shall pay interest at 15% per annum (for any delay beyond the 15-day time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15-day time prescribed above.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by the us as a refund banker and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the Syndicate members will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Interest on Refund of excess Bid Amount

The Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No.F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Rectification of Register of Members

The Company, under Section 111A of the Act will have the right to rectify the register of members to comply with the Act.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in shares and convertible debentures of an Indian company is regulated through the foreign direct investment policy of the Government of India ("FDI Policy") and by the Reserve Bank of India ("**RBI**") as per the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and rules, regulations and guidelines there under. While the FDI Policy lays down the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA, alongwith rules, regulations and guidelines there under, regulates the precise manner in which such investment may be made. Under the FDI Policy, unless specifically restricted, foreign direct investment is freely permitted in all sectors of Indian economy and without any prior approvals, but persons resident outside India is required to follow certain prescribed procedures for making such investment. In the event an approval of the Government of India is required, the same may be obtained through the Foreign Investment Promotion Board ("FIPB"), Ministry of Finance. In addition, persons resident outside India may also require an approval of the RBI.

Any form of foreign direct investment is at present not allowed in the retail sector in India. In keeping with the conditions mentioned as contained in Industrial Policy 1991 issued by the Central Government and FEMA above we are not issuing or allotting any Equity Shares under this Issue to persons resident outside India including FIIs, NRIs and companies in which there is majority ownership and control by persons resident outside India.

For further details, please refer to the section titled "Issue Procedure - Who Can Bid" on page no.271 of this Prospectus.

The above information is given for the benefit of the Bidders and neither the Company nor BRLMs/Co Book Running Manager are liable for any modifications that may happen after the date of this Prospectus.

BASIS OF ISSUE PRICE

We will determine the Issue price in consultation with BRLMs/ Co-BRM on the basis of assessment of market demand by way of Book Building for the Equity Shares to be issued.

Qualitative Factors

- We are one of India's leading retailers operating a chain of 16 Department Stores across the country. We have been pioneers in setting up a chain of large format departmental stores in India. We believe that various initiatives taken by us have played a key role in enhancing the standards of retail in the country. Our focus on bringing in the International best practices into our retail operations, and providing the customer with a unique shopping experience has helped us to become one of the industry leaders.

- **Experienced professional management team**

  We have an experienced professional management team led by Mr. B S Nagesh, who is one of the leading professionals in the retail sector in the country. Our EXCOM consists of 6 professionals and is supported by a team of professional with relevant domain expertise and retail oriented functional specializations from FMCG and service industry background with professional qualification in their respective fields.

- **Strong focus on systems and processes**

  We have a strong focus on systems and processes. We have been able to capture our learnings over the years and use them to create Standard Operating Procedures ('SOPs') for each of our activities, right from planning and setting up of new stores to their day to day operations.

- **Extensive use of Information Technology (IT) systems**

  We have deployed state of the art international IT systems for retail operations across our business processes and operations. Most of our processes are linked, online, and utilize some of the leading technologies available to deliver overall control and efficiency. Our IT systems help us not only to monitor customer purchase patterns, but also allows our organization to quickly respond to it by facilitating decision making and providing us the tools to adjust our operational strategy accordingly. Our systems also facilitate us to conduct our business efficiently by helping us optimize our resources including our store space, inventory, manpower and overall capital deployed in our business.

- **Strong distribution and logistics network and supply chain**

  We have created a strong distribution and logistics network, with our four Distribution Centres covering 82,000 sq ft, handling over 260,000 SKUs per year, and working 24x7. We believe our existing Distribution Centres, which have been designed to scale up, will be able to meet our growth requirements as we expand the number of our stores.

- **Vast range of lifestyle products and services**

  Our merchandise ranges across apparel, accessories, perfumes, cosmetics, home & kitchen products with over 260,000 SKUs, which are complemented by our services offerings. We offer our customers a variety of national and international brands as well as our in-store brands (private labels) under one roof. .

- **Internationally benchmarked shopping environment**

  We believe our focus on providing our customer a globally benchmarked shopping environment with the best in class service has been instrumental in our success. We engage international designers such as Kingsmen Projects Pte Ltd (Singapore) and JHP Design Limited (UK) to design our stores, sourcing the fixtures in domestic as well as international markets. We periodically provide our managers international department store exposure through IGDS to be able to capture and implement best practices in our operations.

- **Strong understanding of the real estate business**

  We benefit from our promoters association with the real estate business and their relationships with developers, which has helped us in having preferred properties at competitive rates. We enjoy Anchor Tenant status in most of the malls that we are presently located in due to our high brand awareness and trust, ability to draw a large number of customers and occupy a significant space in the mall. As Anchor Tenants, we occupy a prime location in the malls on terms we believe favorable to us as compared to the other occupants.

- **Large base of loyal customers**

  We had 12.21 mn customer entries in our stores in the year ended March 31, 2004. We believe that the emotional connect that we have been able to create with our customers through our service offering and special promotions has helped us convert many of them into loyal customers. We had 410,673 members of our loyalty programme as on March 15, 2005. First Citizens contributed to about half of our Retail Sales in FY 2004.

Quantitative Factors

- Adjusted Earning Per Equity Share

Year	Earning per Equity Share of faceValue Of Rs.10/- each	Weight
FY 2002	0.27	1
FY 2003	3.46	2
FY2004	4.48	3
Weighted average	3.44	

b) *The Earning per Equity Share has been computed on the basis of adjusted Profits & Losses for the respective years/ periods after considering the impact of accounting changes and prior period adjustments /regroupings pertaining to earlier years.*

c) *The denominator considered for the purpose of calculating earning per share is the weighted average number of Equity Shares outstanding during the period*

❖ **Price/earning ratio in relation to issue price of Rs. 238**

a) *EPS based on FY 2004* and for the period ended November 30, 2004 *financials is Rs* 4.48 is Rs. 4.04 respectively

b) *P/E based on FY 2004 financials is 53.125*

c) Industry P/E

As there is no separate classification of Retail sector as an Industry, benchmark comparable Industry P/E is not available. ** would be calculated after discovery of price through book Building*

Average Return on Net Worth

Sr. No.	Year ended	%	Weight
1	March 31, 2002	1.26	1
2	March 31, 2003	13.93	2
3	March 31, 2004	15.59	3
	Weighted average	12.65	

1) The average return on net worth has been computed on the basis of adjusted profits & Losses for the respective year/ period after considering the impact of accounting policy changes and prior period adjustments/regrouping pertaining to earlier years.

❖ **Minimum Return on Increased Net Worth required to maintain Pre-Issue EPS is 6.34%**

❖ **Net Asset Value per Equity share as at March 31, 2004 and for 8 months ended November 30, 2004 is Rs 28.74 and Rs. 32.81 respectively.**

Net Asset Value per Equity Share represents shareholders equity less miscellaneous expenses as divided by weighted average number of Equity Shares.

❖ **Net Asset Value per Equity Share after Issue**

The net asset value per Equity Share after the Issue is 71.41

Issue price per Equity Share: Rs. 238

Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

❖ **Comparison of Accounting Ratios with Peers;**

As there is no separate classification of Retail sector as an Industry, benchmark comparable Industry P/E is not available. However, comparable ratios for the companies which are to some extent similar in business, are as given below:

Parameter	Shopper's Stop		Pantaloon Retail*	Trent
	8 months ended Novemer 30, 2004	Year ended 31 March 2004		
EPS (Rs)	4.04	4.48	9.2*	10.1
Book Value (Rs)	32.81	28.74	78.8*	157.8
Return on Net Worth	12.3	15.59	14.1	7.0
P/E Multiple	58.91	53.125	66.1	67.0

* For the year ended June 30, 2004

(Data based on trailing twelve months)

(Source: Capital Market, Issue-Vol XX/01 / March 14-27, 2005)

Issue Price of Rs. 238 *has been determined by the Company in consultation with BRLMs, Co-BRM and on the basis of assessment of market demand for the Equity Shares by way of Book Building and is justified on the basis of the above factors.*

SECTION VI: LEGAL AND REGULATORY INFORMATION

REGULATIONS AND POLICIES

The Government of India has over the years formulated various legislations, which apply to companies engaged in the business of retail and establishing retails stores in India.

TRADE REGULATIONS

Under the provisions of various Central Government and State Government statutes / legislation each of our department stores are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily to operate our department stores.

Our Company currently has 16 department stores situated in various cities in India and therefore are regulated by legislation enacted by various State Governments.

Pursuant to the applicable laws in force in various states in India in which our department stores are situated each of our department stores require material registrations / licenses/ consents / permissions under the statutes listed out below. The statutes/ legislation list set out below is by way of illustration and is not exhaustive.

- The Bombay Shops and Establishment Act 1948
- The Karnataka Shops and Commercial Establishments Act 1951
- The A.P. Shops and Establishment Act 1988
- The Andhra Pradesh Factories and Establishments (National, Festival and other Holidays) Act 1974
- The Rajasthan Shops and Commercial Establishments Act 1958
- The Delhi Shops and Establishment Act 1954
- The Tamil Nadu Shops and Establishment Act 1947
- The Punjab Shops and Commercial Establishments Act 1958
- The West Bengal Shops and Establishment Act 1963
- The Mumbai Municipal Corporation Act 1888
- The Karnataka Municipal Corporation Act 1976
- The H.M.C Act 1955
- The New Delhi Municipal Council Act 1994
- The Chennai City Corporation Licensing of Hoardings and Levy and Collection of Advertisement Tax Rules 2003
- The Tamil Nadu Fire Services Act 1985
- The Tamil Nadu Industrial Establishments (National and Festival Holidays) Act 1958
- The CMC Act 1980; and
- Various other statutes.

Our stores also require a license for live musical performances and for playing music in the stores under the provisions of the Copyright Act 1957.

Our brand names are also required to be registered under the Trademarks Act 1999.

In addition to the above our Company is also required to comply with the provisions of the Companies Act, the Foreign Exchange Management Act 1999, the Income Tax Act 1961, various sales tax and customs and excise related legislations/ statutes and the rules issued from time to time there under to the extent applicable.

Our Company engages for each of our stores the services of various contractors who in turn employ contract labour who provide inter alia gift wrapping, security, housekeeping, maintenance, alteration, valet services at various department stores of our Company. Hence our Company is also regulated by the provisions of the Labour (Regulation & Abolition) Act 1970 and other State Government legislations to the extent applicable.

For details of the above-mentioned licenses/ registrations see the section titled 'Government Approvals' in this Red Herring Prospectus.

FOREIGN INVESTMENT REGULATIONS

An industrial policy was formulated in 1991 (the 'Industrial Policy 1991') in order to implement the economic reforms initiated by the GoI. The GoI has since amended the Industrial Policy 1991 from time to time in order to enable foreign direct investment in various sectors of the Indian industry in a phased manner, gradually allowing higher levels of foreign participation in Indian companies. However as per the current Central Government policy on foreign direct investment, foreign direct investment in Indian companies carrying on business in the Indian retail trading sector is prohibited.

FISCAL REGULATIONS

In accordance with the I.T. Act any income earned by way of profits by a company incorporated in India is subject to tax levied on it in accordance with the tax rate declared as part of the annual budget passed by the Parliament.

Our Company like other companies avails of certain benefits available under the I.T. Act. For details of the tax benefits see 'Statement of Tax Benefits' on page 227 of this Red Herring Prospectus.

Further the import of some of the merchandise stocked at our stores involves the levy and payment of customs duty in accordance with prevalent rates prescribed in the Customs and Excise Act 1962 and the Central Excise Act 1944 and rules and notifications issued there under from time to time and obtaining a license under the provisions of the Export Import Policy 2002-2007.

Value Added Tax (VAT)

In terms of the policies enumerated in the Central Government's proposed budget for the current fiscal year implementation of VAT is scheduled to be completed within this fiscal year. VAT levy will be administered by the Value Added Tax Act and the rules made there-under. It will replace the present levy of sales tax. Under the current single-point system of tax levy, the manufacturer or importer of goods into a State is liable to sales tax. There is no sales tax on the further distribution channel. VAT, is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax - that is, the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax.

OUTSTANDING LITIGATIONS

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, Directors (excluding Promoter Directors) or our Subsidiaries , there are no defaults, instances of non payment of statutory dues, overdues to banks/financial institutions, defaults to banks/financial institutions, defaults in dues payable to holders of any debenture, bonds, fixed deposits and arrears on preference shares issued by our Company or our Subsidiaries, defaults in creation of full security as per terms of issue /other liabilities, proceedings initiated for economic/civil/ criminal any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) and (b) of Part I of Schedule XIII of the Companies Act) that would result in a material adverse effect on our business, finances or our operations.

Further, as regards our Promoter Directors, Promoters, and K. Raheja Corp Group Entities, except as described below, there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities in which our Promoter Directors, Promoters and K. Raheja Corp Group Entities are involved as Parties and have been served with the requisite notices, there are no defaults, instances of non payment of statutory dues, overdues to banks/financial institutions, defaults to banks/financial institutions, defaults in dues payable to holders of any debenture, bonds, fixed deposits and arrears on preference shares issued by the Promoters and the K. Raheja Corp Group Entities, defaults in creation of full security as per terms of issue /other liabilities, proceedings initiated for economic/civil/ criminal any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) and (b) of Part I of Schedule XIII of the Companies Act) that would adversely effect our business, finances or our operations.

Further, as regards the Southern Undivided Entities, the Mumbai Undivided Entities and the Residual Entities, except as described below, and subject to the qualifications set out below in respect of each of them there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities there are no defaults, instances of non payment of statutory dues, overdues to banks/financial institutions, defaults to banks/financial institutions, defaults in dues payable to holders of any debenture, bonds, fixed deposits and arrears on preference shares issued by them, defaults in creation of full security as per terms of issue /other liabilities, proceedings initiated for economic/civil/ criminal any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) and (b) of Part I of Schedule XIII of the Companies Act) that would adversely effect our business, finances or our operations.

However there are a number of disputes between some of our Promoters and the G.L. Raheja family and it is possible that the G.L. Raheja family may hold a different view on the matters relating to the Mumbai Undivided Entities disclosed in this chapter.

The disclosures in relation to the Southern Undivided Entities are based on:

(i) information which has been brought to the knowledge of our Promoters by the other family members; and/or

(ii) information which our Promoters are aware of and/or the relevant papers are available with them; and/or

(iii) information which our Promoters are aware of as a result of matters where our Promoters are involved and/or have been served with the requisite notices and/or proceedings;

The disclosures in relation to the Mumbai Undivided Entities are based on:

(i) information which our Promoters are aware of and /or the relevant papers are available with them; and/or

(ii) information which our Promoters are aware of as a result of matters where our Promoters are involved and/or have been served with the requisite notices and/or proceedings;

The disclosures in relation to the Residual Entities are based on:

(i) information which has been brought to the knowledge of our Promoters by the respective managements of the Residual entities; and/or

(ii) information which our Promoters are aware of as shareholders and/or as partners and/or as directors of the Residual Entities; and/or

(iii) information which our Promoters are aware of as a result of matters where our Promoters are involved and/or have been served with the requisite notices and/or proceedings.

I <u>Litigation By and /or Against the Company</u>

A. Pending Arbitration Proceedings

B. Litigation Pending - FEMA

C. Litigation Pending – Income Tax

D. Litigation Pending - Sales Tax/ Luxury Tax

E. Litigation Pending - Customs and Excise Gold Control Appellate Tribunal ('CEGAT')

F. Litigation Pending - Money Recovery and Other Civil Suits

G. Litigation Pending – Labour, Employees and Trade Unions

H. Bank / Financial Institution Defaults

I. Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits

J. Disciplinary action taken by SEBI / Stock Exchanges against the Company

K. Prosecution with regard to enactments under Schedule XIII of the Companies Act which are likely to affect operations and finances of the Company

L. Potential Litigation

M. Litigation pending under the Consumer Protection Act 1986

II <u>Litigation by and /or against our Directors</u>

III <u>Litigation by and /or against our Promoters</u>

A. Pending Arbitration Proceedings

B. Litigation Pending – FEMA

C. Litigation Pending – Income Tax

D. Litigation Pending - Sales Tax/ Luxury Tax

E. Litigation Pending - Customs and Excise Gold Control Appellate Tribunal ('CEGAT')

F. Litigation Pending - Money Recovery and Other Civil Suits

G. Economic / criminal / civil offences by Promoters, companies and firms promoted by the Promoters and past cases in which penalties were imposed by the concerned authorities

H. Litigation Pending – Labour, Employees and Trade Unions

I. Bank / Financial Institution Defaults

J. Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits

K. Disciplinary action taken by SEBI / Stock Exchanges against the Promoters/ business ventures of the Promoters

L. Arrears on cumulative preference shares by Promoters and/or companies /firms promoted by the Promoters

M. Pending Litigations of companies/firms/ventures with which Promoters were associated in the past in case their names continue to be associated with the particular litigations

N. Potential Litigation

O. Miscellaneous

IV <u>Litigation by and /or against the K Raheja Corp Group entities</u>

A. Pending Arbitration Proceedings

B. Litigation Pending – FEMA

C. Litigation Pending – Income Tax

D. Litigation Pending - Sales Tax/ Luxury Tax

E. Litigation Pending - Customs and Excise Gold Control Appellate Tribunal ('CEGAT')

F. Litigation Pending - Money Recovery and Other Civil Suits

G. Economic / criminal / civil offences by the K Raheja Corp Group entities and past cases in which penalties were imposed by the concerned authorities.

H. Litigation Pending – Labour, Employees and Trade Unions

I. Bank / Financial Institution Defaults

J. Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits

K. Disciplinary action taken by SEBI / Stock Exchanges against the K Raheja Corp Group entities

L. Arrears on cumulative preference shares by the K Raheja Corp Group/entities promoted by the K Raheja Corp Group entities

M. Pending Litigations of companies/firms/ventures with which the K Raheja Corp Group entities were associated in the past in case their names continue to be associated with the particular litigations

N. Potential Litigation

V Litigation by and /or against the Southern Undivided Entities

A. Pending Arbitration Proceedings

B. Litigation Pending – FEMA

C. Litigation Pending – Income Tax

D. Litigation Pending - Sales Tax/ Luxury Tax

E. Litigation Pending - Customs and Excise Gold Control Appellate Tribunal ('CEGAT')

F. Litigation Pending - Money Recovery and Other Civil Suits

G. Economic / criminal / civil offences by the Southern Undivided Entities promoted by the Southern Undivided Entities and past cases in which penalties were imposed by the concerned authorities

H. Litigation Pending – Labour, Employees and Trade Unions

I. Bank / Financial Institution Defaults

J. Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits

K. Disciplinary action taken by SEBI / Stock Exchanges against the Southern Undivided Entities / business ventures of the Southern Undivided Entities

L. Arrears on cumulative preference shares by the Southern Undivided Entities and/or companies /firms promoted by the Southern Undivided Entities

M. Pending Litigations of companies/firms/ventures with which the Southern Undivided Entities were associated in the past in case their names continue to be associated with the particular litigations

N. Potential Litigation

VI Litigation by and /or against Mumbai Undivided Entities

A. Pending Arbitration Proceedings

B. Litigation Pending – FEMA

C. Litigation Pending – Income Tax

D. Litigation Pending - Sales Tax/ Luxury Tax

E. Litigation Pending - Customs and Excise Gold Control Appellate Tribunal ('CEGAT')

F. Litigation Pending - Money Recovery and Other Civil Suits

G. Economic / criminal / civil offences by the Mumbai Undivided Entities promoted by the Mumbai Undivided Entities and past cases in which penalties were imposed by the concerned authorities

H. Litigation Pending – Labour, Employees and Trade Unions

I. Bank / Financial Institution Defaults

J. Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits

K. Disciplinary action taken by SEBI / Stock Exchanges against the Mumbai Undivided Entities / business ventures of the Mumbai Undivided Entities

L. Arrears on cumulative preference shares by the Mumbai Undivided Entities and/or companies /firms promoted by the Mumbai Undivided Entities

M. Pending Litigations of companies/firms/ventures with which the Mumbai Undivided Entities were associated in the past in case their names continue to be associated with the particular litigations

N. Potential Litigation

VII Litigation by and /or against Residual Entities

A. Pending Arbitration Proceedings

B. Litigation Pending – FEMA

C. Litigation Pending – Income Tax

D. Litigation Pending - Sales Tax/ Luxury Tax

E. Litigation Pending - Customs and Excise Gold Control Appellate Tribunal ('CEGAT')

F. Litigation Pending - Money Recovery and Other Civil Suits

G. Economic / criminal / civil offences by ventures in which K Raheja Corp Group (C. L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest promoted by them and past cases in which penalties were imposed by the concerned authorities

H. Litigation Pending – Labour, Employees and Trade Unions

I. Bank / Financial Institution Defaults

J. Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits

K. Disciplinary action taken by SEBI / Stock Exchanges against the ventures in which K Raheja Corp Group (C. L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest

L. Arrears on cumulative preference shares by ventures in which K Raheja Corp Group (C. L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest promoted by them

M. Pending Litigations of companies/firms/ventures with which such entities were associated in the past in case their names continue to be associated with the particular litigations

N. Potential Litigation

VIII Litigation by and /or against our Subsidiaries

IX Outstanding due to Small Scale Industries and other creditors

LITIGATION BY AND /OR AGAINST THE COMPANY

By the Company

A) **Pending Arbitration Proceedings**

There are none

B) **Litigation Pending - FEMA**

There are none

C) **Litigation Pending - Income Tax**

There are none

D) **Litigation Pending - Sales Tax/ Luxury Tax**

There are none

E) **Litigation Pending - Customs and Excise Gold Control Appellate Tribunal ('CEGAT')**

There are none

F) **Litigation Pending - Money Recovery and Other Civil Suits**

Litigation before the Hon'ble Supreme Court

The Company and one of its Promoters have preferred two separate special leave petitions being SLP (C) No. D9265 / 2005 and SLP (C) No. CC5275 / 2005 respectively before the Hon'ble Supreme Court against the order dated April 26, 2005 passed by the Shillong Bench of the Hon'ble High Court of Gauhati. The Hon'ble Supreme Court vide its common order dated April 27, 2005 passed in the said two special leave petitions stated that the ends of justice would be met only by staying the impugned order dated April 26, 2005 passed by Shillong Bench of the Gauhati High Court and accordingly stayed the said impugned order. The Hon'ble Supreme Court has further directed that until further orders no other court or authority shall make any interim ex-parte orders in the subject matter.

Transfer Petition - The Company has filed a transfer petition before the Hon'ble Supreme Court of India, whereby the Company has interalia prayed for transfer of the following proceedings all of which are in connection with the IPO, to the Hon'ble High Court at Mumbai on the grounds more particularly set out therein:-

a) PIL No.4(SH) of 2005 titled as North East Investors Association vs Union of India and others pending before the Hon'ble Gauhati High Court, Shillong Bench.

b) AST No. 408 of 2005 titled as Burra Bazaar Investor Welfare Association 2003 and Others vs. Union of India and others, Calcutta pending before the Hon'ble High Court at Calcutta.

c) Any other proceeding in connection with the IPO, whether by way of writ petition or otherwise that may have been or will be filed in any court in India.

The said transfer petition is pending registration / numbering by the Supreme Court Registry.

G) **Litigation Pending - Labur, Employees and Trade Unions**

There are none

H) **Bank / Financial Institution Defaults**

There are none

I) **Non Payment of Statutory Dues and/or Dues Towards Instrument Holders Such As Debenture Holders, Fixed Deposits**

There are none

J) **Disciplinary Action Taken By SEBI / Stock Exchanges Against The Company**

There are none

K) **Prosecution with regard to enactments under Schedule XIII of the Companies Act which are likely to affect operations and finances of the Company**

There are none

L) **Potential Litigation**

The trademark 'LIFE' was registered in the name of Shopper's Stop as per certificate of registration dated January 27, 2004. Shopper's Stop has filed a notice of opposition No.156884, pursuant to the provisions of the Trademarks Act, 1999 and rules issued thereunder. against Application No.687510 in class 25 filed by Balraj Rupani and Ghanshyam Das Rupan, Kanpur for registration of trademark . This may give rise to prospective litigation.

M) **Litigation Pending under the Consumer Protection Act 1986**

There are none

Against The Company

A) **Pending Arbitration Proceedings**

There are none

B) **Litigation Pending – FEMA**

There are none

C) **Litigation Pending – Income Tax**

There are none

D) **Litigation Pending – Sales Tax /Luxury Tax**

Shopper's Stop New Delhi store was reassessed for sales tax assessment for the year 2000-01 to 2001-02 under section 23(3) of the Delhi Sales Tax Act, 1957. The assessing authority disallowed the sales of tax-free sarees (currently classified as fabric) and raised a demand of Rs. 917,734/-on the classification issue stating that these sarees are not 'fabric' but are 'readymade garments'. The Company further filed an appeal on September 26, 2003 against the demand and paid Rs.57,500/- against the stay. Currently the matter is in appeal with the Deputy Commissioner of Sales Tax (Appeals), Range IV, Delhi.

E) **Litigation Pending –Customs and Excise Gold Control Appellate Tribunal ('CEGAT')**

There are none

F) **Litigation Pending- Money Recovery and other Civil Suits**

Litigation before Shillong Bench of the Hon'ble High Court of Gauhati

A public interest litigation being PIL No. 4 (SH) of 2005 has been filed before the Shillong Bench of the Hon'ble High Court of Gauhati by one North East Investor Forum on April 26, 2005, i.e. one day before the IPO was to commence, against (1) Union of India (2) SEBI and (3) the Company, wherein the said forum has inter alia prayed for appropriate writs to be issued for staying the IPO of the Company and for ad-interim and interim reliefs in that regard, on inter alia the following allegations that :

· the Company has not fully disclosed in the RHP that the directors of the Company are disqualified from continuing as directors of the Company by virtue of Section 274(1)(g) of the Companies Act, 1956, [they being directors of certain public companies which have failed to file their Annual Returns and Annual Reports for three consecutive years] ; and

· the Company and its Promoters have made misleading statements/ misrepresentations in the RHP.

Upon the said forum applying for interim reliefs in the matter, the Hon'ble High Court passed an exparte order dated April 26, 2005 restraining SEBI from opening the public Issue as per the RHP and directed that the matter be listed the next day, i.e. on April 27, 2005 before the Division Bench.

The matter was taken up for hearing on April 27, 2005 before the Learned Shillong Bench. While the hearing of the matter was in progress on the said date, the counsel appearing for the Company submitted that he had received a message over phone that against the order dated April 26, 2005 passed by the Learned Bench the previous day, an appeal had been filed in the Apex Court i.e. the Hon'ble Supreme Court and that the Apex Court had stayed the order. The learned Bench accordingly passed an order dated April 27, 2005 recording the aforesaid submission made by the Counsel appearing for the Company and stated therein that since the matter had been stayed by the Apex Court, the Bench was of the opinion that no further order was required to be passed by the Bench. It was directed by the learned Bench in its order that the case be listed after the matter is decided by the Apex Court.

Litigation before the Hon'ble Supreme Court

The Company and one of its Promoters have preferred two separate special leave petitions being SLP (C) No. D9265 / 2005 and SLP (C) No. CC5275 / 2005 respectively before the Hon'ble Supreme Court against the order dated April 26, 2005 passed by the Shillong Bench of the Hon'ble High Court of Gauhati. For more details please refer to the section titled "Outstanding Litigations- Litigation By and/or Against The Company - By The Company-Litigation Pending - Money Recovery and Other Civil Suits".

Litigation before the Hon'ble High Court at Calcutta

A Writ Petition being Writ Petition No. AST 408/2005 appears to have been filed before the High Court at Calcutta by one Burrabazar Investor Welfare Association-2003 against SEBI, the Company and the merchant bankers to the Issue. No copies of the proceedings and/or any interim, ad-interim orders if any passed in the matter have been served upon the Company in this regard.

Transfer Petition - The Company has filed a transfer petition before the Hon'ble Supreme Court of India, whereby the Company has interalia prayed for transfer of the above proceedings all of which are in connection with the IPO. For more details please refer to the section titled "Outstanding Litigations- Litigation By and/or Against The Company - By The Company-Litigation Pending - Money Recovery and Other Civil Suits".

G) **Litigation Pending- Labour, Employees and Trade Unions**

Additional Labour Court, Bangalore

Industrial Dispute No 86 of 2000.

S. Sampath v/s Management of Shopper's Stop Ltd.

S. Sampath Kumar has filed a suit at the Additional Labour Court, Bangalore for illegal termination of his services as a tailor from the establishment. The case is pending for hearing. Advocate Dr.N.R. Kumara Swamy by his letter dated April 14, 2004 had informed Shoppers Stop, Magrath Road, Bangalore that the case was posted to June 1, 2004 for recording Shoppers Stop's evidence. The matter has now been adjourned to April 28, 2005.

H) **Bank / Financial Institution Defaults**

There are none

I) **Non Payment of Statutory Dues and/or Dues Towards Instrument Holders Such As Debenture Holders, Fixed Deposits**

There are none

J) **Disciplinary Action Taken by SEBI / Stock Exchanges Against The Company**

There are none

K) **Prosecution With Regard To Enactments Under Schedule XIII of the Companies Act Which Are Likely To Affect Operations And Finances of the Company**

There are none

L) **Potential Litigation**

- Shopper's Stop had conducted a public relation exercise under the caption "the Seven Wonders of the World" from October 19, 2001 to January 27, 2002, where in artists masquerading as famous personalities were brought to perform for the benefit of the public. Mr. Lyndall Grant, of USA a professional celebrity impersonator, impersonating as Arnold Schwazenneger has alleged that Shopper's Stop has defrauded him on the terms of his contract. The contract of the artist, Mr. Lyndall Grant, was with the event management group Brilliant Entertainment Network, and Shopper's Stop was not a party to the contract/ discussions with any of the artists. Brilliant Entertainment Network is addressing the concerns raised by Lyndall Grant as the contract is between them. Shopper's Stop is not a party to the agreement.
- We face the risk of legal proceedings and claims being brought against us by our customers or by any consumers visiting our stores for any defective product sold or any deficiency in our services to them. Also, since we have a large number of customers / consumers visiting our stores daily, we could face lawsuits or claims should our customers or such consumers, due to any unforeseen incident such as fire, accident etc in our stores, suffer any financial loss or any other damage. This may result in liabilities and financial claims for our Company as well as loss of business and reputation.

- The Company operates a store in Bangalore at premises situated at Shoolay Tank Bed Area, No. 17/2, Ashok Nagar, Magarath Road, Bangalore – 560 025. The premises on which the said store has been set up have been taken by the Company on a conducting basis from one of the Promoter companies, viz. Ivory Properties and Hotels Private Limited. Ivory Properties and Hotels Private Limited in its turn was a lessee holding the property under a sub-lease from K. Raheja Hotels and Estates Private Limited (which entity is a part of the Southern Undivided Entities). After the execution of the sub-lease in favour of Ivory Properties and Hotels Private Limited, on December 17,1999, the said K. Raheja Hotels and Estates Private Limited created a deed of transfer of sub-lease dated December 29, 2002 in favour of K. Raheja Corp. Private Limited (which is another Promoter company part of the K Raheja Corp Group (C.L. Raheja Group) to fully, completely and effectively transfer the premises and rights therein. The said deed of transfer of sub-lease is subject to the existing lease in favour of Ivory Properties and Hotels Private Limited who has granted the conducting rights to the Company. These leases and sub-leases are in force pursuant to documents executed between G.L. Raheja group and the C.L. Raheja group for vesting of the subject property in the C.L. Raheja group pursuant to the family Arrangement executed between the said groups. The G.L.Raheja group raised certain contentions in relation to the said sub-lease. Whilst the C.L.Raheja group has always contended that the said transfer was to ensure the vesting of the properties in favour of the C.L.Raheja group pursuant to the family partition, the G.L.Raheja group raised certain questions about the modus and method of the said transfer, such as the said deed of transfer of sub-lease was surreptitiously executed, the resolution for such transfer was not consented to by the G.L. Raheja group, the resolution did not give unbridled power to the directors to sell the reversionary interest to the said K. Raheja Corp. Private Limited in the said premises. The above contentions are not correct as per the C.L. Raheja group as the said division was in accordance with the provisions of the family Arrangement and the C.L. Raheja group has also offered inspection of certain original documents executed by G.L. Raheja in their possession in this regard which establish this position. It may be noted that both the lease and the sub-lease are duly registered and have necessary corporate authority of K.Raheja Hotels and Estates Private Limited. The issues however remain unresolved to date and may have a temporary impact on the Company's ability to efficiently operate the Bangalore store from the above mentioned premises. The aggregate revenue generation from the Bangalore store is Rs.440,508,000/- and Rs. 2628.51 lacs as on March 31, 2004 and for the 8 months ended November 30, 2004 respectively.
- Our Company had placed orders with Mssrs Amplas Polymers Private Limited ('Amplas') for purchasing plastic bags. Apparently, Amplas discounted their bills raised on our Company with Mssrs Tradefair Corporation, Mumbai. Our Company has received a notice dated August 3, 2004 from the legal representatives of Mssrs Tradefair Corporation, Mumbai regarding payment to them of an amount of Rs. 236,750.87 in settlement of the bills raised by Amplas. The Company has paid the bill amount to Amplas.
- A notice of opposition No. 171989 has been filed , pursuant to the provisions of the Trademarks Act, 1999 and rules issued thereunder by Citizen Tokei Kabushiki Kaisha (also trading as Citizen Watch Co. Ltd., Tokyo, Japan) against Application No. 934158B in class 14 made by Shopper's Stop for registration of the trademark 'FIRST CITIZEN CLUB' in the name of Shopper's Stop. Shopper's Stop has filed its counter statements through advocates M/s W.S. Kane & Co. Mumbai. This may give rise to prospective litigation and/or may result in an inability on part of our Company to register the trademark "FIRST CITIZEN CLUB" in its name.
- A notice of opposition No. 179130 has been filed , pursuant to the provisions of the Trademarks Act, 1999 and rules issued thereunder by Bharat Bhushan (trading as Citizen Ties Manufacturing Co, New Delhi) to Application No. 1107872 in class 25 made by Shopper's Stop for registration of the trademark 'FIRST CITIZEN' in the name of Shopper's Stop. This may give rise to prospective litigation and/or may result in an inability on part of our Company to register the trademark "FIRST CITIZEN " in its name. Shoppers Stop has filed its counter statement to the above notice of opposition.
- A notice of opposition No. 179686 has been filed , pursuant to the provisions of the Trademarks Act, 1999 and rules issued thereunder by Citizen CBM Kabushiki Kaisha (trading as Japan CBM Corporation, Tokyo, Japan) to Application No. 1107863 in class 9 made by Shopper's Stop for registration of the trademark 'FIRST CITIZEN' with the words 'experience the rewards' depicted below in the name of Shopper's Stop. This may give rise to prospective litigation and/ or may result in an inability on part of our Company to register the trademark "FIRST CITIZEN " in its name.
- Bennet, Coleman & Co Ltd. (The Times of India Group) has by its letter dated August 26, 2004 written inter alia to Bite Advertising Private Limited, Shopper's Stop and Mr. B.S. Nagesh and has by its letter dated September 9, 2004 written to Shopper's Stop and Mr. B.S. Nagesh with regard to advertisement related inserts/supplements of Shopper's Stop inserted along with the 'Times of India', Mumbai edition, issues dated August 7, 2004 and August 14, 2004. The letters claim inter alia that the advertisement related inserts/supplements were inserted without the consent of Bennett, Coleman & Co Ltd. The letters further state that Shopper's Stop pay an amount of Rs. 595,980/- and that Shopper's Stop along with others also pay an amount of Rs. 2,927,130/- aggregating to Rs. 3,523,110/- as compensation for loss of revenue and the letters also reserve the right to claim damages of a suitable amount on account of passing off, loss of business reputation and goodwill etc. The Company has by its letters dated September 6, 2004 and September 15, 2004 replied to above letter denying the allegations contained therein. The above may give rise to litigation.
- A notice dated September 9, 2004 was received by Shopper's Stop (through its Directors) from Mr. Sanjeev Nirwani, Advocate representing M/s Global Trading Co, Delhi calling on Shopper's Stop to make payment of Rs.60,596 /- towards supply of goods (apart from 24% per annum till payment is made) immediately on receiving the said notice failing which the M/s.Global Trading will lodge a criminal complaint with the police and take suitable action to file a criminal complaint/ civil suit for recovery of the said amount. Shopper's Stop has by its letter dated September 23, 2004 replied to the said notice denying that the stated amount is payable by them and that as per Shopper's Stop ledgers only an amount of Rs. 4,123/- is payable to M/s Global Trading Co. payment for which was enclosed along with the letter. The above may give rise to litigation.

- A notice dated November 27, 2004 was received from Mr. Jayant V. Parmar, Advocate representing Mr. Sachin Gadewar carrying on business in the name of M/s. Kusum Enterprises, Mumbai calling upon Shopper's Stop to make payment of Rs.1,255,908.20 (and interest at the rate of 18% per annum from the date of bill) in respect of interior work done at various stores/premises of Shopper's Stop. The letter further states that failing payment appropriate legal proceedings will be taken against Shopper's Stop. Thereafter consequent to a joint meeting arranged between the parties, Kusum Enterprises (represented by Mr. Sachin Gadewar) has by its letter dated December 13, 2004 agreed to and requested for the payment of a sum of Rs. 475,000/- in full and final settlement of their initial claim of Rs. 1,255,908.20/-.
- a notice dated January 7, 2004 has been received by Shopper's Stop in January 2005 from Consulta Juris, advocates for M/s Creative Developers, Mumbai calling upon Shopper's Stop to pay an amount of Rs. 659479.41 along with interest at the rate of 24% per annum from due date till payment for interior work done by them for Shopper's Stop (Kandivili). This may give rise to prospective litigation.
- A notice dated January 17, 2005 has been received from Mr. Narender Kumar, Advocate for Shri Jatinder Singh, Gurgaon calling upon Nokia and Shopper's Stop to replace the mobile set purchased by the said person from Shopper's Stop (Gurgaon). The Company has by its letter dated January 31, 2005 replied to the said notice informing the gentlemen that they should take up the matter with Nokia directly. This may give rise to prospective litigation.
- **Correspondence in relation to RHP**

  The Company has also received a letter from Mr. Ashish Chhabaria (an undated letter) and a letter from Mr. Mukesh Chablani dated September 10, 2004. Both the said letters relate to the RHP which was filed with the SEBI and have raised a number of concerns in relation to the same.

  The letter of Mr. Mukesh Chablani inter alia requires that our Company provide certain information relating to certain family disputes between our Promoter Directors and the G. L. Raheja family by giving a list of the Mumbai Undivided Properties and Entities, a confirmation on the Southern Undivided Entities, the list of statutory compliances which have not been done, a confirmation that the non filing and non compliance of the statutory compliances will not affect the continuation of our Promoter Directors on the board of directors of the Company. The Company has replied to the his letter vide its letter dated October 28, 2004 and clarified matters and has also denied allegations made in the letter.

  As regards the letter of Mr. Ashish Chhabaria, apart from seeking information relating to the Mumbai Undivided Entities, he has requested for information and clarification on a number of matters detailed in his letter. He has also questioned a number of issues, such as certain alleged preferential allotment of shares at par, the accumulated losses of the Promoter Group, the negative networth of the companies promoted by the Promoters, the proposed utilization of the funds arising out of the Issue and the loans raised by the Company and has also alleged that there are certain apparent errors and omissions in the Red Herring Prospectus. The Company has replied to said letter vide its letter dated November 8, 2004, clarifying matters and denying allegations made.

  Subsequent to the filing of the RHP with the RoC, the following developments have inter alia occurred:

  (1) Mr.G.L.Raheja has exchanged certain correspondence with the BRLMs by his letter dated April 22, 2005 addressed to the BRLMs (other than I-Sec) and the Registrar to the Issue with a copy marked to SEBI and the Legal Advisor to the Company alleging that the Merchant Bankers have not ensured free availability of RHP to the public at large since the time it is filed with RoC. The Merchant Bankers have denied the said allegation by clarifying by their letter dated April 25, 2005.

  (2) Mr.G.L.Raheja has exchanged correspondence with the Company by his letters dated April 22, 2005, April 23, 2005 and April 25, 2005, alleging certain deliberate delays and irregularities in the inspection process and also asking for copies of the inspection documents. The Company by their letters dated April 23, 2005, April, 24, 2005 and April 27, 2005 denied and dealt with the allegations made. The representatives of Mr. G. L. Raheja have carried out the inspection on April 23, 2005, April 25, 2005 and April 26, 2005.
- The inter se disputes and contentions between the C.L. Raheja group and the G.L. Raheja group as mentioned at pages 105 to 109 of the RHP may result in potential litigations.
- A summons dated February 21, 2005 was received by Shoppers Stop, Bannerghata Road, Bangalore from the Assistant Commissioner of Commercial Taxes, (Intelligence IX), South Zone calling upon Shoppers Stop to furnish certain details relating to a contract awarded to M/s Narsi & Associates, Andheri (West), Mumbai which details have been submitted by Shoppers Stop to the Assistant Commissioner of Commercial Taxes, (Intelligence IX), South Zone along with its letter dated February 23, 2005.
- a notice dated March 5, 2005 has been received by Shoppers Stop from Advocates, Anand and Anand , New Delhi acting on behalf of their clients adidas Saloman, a company registered under the laws of Germany. In the letter the advocates on behalf of their clients call upon Shoppers Stop to immediately cease and desist from selling apparel/ garments bearing the 3-stripes trademark which do not originate from adidas Saloman and to supply adidas Saloman with the names and addresses of the suppliers/manufacturers of the apparels within 14 days of receipt of the said notice failing which adidas Saloman will be compelled to institute legal proceedings to safeguard its rights and interests. The Company has by its letter dated March 16, 2005 written to Anand and Anand requesting them to kindly intimate the Company of the brand which is being sold being the alleged 3 stripe trade mark.

M) **Litigation pending under the Consumer Protection Act 1986**

Mr. Achal Kumar Jain residing at Jaipur has ,pursuant to the provisions of the Consumer Protection Act, 1986 filed a consumer complaint No. 523/04 against Shoppers Stop, Jaipur with the Consumer Court at Jaipur. The Court has by its order dated November 30, 2004 directed Shoppers Stop, Jaipur to pay to the above consumer within two months of the order the sum of Rs.872/- failing which interest at the rate of 9% per annum will be charged on the said amount. The Court is also ordered Shoppers Stop to make payment of Rs.4,000/-. Shoppers Stop has thereafter paid the above amount in full to Mr. Achal Kumar Jain.

- **Notice dated April 19, 2005 from the District Consumer Disputes Redressal Forum at Kakinada, with respect to conmsumer dispute no. 142/2005 filed by Mr. G.V.R.S.H.K.Verma (the complainant) against the manager, Shoppers' Stop, Hyderabad (the opposite party) and Geneva Innovation Intersonal Pvt.Ltd..**

  A notice dated April 19, 2005 has been rceived by Shoppers' Stop from the District Consumer Disputes Redressal Forum at Kakinada, in respect of consumer dispute no. 142/2005 filed by Mr. G.V.R.S.H.K.Verma (the complainant) against the manager, Shoppers' Stop, Hyderabad (the opposite party), The notice states that written objections to tbe complaint are to be submitted to the said forum on or before May 24, 2005 failing which the complaint will be decided ex-parte on merits. The complaint relates to a tread mill purchased by the complainant from Shoppers Stop store at Hyderabad. The complainant inter alia states in the complaint that the tread mill was defective and was replaced by Geneva Innovation Intersonal Pvt.Ltd..., which replaced treadmill was also defective and was returned to Geneva Innovation Intersonal Pvt.Ltd. by the complainant. The complainant in the complaint has inter alia sought payment of Rs. 10,400/- and 24 % interest from the date of purchase (October 9, 2003) till date of realization and damages of Rs. 5000/- towards inter alia deficiency in services.

II LITIGATION BY AND /OR AGAINST OUR DIRECTORS

There are no litigations against our Directors in their capacity as Directors of our Company. However a few of our Directors have litigations pending against them, brief details of these pending litigations are set out below.

- **Mr. Chandru L. Raheja , Mr. Ravi C. Raheja and Mr. Neel.C. Raheja**

Arbtrn Suit No. / Petn. No.	Date	Claimant /Plaintiff /Petitioner	Respondent / defendant	Name of the Court / Arbtrn. Panel	Nature of case	Amt under consideration	Status
Co. Petn. No.64 of 2002	October 2002	Gopal Raheja & 8 Others	Asiatic Properties Ltd. (Resp 1), Chandru Raheja (Resp 2) Ravi Raheja (Resp-3) Neel Raheja (Resp -4)& 4 others	Company Law Board, Principal Bench, New Delhi	Petition filed under sections 397 and 398 of the Companies Act alleging oppression and mis-management by Chandru Raheja and the Menda Group in respect of the affairs of Asiatic Properties Ltd. ("APL") Several interim applications have been filed by the GL Raheja Group against the CL Raheja Group and the Menda Group in these proceedings for reliefs pending the hearing and final disposal of the matter. The interim applications taken out by the GL Raheja Group include: (i) Application No.212/2002 for restraining the CL Raheja Group and Menda Group from selling the assets of APL (ii) Co. Application No.63 of 2003 for restraining the sale of Club Cabana and Sai Garden Flats and Shops; (iii) Application No.231/2003 for restraining the CL Raheja Group and the Menda Group from selling Club Cabana and Sai Garden Flats and Shops and for amending the company petition; (iv) Application No. 262/ 2003 for restraining the CL Raheja Group and the Menda Group from selling Raheja Palm Springs; (v) Application No. 263/ 2003 for inspection of the documents in respect of sale of Club Cabana and Sai Garden Flats and Shops;	Amount will be determined upon accounts being taken	The Company Petition and the several interim applications taken out by the GL Raheja Group and the CL Group came up for hearing before the Company Law Board on July 26, 2004. On the said date, the Learned Member expressed his view that the matter deserves to be settled. The Learned Member therefore requested the Senior Counsel of the two groups to attempt at arriving at a settlement. The matter was therefore adjourned till August 17, 2004 and in the meantime, parties were directed to complete the pleadings. On August 17, 2004, the matter was further adjourned as the Learned Member was informed that the settlement talks have begun. Pursuant to the suggestion made by the Learned Member of the Company law Board, Mr. Chandru Raheja and Mr. Gopal Raheja both attended the office of the Learned Member together with their respective Counsel/ Advocate for a global settlement of all their disputes. Mr. Chandru Raheja and Mr. Gopal Raheja have met more than a couple of times to discuss the said global settlement. In the meantime the Company Petition

Arbtrn Suit No. / Petn. No.	Date	Claimant /Plaintiff /Petitioner	Respondent / defendant	Name of the Court / Arbtrn. Panel	Nature of case	Amt under consideration	Status
					(vi) application being Civil Appln. No.20 /2003 for setting aside the sale of Club Cabana and Sai Garden Flats and Shops, being properties of APL and for impleading the two purchasers of the above two properties; and (vii) application No. 187 of 2004 for punishing and prosecuting Chandru Raheja, Ravi Raheja and Neel Raheja on the alleged ground that they have committed a breach of and violated an order of the Company Law Board and that they have committed acts of perjury by making false statements on oath. (viii) unnumbered application (served by the advocates of G.L. Raheja Group vide letter dated April 8, 2005) interalia for directions from the Company Law Board that in the event the mortgaged property being Raheja Palm Springs is sold by HDFC pursuant to the notice under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, then the surplus amount that may be realised by HDFC be deposited by HDFC with the Company Law Board and that in the event of the amount being realised by sale of Raheja Palm Springs is less than Rs. 126 lac per acre then C.L. Raheja Group and Menda Group be ordered and directed to reimburse to APL such difference. The interim applications taken out by the CL Raheja Group include: (i) Co. Application No.13/ 2004 for directions permitting APL to sell its assets so as to enable APL to repay its dues including an application being Civil Appln. No.13/ 2003 for selling Raheja Palm Springs; (ii) Co. Application No. 21/ 2004 for referring all the disputes between the GL Raheja Group and CL Raheja Group in respect of the Southern Entities either before the Company Law Board or before any other forum.		and the interim applications taken out therein have been adjourned from time to time. Company Appln. No.13/2003 (taken out by Chandru Raheja Group for sale of Raheja Palm Springs) and Company Appln. No.20/2003 (taken out by Gopal Raheja Group for setting aside the sale of Club Caban a and Sai Garden Flats & Shops and for impleading the two purchaser companies) and the Company Application taken out by Menda Group had all been kept for hearing on March 29, 2005. On the said date, parties have been directed to meet each other in the presence of Mr.Anand Bhatt, Advocate and Solicitor, on April 9, 10 and 11, 2005 for concluding the talks of compromise. The matter has been adjourned to April 13, 2005. Mr. Bhatt made is best attempts to settle/compromise the matter between Mr. G.L.Raheja and Mr. Chandru Raheja, over the meetings which took place on April 9, 2005 and April 10, 2005. Mr. Bhatt was however unable to settle the disputes and Mr. Bhatt has expressed his inability to make any further efforts to bring about such settlements. The meeting scheduled for April 11, 2005 therefore did not take place.

Arbtrn Suit No. / Petn. No.	Date	Claimant /Plaintiff /Petitioner	Respondent / defendant	Name of the Court / Arbtrn. Panel	Nature of case	Amt under consideration	Status
					The Menda Group has also taken out an interim application being Co. Application No. 63/2005 for sale of Raheja Palm Springs having regard to the fact that APL (as the defaulting borrower) has received a notice from HDFC (as the lender) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 In the meantime, the Chandru Raheja Group had preferred an appeal before the High Court at Bombay under section 10F of the Companies Act, 1956 against an interim order dated February 9, 2004 passed by the Company Law Board in Civil Appln. No.13/03 and Civil Appln. 20/03 [whereby the Company Law Board has not permitted APL to sell its stock in trade, viz. Raheja Palm Springs, which property has been mortgaged by APL to HDFC for securing a loan of Rs. 45 crore taken by APL from HDFC] and for appropriate directions permitting APL to sell the said property. The said Appeal has been disposed off by the Bombay High Court with directions to hear the Civil Appln. Nos.13/2003 and 20/2003 before April 15, 2005. In so far as the interim application for punishing and prosecuting Chandru Raheja, Ravi Raheja and Neel Raheja is concerned, the Promoters believe that no perjury or violation of the Company Law Board's order has been committed by Chandru Raheja or Neel Raheja or Ravi Raheja. However, before Chandru Raheja, Neel Raheja and Ravi Raheja could file their replies to the said interim application, the matter came up for hearing before the Company Law Board at which time the Learned Member adjourned the matter and called upon the Senior Counsel representing the G.L. Group and the C.L. Group to attempt arriving at a global settlement in respect of all the disputes, in the meantime. The matter		The matter together with Menda's application No. 63/05 and G.L.Raheja Groups new application of April 2005, both in respect of Raheja Palm Springs were all listed for hearing on April 13, 2005 Company Law Board passed an order on April 13, 2005 saying that parties are permitted to procure offer for sale of Raheja Palm Springs and hand it over to HDFC for being considered by HDFC. On April 13, 2005, the learned member adjourned the matters to April 21, 2005 for reporting settlement talks. On April 21, 2005, the learned member heard the parties at length on the issues regarding settlement and thereafter adjourned the matters to May 2, 2005. On May 2, 2005, the learned member heard the parties and thereafter passed an order recording the following :- - parties require more time to finalise the global settlement; - parties have agreed that Raheja Palm Springs be sold by APL for a sum not less than Rs.64 crore through M/s. AZB Associates, Advocates, Bangalore, who will act as advocates for APL for sale of Raheja Palm Springs upon the terms set out in the order; - position relating to the settlement will be reviewed by the learned member on June 15, 2005 at 10.30 a.m.

Arbtrn Suit No. / Petn. No.	Date	Claimant /Plaintiff /Petitioner	Respondent / defendant	Name of the Court / Arbtrn. Panel	Nature of case	Amt under consideration	Status
					was therefore adjourned upto August 17, 2004. On August 17, 2004, the matter has therefore been adjourned from time to time along with main Company Petition. The G.L. Group and the C.L. Group have accordingly commenced the settlement talks. In the meantime Chandru Raheja has filed a reply on his own behalf and for and on behalf of Neel Raheja and Ravi Raheja denying the allegations of contempt and perjury. Without prejudice to the said denial, Chandru Raheja has tendered an unconditional apology to the Hon'ble CLB.		

- **Mr. Chandru Raheja, Mr. Ravi Raheja and Mr. Neel Raheja**

In the following company petition, Mr. Chandru Raheja, Mr. Ravi Raheja and Mr. Neel Raheja are only formal parties.

Arbtrn Suit No. / Petn. No.	Date	Claimant /Plaintiff /Petitioner	Respondent / defendant	Name of the Court / Arbtrn. Panel	Nature of case	Amt under consideration	Status
Company Petition No. 43 of 2004	July, 2004	Tresorie Traders Pvt. Ltd. (Part of the GL Raheja Group and Respondent No. 3 in Company Petition No.64 of 2002)	1. Club Cabana Recreations Pvt. Ltd. 2. Sai Park Estate Developers (India) Pvt. Ltd. 3. Chandru Raheja 4. Ravi Raheja 5. Neel Raheja	Company Law Board, Principal Bench New Delhi	Petition under Section 247(1A) and 250 of the Companies Act, 1956for an investigation into the membership of Respondent Nos. 1 & 2 for determining the persons financially interested or who are or have been able to control or materially influence the policy of Respondent Nos. 1 & 2 and restricting transfer of existing issued shares, any new, fresh or rights shares or exercising and voting rights in respect of any existing shares or paying or declaring any dividend on existing shares of Respondent Nos. 1 & 2. Two interim applications 1) being unnumbered and 2) 274 of 2004 have been taken out by the Petitioner for interim orders pending the hearing and final disposal of the	Petition is only for investigation and is not a money claim.	The Company Law Board on July 27, 2004 under the first Company Application passed an order inter alia directing Respondent Nos. 1 & 2 to maintain status quo regarding their shareholdings and assets. The order was obtained ex-parte. The Company Petition and the interim Company Applications came up for hearing on August 14, 2004, at which time since the Learned Member of the Company Law Board suggested to the GL Raheja Group and the CL Raheja Group to settle their disputes. The Company Petition and the Company Application were adjourned from time to time.

Arbtrn Suit No. / Petn. No.	Date	Claimant /Plaintiff /Petitioner	Respondent / defendant	Name of the Court / Arbtrn. Panel	Nature of case	Amt under consideration	Status
					Company Petition.In the first Company Application (being unnumbered) the Petitioner has sought from the Company Law Board an order for investigation of Respondent Nos. 1 & 2 as provided under section 247(1A) of the Companies Act, 1956 and restraining Respondent Nos. 1 & 2 by themselves, their servants and agents from in any manner transferring existing issued shares or issuing any new, fresh or rights shares or exercising and voting rights in respect of any existing shares or paying or declaring any dividend on existing shares. In the second of the two aforesaid Company Applications 274 of 2004, Dham Securities Pvt. Ltd., Mr. Kamlesh Mehta and Aman Spices Private Limited have been made parties and similar interim orders as above have been sought in respect of Dham Securities Pvt. Ltd. and Aman Spices Private Limited.Mr. Chandru Raheja, Mr. Ravi Raheja and Mr. Neel Raheja have filed detailed Affidavits in reply to the Company Petition and the two interim Company Applications inter alia setting out that neither Mr. Chandru Raheja, Mr. Ravi Raheja nor Mr. Neel Raheja have at any time been shareholders or directors on the Board of either Respondent No.1 or Respondent No.2 or Dham Securities Pvt. Ltd. or Aman Spices Pvt. Ltd.		

- **Mr. Chandru Raheja and Mr. Neel Raheja**

High Court Of Bombay
Suit No 2135 of 2001
Sandeep G.Raheja v/s. Chandru Raheja (Defendant 1) & others (Neel Raheja –Defendant 5).

Arbtrn Suit No. / Petn. No.	Date	Claimant /Plaintiff /Petitioner	Respondent / defendant	Name of the Court / Arbtrn. Panel	Nature of case	Amt under consideration	Status
Suit no. 2135 of 2001 (pursuant to the provisions of the Indian Trusts Act, 1882)	June 18, 2001	Sandeep G. Raheja	Chandru L. Raheja Def-1 *Neel C. Raheja Def-5 is a formal party *No reliefs have been claimed against Neel Raheja.	High Court at Bombay, Ordinary Original Civil Jurisdiction	The suit as originally filed was inter alia for removal of Chandru Raheja and Arjun Menda as trustees of a private family trust, viz. Raj Trust and for accounts of the trust to be taken.Thereafter, the plaint has been amended to include prayers for distribution of the trust's properties as the date of distribution as provided for in the Trust Deed has now expired. Several interim applications by way of Notices of Motion and Chamber Summons have been taken out by Sandeep Raheja and Chandru Raheja in this suit for reliefs pending the hearing and final disposal of the suit.The Notices of Motion taken out by Sandeep Raheja include notices of Motion :- (i) being Notice of Motion 171/2002 for restraining Chandru Raheja and Arjun Menda from selling the properties of the Trust and for appointment of the Court Receiver, High Court, Bombay as the receiver of all the properties of the Trust (ii) being Notice of Motion 3013/2002 for inspection (iii) being Notice of Motion 2762/2002 for restraining IL&FS (the mortgagee) from converting the equitable mortgage in respect of the property for restraining IL&FS (the mortgagee) from converting the equitable mortgage in respect of the property mortgaged by the Trust in favour of IL&FS for securing repayment of loan advanced by IL&FS to Asiatic Properties Ltd. ("**mortgaged property**"), into an english mortgage and from selling the same ;(iv) being Notice of Motion 3398/2003 for restraining IL & FS from acting in furtherance of the english mortgage in respect of the mortgaged property and (v) being Notice of Motion 3490/2004 for restraining Aman Spices Private Limited, the purchaser of the mortgaged property from further dealing with the mortgaged property. The Notices of Motion referred to at (i) to (iv) above came up for final hearing before His Lordship Mr. Justice Karnik on 11th February, 2005, at which time no one appeared on behalf of Sandeep Raheja. His Lordship has therefore vide his order dated 11th February, 2005 dismissed the said Notices of Motion. The Chamber Summons taken out by Sandeep Raheja were (i) for	Amount would be determined upon accounts of the trust being taken.	The Notices of Motion taken out by Sandeep Raheja and Chandru Raheja will come up for final hearing shortly. Although an application for ad-interim reliefs in the notice of motion taken out by Sandeep Raheja for restraining IL&FS from selling the mortgaged property was made at the ad –interim stage, no reliefs were granted to Sandeep Raheja. IL&FS has therefore sold the mortgaged property to Aman Spices Private Limited. Alleging to be aggrieved by this sale by IL&FS, Sandeep Raheja is now seeking to set aside the sale and has for the said purpose, filed an application by way of a chamber summons for impleading the Aman Spices Private Limited as a party defendant to the suit and for consequential amendments to the plaint in the said suit. The Bombay High Court had on July 19, 2004 directed Aman Spices to maintain a status quo in respect of the mortgaged property. Thereafter, by its order dated October 29, 2004, the Hon'ble High Court impleaded Aman Spices as Defendant No.9 to the said suit. The aforesaid order dated July 19, 2004 was extended till December 6, 2004. The said Notice of

Arbtrn Suit No. / Petn. No.	Date	Claimant /Plaintiff /Petitioner	Respondent / defendant	Name of the Court / Arbtrn. Panel	Nature of case	Amt under consideration	Status
					impleading IL&FS and Asiatic as party defendants and for consequential amendments to the plaint in the suit which Chamber Summons was allowed and. (ii) for impleading Aman Spices Private Limited as a party defendant and for consequential amendments to the Plaint which Chamber Summons was allowed The Notices of Motion taken out by Chandru Raheja include the notice of motion No. 562/2004 for referring all the disputes between the GL Raheja Group and CL Raheja Group in respect of the Southern Entities before any one forum and in the meantime for staying the hearing of the said suit and the other notices of motion filed therein till the time an award is passed on "Southern Group Concept" by the Learned Arbitrator in the arbitration proceedings of KRDC. The above Notice of Motion was dismissed by His Lordship Mr. Justice Karnik by his order on February 11, 2005 for the reasons set out therein The plaintiff i.e. Sandeep G. Raheja has taken out a Chamber summons being Chamber Summons No. 1793 of 2004 in the above suit for carrying out certain amendments to the plaint. A copy of the same was however served upon Mr. Chandru Raheja's advocates and the other defendants / their advocates, after expiry of the returnable deate of the said Chamber Summons. The said copy was therefore returned / not accepted by most of the defendants. The said Chamber Summons came up for hearing before the Hon'ble High Court at Bombay on May 3, 2005 at which time the aforesaid fact was pointed out. The returnable date of the said Chamber Summons was accordingly extended and the hearing of the said Chamber Summons has been adjourned beyond the court vacation i.e. after June 6, 2005. Mr. Chandru Raheja has preferred an appeal against the order dated February 11, 2005 passed by the High Court at Bombay in Notice of Motion No.562 / 2004 whereby the High Court has dismissed the said Notice of Motion taken out by Mr. Chandru Raheja for referring all the disputes between the GL Raheja Group and CL Raheja Group in respect of the Southern Entities before any one forum and other reliefs. The said appeal is pending registration / numbering.		Motion came up for hearing for ad-interim reliefs on January 14, 2005. It was adjourned to January 18, 2005 and the order of July 19, 2004 was accordingly extended. On January 18, 2005 the Bombay High Court heard the matter and refused to pass any ad-interim or other order restraining Aman Spices from dealing with the mortgaged property. The operation of the order was however, stayed for a period of one week. No appeal has been preferred by Sandeep Raheja against the above order.

- **Mr. Chandru Raheja**
  Suit No 1338 of 1982
  Mr. C.L Raheja v/s David Soans
  (under the provisions of the Specific Reliefs Act, 1963)

  The plaintiff has filed a suit at the Mumbai High Court bearing number 1338 of 1982 for specific performance of the agreement dated May 4, 1981 executed between Mr. C.L. Raheja and Mr.David Soans. In the alternative a prayer was made for refund of earnest money of Rs. 100,000/- paid to the defendant and for damages of Rs. 1,500,000/-.

  The defendant on June 29, 1984 filed his written statement and counter claim . The counter claim is for a sum of Rs. 369,918.40 together with interest thereon at the rate of 18 % per annum from the date of the suit till payment or realization. The plaintiff's reply was filed on September 3, 2003.

  The suit is currently pending at the High Court.

  Suit No 749 of 1981
  Mr.Chandru Raheja v/s Ms. Nancy Rego
  (under the provisions of the Specific Reliefs Act, 1963)
  The plaintiff has filed a suit bearing Suit No 749 of 1981 for specific performance of the agreement dated November 16, 1979 and in the alternative for the refund of the earnest money of Rs. 40,000/- with interest at 18% per annum and damages of Rs. 400,000/-.

  The case is currently pending at the High Court.

  High Court of Mumbai
  Writ Petition No 1915 of 2001
  A.K Singh & Ors v/s State of Maharashtra & Ors (C.L Raheja - Respondent No 5)
  A public interest litigation was filed representing the weaker section under the provisions of the Urban Land Ceiling Act, 1976. An effective order was passed on February 5, 2003 whereby no interim relief was granted to the petitioner. It was clarified in view of the Supreme Court guidelines a committee is appointed to ensure the implementation of the guidelines and it is open to the petitioner to draw the attention of the committee.

  Petition admitted by an order dated March 24, 2004

  High Court of Mumbai
  Writ Petition No 2399 of 2003
  Sukhminder Singh Hundal v/s. State of Maharashtra & Others
  (under the provisions of the Urban Land Ceiling Act, 1976 and Article 226 of the Constitution of India)

  Mr. Sukhminder Singh Hundal, President of the Apni party and the Hundal's Welfare Association addressed Mr. C.L. Raheja vide letter dated May 20, 2002 seeking details about certain flats at Powai and Borivili on behalf of 222 persons belonging to the weaker section of society who wished to purchase these flats. The Advocate on behalf of Hundal Association calling upon the members of the Monitoring Committee to take action regarding the applications issued another letter dated June 20, 2003. Based on these correspondence, the above petition was filed. The Court passed a similar order as in the earlier Writ Petition 1915 of 2001. Petition admitted by an order dated March 24,2004. The petitioner has taken out Chamber Summons No.214 of 2004 for amending the petition and inter alia seeking interim and ad interim reliefs. The abovementioned chamber summons 214 of 2004 was allowed to be withdrawn by an order dated February 23, 2005 with liberty to the petitioner to file an interim application.

  The meeting of the Monitoring Committee for overseeing implementation of housing schemes sanctioned under section 20 of the Urban Land Ceiling Act, 1976 for hearing the matter was to be held on November 24, 2004. The said meeting was postponed to December 3, 2004.

  In the meeting held on December 9, 2004 the petitioner was directed to give to respondents No.5 and 7 copies of the twelve applications submitted by the petitioner to the monitoring committee. The next meeting is fixed on February 10, 2005. The above matter now stands adjourned to April 8, 2005. The hearing before the committee was concluded on April 8, 2005. The monitoring committee has reserved its judgement for a subsequent date. Mr. Siddarth Shah, Advocate for the petitioner, S.S. Hundal by his letter dated April 28, 2005 informed M/s. Maneksha & Sethna advocates for Mr. C.L. Raheja that he would be making an application on behalf of the petitioner before the High Court at Mumbai inter alia for ad-interim relief (in terms of the draft notice of motion enclosed therewith) and thereafter by his letter dated May 2, 2005 Mr. Shah informed M/s. Maneksha & Sethna that the notice dated April 28, 2005 should be treated as cancelled and that he would intimate the date, day and time when the application would revive.

- **Before the Madurai Bench of Madras High Court**
  A.S. 518 of 1996
  Chandru Lachmandas Raheja & 3 others (1) Carlton Hotel, Kodaikanal (2) Ferani Hotels Ltd. 3) K. Raheja Constructions Ltd. v/s Mr. Rev. Edger H. Lewellen
  This is an appeal filed originally in the Madras High Court from judgement and decree dated February 20, 1996 in Suit No. 215 of 1993 issued by the Court of the Principal Subordinate Judge, Dindigul. At the relevant time Mr.C.L. Raheja was a director of Ferani Hotels Ltd. However, Mr.C.L. Raheja has ceased to be director of the said company simultaneously on execution of the Arrangement since Ferani Hotels Ltd. was distributed and vested wholly to the G.

L. Raheja group. In view of the said distribution and vesting, the Promoters are not aware of present status of the case. An appropriate application is proposed to be made before the Court for deletion of his name from the said proceedings.

In addition to the above proceeding, Mr. C.L. Raheja could have been named in the following proceedings relating to the immovable property called 'Longcroft' or any part thereof situated at Kodaikanal.

- **O.S. 257 / 1987**
  Carlton v/s Alliance Ministries and Reverend Edgar Lewellen
- **R.C. O. P. 12/1988**
  O.S. No.41/1988
- **R.C.O.P 2/1988**
  read with

  I.A. No. 4 of 1988 in the Court of District Munsif, Kodaikanal (Rent Controller) Carlton Hotel (owned by Ferani Hotels Pvt. Ltd.) and Mr. C. L. Raheja v/s Alliance Ministries Trust
- **O.S. No. 8 of 1988 (In the Court of Subordinate at Periakulam)**
  Alliance Ministries Trust v/s. Carlton Hotel (owned by Ferani Hotels Ltd) and Mr. C.L. Raheja

  Suit No.4531 of 1987
  K. Raheja Constructions Ltd. And Mr. C.L. Raheja v/s Alliance Ministries and others.

This property, 'Longcroft' is used by Carlton Hotels which is owned by Ferani Hotels Limited. This company, along with the hotel has been distributed and vested in the G.L. Raheja group pursuant to the Arrangement. Mr. C.L Raheja pursuant to the family arrangement is no longer concerned with the said property or Carlton Hotels and has ceased to be a director of Ferani Hotels Limited.

In some of the above suits the name of K. Raheja Constructions Ltd. is mentioned. K. Raheja Constructions Ltd. was amalgamated with Ferani Hotels Ltd. a few years before the Arrangement. Mr. C. L. Raheja has not been a director in K. Raheja Constructions Ltd. since the aforesaid amalgamation.

Therefore, no further details are available with our Promoters.

- **Mr. C.L. Raheja** has also been impleaded in Summary Suit No. 3710 of 2003 and Summary Suit No. 3453 of 2000. For more details please see section titled 'Litigation Pending –Money Recovery and other Civil Suits- Against the Promoters'.
- Mr. Neel Raheja - SEBI notice to IL&FS Investsmart Ltd.

  One of our directors, Mr. Neel Raheja is on the Board of Directors of IL & FS Investsmart Ltd. (IL&FS). By a letter dated December 6, 2004 he was informed of adjudication proceedings initiated by SEBI against IL& FS by SEBI's letter dated June 23, 2004. The 'hearing proceedings' were held on November 01, 2004 and the adjudication officer was appointed. The adjudication officer has issued an order dated November 18, 2004 levying a penalty of Rs.200,000/- on IL& FS.

  Further, vide letter No.IVD/ID2/AEL/26490/2004 dated November 24, 2004, SEBI has issued to IL&FS a notice of enquiry under regulation 6 of SEBI (Procedure for Holding Inquiry and Imposing Penalty) Regulations 2003. In the aforesaid letter it has been mentioned that SEBI has conducted investigation into the dealings of Adani Exports Ltd. and it is alleged therein that IL & FS has violated certain provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 1995, the SEBI (Stock Brokers and Sub-Brokers) Regulation 1992 and SEBI (Stock Brokers and Sub-Brokers) Regulation 1992.

  An enquiry officer has been appointed by SEBI and SEBI has asked IL& FS to furnish a written statement within the time stipulated therein and also whether IL & FS wishes to be heard in person.

  IL&FS has filed a detailed reply vide its communication dated January 10, 2005 with SEBI and the same was delivered to the regulator's office on January 11, 2005. The concerned enquiry officer has fixed up February 14, 2005 as the date for the personal hearing and the same was communicated to IL&FS vide letter No.AE/GBR/30990/05 dated January 12, 2005. IL&FS has by its letter dated March 30, 2005 informed our Director, Mr. Neel Raheja that the personal hearing was held on February 14, 2005 and that IL & FS is awaiting a response from SEBI in this matter.
- **Mr. C.L. Raheja - Arbitration proceedings** are also pending in which Mr. C.L. Raheja has been named (as Karta of the C.L. Raheja HUF) along with Ivory Properties and Hotels Pvt. Ltd. and others. For more details please see section titled 'Against the Promoters Pending Arbitration Proceedings –Outstanding Litigations'.
- **Mr. Ravi Raheja** is also named in contempt proceedings relating to R.A.D Suit No 766 of 2000 filed by Oasis Restaurant. For more details please see section titled 'Against the Promoters –Outstanding Litigations'.
- Mr. Gulu Mirchandani - **SEBI enquiry against Gulita Securities Limited**

  One of our directors, Mr. Gulu Mirchandani is on the board of directors of Gulita Securities Limited. A SEBI enquiry in connection with the share price of Mirc Electronic Limited has been conducted by SEBI for this company. By a letter dated September 26, 2003, the NSE has informed Gulita that the Disciplinary Action Bench I had in respect of the violations of regulation 4.6.1 and 4.6.2 of part A of Capital Market Segment and Rule 4(e) of Chapter II of the rules of the Exchange, decided to advise Gulita to refrain from indulging in or entertaining such kind of trading in future and to put in place systems to ensure non recurrence of such activity in future. Our Director, Mr. Gulu Mirchandani has by

his letter dated February 8, 2005 stated that the matter is at rest.

- Mr. C.L. Raheja - **M/s ETA Constructions (India) Pvt. Ltd. and M/s K Raheja Development Corporation and Mr. C.L. Raheja, Mr. G.L. Raheja and Mr. Raj Menda , the partners of the said firm**

  M/s ETA Constructions (India) Pvt Ltd. have through their advocates and solicitors, M/s Rangarjan and Prabhakaran sent a letter dated September 15, 2004 to M/s K Raheja Development Corporation and the partners of the said firm , Mr. C.L. Raheja, Mr. G.L. Raheja and Mr. Raj Menda in respect of the construction of the main civil works at Raheja Residency E Block, Bangalore. M/s ETA Constructions (India) Pvt. Ltd. are claiming a sum of Rs. 3,517,294/- being the value of retention money held by the firm and overdue interest at the rate of 18% on outstanding amount from June 1, 2001 till date of payment all totaling to Rs. 5,627,459/-.

- a notice dated November 27, 2004 has been received by Shopper's Stop addressed to Shopper's Stop (through its Directors) from Mr. Jayant V. Parmar, Advocate representing Mr. Sachin Gadewar carrying on business in the name of M/s. Kusum Enterprises, Mumbai. For more details please see section titled 'Potential Litigation ' pertaining to the Company.

- **Mr. C.L. Raheja -** A summons dated March 9, 2005 was served on Mr C.L. Raheja, Ivory Properties & Hotels Pvt Ltd., under section 14 of the Central Excise Act 1944 and the relevant provisions of the Customs Act 1962 in connection with an enquiry against Nitco Tiles Ltd whereby the addressee's were summoned to appear before the Superintendent, Central Excise(Preventive), Wagle-I Division, Mumbai – III on March 11, 2005 to give evidence on matters concerning the inquiry on Nitco Tiles Ltd and to produce certain documents relating to some materials received from Nitco Tiles Ltd . In response to the said summons, a statement was recorded on behalf of Ivory Properties And Hotels Pvt. Ltd before the Superintendent, Central Excise on March 11, 2005 and relevant documents were furnished before the concerned officer such as copies of certain invoices, work orders and quotation concerning the aforesaid purchases, work orders issued by Ivory Properties & Hotels Pvt. Ltd. and bills raised by Nitco Tiles Ltd towards purchases made by Ivory Properties & Hotels Pvt. Ltd..

  No further communication has been received from the Superintendent, Central Excise in this matter.

- Mr. C.L. Raheja, Mr. Ravi Raheja and Mr. Neel Raheja - Asiatic Properties Ltd.& Housing Development Finance Corporation Ltd.(Loan)

  One of the promoter group companies, Asiatic Properties Ltd. had defaulted in repayment of loan to Housing Development Finance Corporation Ltd and in this regard, HDFC has sent a demand notice under sub section 2 of section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act ,2002 dated February 23,2005 to the company with a copy to all its directors. For more details please see section titled 'Litigation Pending By/Against the Southern Undivided Entities' of this Prospectus.

III LITIGATION PENDING - BY AND/OR AGAINST THE PROMOTERS

By the Promoters

A) **Pending Arbitration Proceedings**

Arbitration Proceedings before the sole arbitrator Mr. Dilip Thakkar of Jayantilal Thakkar & Co. Chartered Accountants.

Smt. Vasantben Ramniklal Bhutta , Smt. Bhanumati Jaisukhbhai Bhutta (Owners) and Ivory Properties & Hotels Pvt. Ltd. (Developers)

The developers in their letter dated February 14, 2002 to Mr. Dilip Thakkar have stated that under an agreement dated April 19, 1995 executed between Smt. Vasantben Ramniklal Bhutta , Smt. Bhanumati Jaisukhbhai Bhutta ('Owners') and Ivory Properties & Hotels Pvt. Ltd. ('Developers') and a memorandum of understanding of even date executed between the above parties pursuant to the said agreement, the Developers are entitled to develop the plot of land bearing C.T.S. No. 649, 649/1, 649/2, 650, 652, 652/1 and 655 of Village Gundavali, Andheri (East) admeasuring 5456.94 sq. mtrs. as per then approved plans (admeasuring 5403 sq. mtrs. as per C.S. Record) (the 'said Plot'), and share the gross sales proceeds with the Owners in ratio of 50:50 on the terms and conditions as mentioned therein. However due to various reasons, even after seven years, the Owners have not permitted entry to the Developers to the said Plot of the land for development and no development has taken place whatsoever.

Under Clause No. 33 of the above referred agreement all disputes and differences that may arise between the parties to the said agreement in regard to carrying out the terms and conditions of the above referred agreement and/or interpretation thereof shall be referred to arbitration of Mr. Dilip Thakkar under the Indian Arbitration Act 1940 or its statutory modification in force for the time being.

Some differences have arisen between the parties. Therefore, the Developers have submitted matter for arbitration before the said arbitrator and sought to resolve the differences. The matter is pending.

The arbitration has commenced on January 17, 2005.

B) **Litigation Pending – FEMA**

There are none.

C) **Litigation Pending – Income Tax**

Set out below are income tax cases pending against various Promoter entities. None of these cases would have a likely adverse effect on the financial performance of the Company.

Assessment Year 1990-91
K.Raheja Pvt. Limited.

Cross Appeal

The company's return of income was assessed under section 143(3) of the I.T. Act . The assessing officer ('A.O.') disallowed interest of Rs. 545,316/-. The company filed an appeal with the Commissioner of Income Tax (Appeals) ('CIT (A)') (bearing No ITA No CIT (A) -XL \/DCSR-30/113/1993-94) against the disallowance made by the A.O. The CIT(A) allowed the deduction of Rs.235,242/- on which the income tax department has gone in appeal .The company has filed a cross objection stating that the entire interest amount of Rs.545,316/- to be allowed as deduction from total income.

Assessment Year 1991-92
K.Raheja Pvt. Limited

Cross Appeal

The company's return of income was assessed under section 143(3) of the I.T. Act. The A.O disallowed interest expenses amounting to Rs.825,243/- . The company filed an appeal with the CIT(A)(bearing No CIT (A) -XL/DC SR-30/28/94-95) against the disallowance. Out of above, the CIT(A) allowed a deduction of Rs.226,121/- on which the department has gone in appeal .The company has filed a cross objection stating that the entire amount of Rs.825,243/- to be allowed as a deduction from total income.

Assessment Year 1992-93
K.Raheja Pvt. Limited.

The company's return of income was assessed under section 143(3) of the I.T. Act. The company filed an appeal with the CIT (A) (bearing No ITA No CIT (A) –C-II/AP 64 /95-96) against the disallowance made by the A.O. for not setting off the profit of Rs. 5,082,009 /- disallowed by A.O. in assessment year 1991-92 as finance cost is relatable to incomplete project. The CIT(A) dismissed the appeal .The company has filed a cross objection stating that the interest amount disallowed by the A.O. in assessment year 1991-92 should be allowed as deduction on completion of the project in assessment year 1992-93 in case decision of CIT(A) is reversed in assessment year 1991-92.

Assessment Year 1993-94
K. Raheja Private Limited

The company's return of income was assessed under section 143(3) of the I.T. Act. The A.O. disallowed interest of Rs.521,928/-. The company filed an appeal with CIT(A) {bearing ITA No.CIT(A)-C-II/AP-39/96-97} against the disallowance made by the A.O. The CIT(A) allowed the deduction of Rs.189,579/- on which the department has gone in appeal. The company has filed a cross objection stating that the entire interest amount of Rs.521,928/- be allowed as deduction from total income.

Assessment Year 1994-95
K.Raheja Corp Pvt. Limited (formerly Paramount Hotels Limited)

The company's return of income was assessed under section143(3) of the Income Tax Act, 1961 Thereafter the case was reopened under section147.

The A.O. disallowed interest of Rs.12,636,765/- under section36 (i) (iii) from the head "business income" . However the interest allowed under section 57 from the head 'income from other sources'. The company filed an appeal with the CIT(A)(bearing No.CIT(A) XLII/JC.SR.6/98/2000-01) against the said disallowance and against the reopening of assessment under section 147. The CIT(A) rejected both the grounds of appeal. The company has filed an appeal before ITAT against the order of CIT(A).

Assessment Year 1994-95
K.Raheja Pvt. Limited.

The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961. The A.O disallowed interest of Rs. 703,983/-. The company filed an appeal with the CIT (A) (bearing No ITA No CIT (A) –C-II/AP-25/97-98) against the disallowance made by the A.O. The CIT(A) allowed the deduction of Rs.85,147/- on which the department has gone in appeal .The company has filed a cross objection stating that the entire interest amount of Rs.703,983/- be allowed as deduction from total income.

ASSESSMENT YEAR 1995-96
K.Raheja Pvt. Limited.

The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961. The A.O disallowed interest of Rs. 143,722/-. The company filed an appeal with the CIT (A) (bearing No ITA No CIT (A) –XII/SR-6/2/97-98) against the disallowance made by the A.O. The CIT(A) dismissed the appeal . The company has filed a cross objection stating that the entire interest amount of Rs. 143,722 /- be allowed as deduction from total income.

Assessment Year 1995-96
K. Raheja Corp Pvt. Limited (formerly Paramount Hotels Limited)
The company's return of income was assessed under section 143(3) of the Income Tax Act,1961. Thereafter the case was reopened under section147 of the I.T. Act.

The A.O disallowed interest of Rs.9,696,787/- under section 36 (1) (iii) from under the head "business income" .However, this interest was allowed under section 57 from the head 'income from other sources'. The company filed appeal with the CIT(A) (bearing No CIT(A)XL II/JC.SR.6/IT-99/2000-01) against the disallowance made by the A.O and on the grounds that the reopening of the assessment was void . The CIT(A) rejected both the grounds of appeal. The company has filed further appeal to ITAT.

Assessment Year 1995-96
Ivory Properties And Hotels Pvt. Limited
The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed interest of Rs.1,387,539/- stating that the same should be capitalised to work-in-progress. The company filed an appeal bearing No CIT(A)C-V/DCCC29/80/2000-01 against the said disallowance and also against the reopening of the assessment.

The appeal was rejected by the CIT(A).The company has appealed to ITAT against the said order of the CIT (A) .

Assessment Year 1986-87
Ivory Properties And Hotels Pvt. Ltd.
Through notice under section 274 dated March 14, 1989 penalty proceedings under section 273 of the I.T. Act were initiated. Through letter dated April 4, 1989 it was requested that the penalty proceedings be dropped or the same kept pending till the disposal for application for rectification of appeal filed against the assessment order. However, till date no communication received from the department dropping the penalty proceedings.

As per provisions of section 275 of the I.T. Act, the penalty proceedings have become time barred.

Assessment Year 1996-97
K. Raheja Pvt. Limited
The company's return of Income was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed interest of Rs.2,047,967/- as business expenditure under section 36(1)(iii) on the ground that the interest on amount borrowed for investment in shares is for non business purpose. The company filed an appeal (bearing No CIT(A)XLII/SR.6/IT.148/99-2000) against the said disallowance.

The appeal was rejected by the CIT(A).The company has appealed to ITAT against the said order of the CIT(A)

Assessment Year 1996-97
K. Raheja Corp Pvt. Limited (formerly Paramount Hotels Limited)
The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed interest of Rs.11,748,678/- as business expenditure under section 36(1)(iii) on the ground that the interest on amount borrowed for investment in shares is for non business purpose. The company filed an appeal(bearing No CIT(A)XLII/SR.6/IT.81/99-2000) against the said disallowance and CIT(A) rejected the company's appeal.

The company has further appealed against the order of the CIT(A) with ITAT.

Assessment Year 2002-03
K. Raheja Pvt. Limited
The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961. The A.O disallowed interest of Rs. 6,253,865/- being interest relating to investment in shares. The company has filed an appeal with the CIT(A) on April 19, 2005.

Assessment Year 1996-97
Ivory Properties And Hotels Pvt. Limited
The company's return of income was assessed under section 143(3) of the Income Tax Act,1961

The A.O disallowed finance cost of Rs.11,277,737/- treating the same as forming part of work-in-progress in respect of incomplete project. The company filed an appeal (bearing No CIT(A)C-V/DCCC29/39/99-2000) against the said disallowance made by the A.O.

The said appeal was rejected by the CIT(A).The company has appealed to ITAT against the order of the CIT(A).

Assessment Year 1997-98
K. Raheja Pvt. Ltd.
The company's return of income was assessed under section 143(3) of the Income Tax Act,1961.

The A.O. disallowed finance cost of Rs.11,434,403/- treating the same as forming part of work in progress in respect of incomplete project. Further, disallowed Rs.2,355,162/- as business expenditure on the ground that the interest on amount borrowed for investment in shares is for non business purpose. The company filed an appeal (bearing No CIT(A)C-V/DCCC29/37/02-03).

The appeal was rejected by the CIT(A). The company has appealed against the order of the CIT(A) with ITAT.

Assessment Year -1997-98
K. Raheja Corp Pvt. Ltd. (formerly Paramount Hotels Limited)
The company's return of income was assessed under section 143(3) of the Income Tax Act,1961.

The A.O disallowed interest of Rs.4,945,000/- relating to amount borrowed for investment in shares. The deduction for interest was also not allowed under section 57 since the dividend was exempt in that year. The company filed an appeal (bearing No CIT(A)XLII/JC-SR.30/265/99-2000). CIT(A) rejected the company's appeal.

The company has further appealed against the order of the CIT(A) with ITAT.

Assessment Year 1997-98
Ivory Properties And Hotels Pvt. Ltd.,
The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O. disallowed finance cost of Rs.23,270,779/- treating the same as forming part of work-in-progress in respect of incomplete project. The company filed an appeal (bearing No CIT(A)C-V/DCCC29/38/99-2000) against the said disallowance made by the A.O.

The said appeal was rejected by the CIT(A).The company has appealed to ITAT against the order of the CIT(A).

Assessment Year - 1998-99
Anbee Constructions Pvt. Ltd.,
The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O. disallowed interest of Rs.437,371/- relating to investment in shares. The company filed an appeal (bearing No CIT(A)XLII/SR./IT.101/2000-01) to CIT (A) and CIT(A) rejected the company's appeal.

The company has appealed to ITAT against the order of the CIT(A). ITAT passed an order dated June 4, 2004 restoring the issue back to the A.O.

Assessment Year 2002-03
Ivory Properties & Hotel Pvt. Ltd.
The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961. The A.O disallowed interest of Rs. 6,442/- relating to investment in shares. The company has filed an appeal with the CIT(A) on April 19, 2005.

Assessment Year 2002-03
Anbee Constructions Pvt. Ltd.
The company's return of income for assessment year was assessed by the A.O. Additional Commissioner of Income Tax, Mumbai under Section 143(3) of the Income Tax Act, 1961.

The A.O. disallowed interest of Rs.6,671,328/- relating to investment in shares.

The company filed appeal to CIT(A) on January 31, 2005. The CIT(A) has dismissed the company's appeal vide order dated March 16, 2005 received on May 4, 2005. The company has received the order of the Deputy Commissioner of Income Tax giving effect to the CIT(A) order.

Assessment Year - 1998-99
Casa Maria Properties Pvt. Ltd.
The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed interest of Rs.404,395/- relating to investment in shares. The company filed an appeal (bearing No CIT(A)XLII/SR./IT.109/2000-01)to CIT (A) and CIT(A) rejected the company's appeal.

The company has appealed to ITAT against the order of the CIT(A). The said appeal has been heard and disposed off vide ITAT order dated November 25, 2004 restoring the matter back to the A.O.

Assessment Year 2002-03
Casa Maria Properties Pvt. Ltd.
The company's return of income for assessment year was assessed by the A.O. Additional Commissioner of Income Tax, Mumbai under Section 143(3) of the Income Tax Act, 1961.

The A.O. disallowed interest of Rs.3,539,259/- relating to investment in shares.

The company filed appeal to CIT(A) on January 31, 2005. The CIT(A) has dismissed the company's appeal vide order dated March 16, 2005 received on May 3, 2005. The company has received the order of the Deputy Commissioner of Income Tax giving effect to the CIT(A) order.

Assessment Year 1998-99
Raghukool Estate Dev. Pvt. Ltd.
The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed interest of Rs.399,050/- relating to investment in shares. The company filed an appeal bearing No CIT(A)XLII/SR./IT.100/2000-01 to CIT (A) and CIT(A) rejected the company's appeal.

The company has appealed to ITAT against the order of the CIT(A). The said appeal has been heard and disposed off vide ITAT order dated February 8, 2005 restoring the matter to the A.O. to examine the same afresh.

Assessment Year 1998-99
K. Raheja Corp Pvt. Ltd. (formerly Paramount Hotels Limited)
The company's return was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed interest of Rs. 5,627,771/- relating to investment in shares and further disallowed sum of Rs.101,997/- being expenditure incurred on increase in share capital during the year and also depreciation of Rs.40,028/- on assets acquired from outside India where no tax was deducted at source. (under section. 40a(i)) . The company filed an appeal (bearing No CIT(A)C-V/DCCC.29/141/2001-02) against these disallowances and CIT(A) rejected the company appeal.

The company has further appealed against the order of the CIT(A) with ITAT.

Assessment Year 1998-99
Ivory Properties And Hotels Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed finance cost of Rs.1,035,406/- treating the same as forming part of work in progress. Further, the A.O. reduced from work in progress Rs.1,767,490/- paid as technical fees to Skidmore Owing & Merrill and Rs.1,956,221/- being reimbursement of expenses incurred on foreign technicians on the ground that no TDS was deducted out of these two payments. The company filed appeal to CIT (A) bearing No CIT(A)C-V/DCCC29/142/2001-02 against these disallowances.

The appeal was rejected by the CIT(A).The company has appealed against the order of the CIT(A) with ITAT.

Assessment Year 1998-99
K. Raheja Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed as finance cost of Rs.6,124,181/- as forming part of work in progress in respect of incomplete project. Further the A.O. disallowed interest Rs.3,500,000/- relating to investment in shares. The A.O. also disallowed 1/10th of preliminary expenses under section 35D of Rs.93,092/-. The A.O. also made an addition of Rs.605,915/- by disallowing the claim for estimated expenses towards swimming pool and club house. The company filed an appeal (bearing No CIT(A)C-V/DCCC29/IT79/2000-01) against the disallowances.

The appeal was rejected by the CIT(A).The company has appealed against the order of the CIT(A) with ITAT.

Assessment Year 1999-00
K. Raheja Corp Pvt. Ltd. (formerly Paramount Hotels Limited)
The company's return was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed 1/10th preliminary expenditure under section 35D of Rs.101,997/-. The company filed an appeal (bearing No CIT(A)C-V/DCCC.29/102/2002-03) and CIT(A) rejected the company's appeal

The company has further appealed against the order of the CIT(A) with ITAT.

Assessment Year 1999-00
K. Raheja Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed finance cost of Rs.4,315,333/- as forming part of work in progress in respect of incomplete project and also disallowed 1/10th of preliminary expenses under section 35D of Rs.93,092/- The company filed appeal against the disallowances. (bearing No CIT(A)C-V/DCCC29/103/2002-03)

The appeal was rejected by the CIT(A).The company has appealed against the order of the CIT(A) with ITAT.

Assessment Year 2000-01
K. Raheja Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed finance cost of Rs.4,327,068/- as forming part of work in progress in respect of incomplete project and also disallowed 1/10th of preliminary expenses under section 35D of Rs.93,092/-. The A.O. also made addition of Rs.10,174,858/- by disallowing the claim of interest under section 36(i)(iii) being interest on investment in shares by applying the provision of section 14A of I.T. Act. The company filed appeal bearing No CIT(A)C-V/DCCC29/50/2003-04 against the disallowances

The appeal was rejected by the CIT(A).The company has appealed against the order of the CIT(A) with ITAT.

Assessment Year 2002-03
K. Raheja Corp Pvt. Limited
The company's return of income was assessed under section 143(3) of the Income Tax Act, 1961. The A.O disallowed interest of Rs. 65,700/- on advances made for application money towards purchase of shares; disallowed interest on advances made (aggregating to Rs.1,298,757/-) disallowed interest of Rs. 9,356,391/- relating to investment in shares; disallowed interest on investment in shares of Juhu Beach Resorts Ltd. (Rs.1,866,000/-); disallowed claim of preliminary expenses (Rs.101,997/-); wrongly considered compensation (rent) on property of Rs. 428,232/- as business income instead of income from house property; erred in disallowing claims of repairs of Rs. 128,470/- and charging of interest under section 234D of the Income Tax Act of Rs. 44,089/-. The company has filed an appeal with the CIT(A) on April 28, 2005.

Assessment Year 2000-01

K. Raheja Corp Private Limited (formerly Paramount Hotels Limited)

The company's return was assessed under section 143(3) of the Income Tax Act, 1961.

The A.O disallowed interest of Rs.76,650/- relating to application money for shares and interest of Rs.1,573,783/- on interest free advances made to relatives and directors. Interest of Rs.27,952,197/- was further disallowed relating to investment in shares and a sum of Rs.101,997/- was added by disallowing 1/10th of preliminary expenses under section 35D.

The company has filed an appeal before the CIT(A) against the above disallowances. The appeal was partly allowed by the CIT(A) through the order dated January 28, 2005. a letter seeking effect of the relief granted by the CIT(A) is pending with the A.O. The Company has received an order dated April 7, 2005 - giving effect to CIT (A)'s order alongwith refund order for Rs. 1,028,088/-. The company has filed an appeal with ITAT against the order of CIT(A). The matter is pending.

Assessment Year 2001-02.

K. Raheja Corp Pvt. Ltd.

The company's return was assessed under section 143(3) of the Income-Tax Act, 1961.

The A.O. disallowed interest of Rs.73,400/- relating to application money for shares and interest of Rs.1,450,971/- interest free advances made to relatives and directors. Interest of Rs.16,079,663/- was disallowed relating to investment in shares and a sum of Rs.101,997/- was added by disallowing 1/10th of preliminary expenditure under section 35D.

The appeal was partly allowed by the CIT(A) through the order dated January 28, 2005. a letter seeking effect of the relief granted by the CIT(A) is pending with the A.O. The Company has received an order dated April 7, 2005 - giving effect to CIT (A)'s order alongwith refund order for Rs. 946,353/-.

The company filed appeal to CIT (A) on April 20, 2004. The company has thereafter filed an appeal with ITAT against the order of CIT(A). The matter is pending.

Assessment Year 2001-02.

Anbee Constructions Pvt. Ltd.

The company's return was assessed under section 143(3) of the Income-Tax Act, 1961. The A.O. disallowed interest of Rs.7,715,804/- relating to investment in shares. The company filed appeal to CIT (A) on April 20, 2004.

The CIT (A) passed an order dismissing the said appeal. The company has filed an appeal against the said order of CIT(A).

Assessment Year 2001-02.
Cape Trading Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income-Tax Act, 1961. The A.O. disallowed interest of Rs.7,720,763/- relating to investment in shares. The company filed appeal to CIT (A) on April 20, 2004.

The CIT (A) passed an order dismissing the said appeal. The company has filed an appeal against the said order of CIT(A).

Assessment Year 2002-03
Cape Trading Pvt. Ltd.
The company's return of Income for assessment year was assessed by the A.O. Additional Commissioner of Income Tax, Mumbai under Section 143(3) of the Income Tax Act, 1961.

The A.O. disallowed interest of Rs.6,705,177/- relating to investment in shares.

The company filed appeal to CIT(A) on January 31, 2005. The CIT(A) has dismissed the company's appeal vide order dated March 16, 2005 received on May 3, 2005. The company has received the order of the Deputy Commissioner of Income Tax giving effect to the CIT(A) order.

Assessment Year – 2001-02.
Capstan Trading Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income-Tax Act, 1961. The A.O. disallowed interest of Rs.6,699,529/- relating to investment in shares. The company filed appeal to CIT (A) on April 20, 2004.

The CIT (A) passed an order dismissing the said appeal. The company has filed an appeal against the said order of CIT(A).

Assessment Year 2002-03
Capstan Trading Pvt. Ltd.
The company's return of income for assessment year was assessed by the A.O. Additional Commissioner of Income Tax, Mumbai under Section 143(3) of the Income Tax Act, 1961.

The A.O. disallowed interest of Rs.4,950,747/- relating to investment in shares.

The company filed appeal to CIT(A) on January 31, 2005. The CIT(A) has dismissed the company's appeal vide order dated March 16, 2005 received on May 3, 2005. The company has received the order of the Deputy Commissioner of Income Tax giving effect to the CIT(A) order.

Assessment Year – 2001-02.
Casa Maria Properties Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income-Tax Act, 1961. The A.O. disallowed interest of Rs.4,138,786/- relating to investment in shares. The company filed appeal to CIT (A) on April 20, 2004.

The CIT (A) passed an order dismissing the said appeal. The company has filed an appeal to ITAT on December 6, 2004 against the said order of CIT(A).

Assessment Year – 2001-02.
Ivory Properties And Hotels Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income-Tax Act, 1961. The A.O. disallowed interest of Rs.7,390/- relating to investment in shares. The company filed appeal to CIT (A) on April 20, 2004.

The CIT (A) passed an order dismissing the said appeal. The company has filed an appeal to ITAT on December 7, 2004 against the said order of CIT(A).

Assessment Year – 2001-02.
K. Raheja Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income-Tax Act, 1961. The A.O. disallowed interest of Rs.8,541,006/- relating to investment in shares. The company filed appeal to CIT (A) on April 20, 2004.

The CIT (A) passed an order dismissing the said appeal. The company has filed an appeal to ITAT on December 6, 2004 against the said order of CIT(A).

Assessment Year 2002 -03
Palm Shelter Estate Development Pvt. Ltd.
Through notice of demand December 27, 2004 demand of Rs.7,982/- was raised on completion of assessment under section 143(3) of the Income Tax Act. Since there is an error in computation of income in the assessment order a rectification letter dated March 15, 2005 has been filed.

Assessment Year – 2001-02
Palm Shelter Estate Development Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income-Tax Act, 1961. The A.O. disallowed interest of Rs.1,203,357/- relating to investment in shares. The company filed appeal to CIT (A) on April 20, 2004.

The CIT (A) passed an order dismissing the said appeal. The company has filed an appeal to ITAT on December 7, 2004 against the said order of CIT(A).

Assessment Year 2002-03
Palm Shelter Estate Development Pvt. Ltd.
The company's return of income for assessment year was assessed by the A.O. Additional Commissioner of Income Tax, Mumbai under Section 143(3) of the Income Tax Act, 1961.

The A.O. disallowed interest of Rs. 1,902,570/- relating to investment in shares.

The company filed appeal to CIT(A) on January 31, 2005. The CIT(A) has dismissed the company's appeal vide order dated March 16, 2005 received on May 4, 2005. The company has received the order of the Deputy Commissioner of Income Tax giving effect to the CIT(A) order, raising a demand of Rs. 8301/-.

Assessment Year – 2001-02
Raghukool Estate Development Pvt. Ltd.
The company's return was assessed under section 143(3) of the Income-Tax Act, 1961. The A.O. disallowed interest of Rs.5,864,280/- relating to investment in shares. The company filed appeal to CIT (A) on April 20, 2004.

The CIT (A) passed an order dismissing the said appeal. The company has filed an appeal on December 6, 2004 against the said order of CIT(A).

Assessment Year 2002-03
Raghukool Estate Development Pvt. Ltd.
The company's return of income for assessment year was assessed by the A.O. Additional Commissioner of Income Tax, Mumbai under Section 143(3) of the Income Tax Act, 1961.

The A.O. disallowed interest of Rs. 4,350,424/- relating to investment in shares.

The company filed appeal to CIT(A) on January 31, 2005. The CIT(A) has dismissed the company's appeal vide order dated March 16, 2005 received on May 3, 2005. The company has received the order of the Deputy Commissioner of Income Tax giving effect to the CIT(A) order.

D) **Litigation Pending - Sales Tax/ Luxury Tax**

There are none

E) **Litigation Pending – Customs and Excise Gold Control Appellate Tribunal ('CEGAT')**

There are none

F) **Litigation Pending- Money Recovery and Other Civil Suits**

Before the Additional Collector, Mumbai
Appeal No 18 of 2004
K.Raheja Corp Pvt. Ltd. v/s Collector, Mumbai

By an order dated December 20, 2003 the Collector, MSD has demanded payment of amount of Rs.27,891,122/- as per the final valuation together with an interest thereon in respect of land /plot bearing CTS No 98D admeasuring about 2840.60 sq. mt which was leased for a period of 10 years by the Government, Revenue and Forest Department on the terms and conditions stated in the memorandum dated January 21, 1995 in favour of Paramount Hotels Ltd.(now K Raheja Corp Pvt. Ltd.). K Raheja Corp Pvt. Ltd has filed an appeal under section 247 of the Maharashtra Land Revenue Code 1966 against the said order dated December 20, 2003 issued by the Collector, MSD before the Additional Commissioner. The Additional Commissioner has granted a stay to the order of the Collector, MSD till January 31, 2004 which has subsequently been extended till further orders.

K.Raheja Corp Pvt. Ltd. has deposited a sum of Rs.2,500,000/- (Rs. 25 lacs) in aggregate under protest against the said demand and also against the demand raised by the Collector, MSD in respect of the adjacent plot No 96. admeasuring about 2450 sq.mt in respect of which the company has preferred an appeal(No 19 of 2004)as hereinbelow mentioned.

The matter was heard and the Additional Commissioner, Konkan Division passed an order dated February 4,2005 whereby the said appeal has been partly allowed and the matter is remanded to the Collector, Mumbai Suburban District with directions for re-enquiry in the matter and considering the issues raised by the appellant and the opinion submitted by the Asst. Director, Town Planning & Tax Assessor the appellant should be provided the necessary opportunity and order be passed within two months.

Pursuant to the said order, the Collector, Mumbai Suburban District sent a notice dated February 18, 2005 to K.Raheja Corp Pvt. Ltd. fixing the hearing on February 28, 2005, when the matter was heard. The company has filed detailed submissions to the Collector on March 03, 2005 and have inter alia submitted the statement of amounts as per the valuation of the adjoining plot at the 1/3 market rate in view of the remarks filed by the Asst. Director, Town Planning seeking the setting aside of the order dated December 20, 2003 and demand notice dated January 07, 2004 in respect thereof.

Before the Additional Collector, Mumbai
Appeal No 19 0f 2004
K.Raheja Corp Pvt. Ltd. v/s Collector, Mumbai

By an order dated December 20, 2003 the Collector, MSD has demanded payment of amount of Rs.23,294,414/- as per the valuation together with interest thereon in respect of land / plot bearing CTS No 96 admeasuring about 2450 sq.mt which was leased for a period of 30 years by an order issued by Additional Collector ,Mumbai Suburban District dated August 8,1984 in favor of Paramount Hotels Ltd. (now known as K Raheja Corp Pvt. Ltd)

K Raheja Corp Pvt. Ltd. (formerly Paramount Hotels) has filed an appeal under section 247 of the Maharashtra Land Revenue Code 1966 from the said order with the Additional Commissioner who has granted a stay to the order of the Collector, MSD till January 31, 2004 which subsequently extends till further orders upon K.Raheja Corp Pvt. Ltd. depositing an amount of Rs. 2,500,000/- (Rs.25 Lac) under protest.

K.Raheja Corp Pvt. Ltd. has deposited a sum of Rs. 2,500,000/- (Rs.25 Lac) in aggregate under protest against the said demand and also against the demand raised by the Collector, MSD in respect of the adjacent plot No 98D. in respect of which the company has preferred an appeal (No 18 of 2004)as hereinabove mentioned.

The matter was heard and the Additional Commissioner, Konkan Division passed an order dated February 4, 2005 whereby the said appeal has been partly allowed and the matter is remanded to the Collector, Mumbai Suburban District with directions for re-enquiry in the matter, and considering the issues raised by the appellant and the opinion submitted by the Asst. Director, Town Planning & Tax Assessor the appellant should be provided the necessary opportunity and order be passed within two months.

Pursuant to the said order, the Collector, Mumbai Suburban District sent a notice dated February 18, 2005 to K.Raheja Corp Pvt. Ltd. fixing the hearing on February 28, 2005, when the matter was heard. The company has filed detailed submissions to the Collector on March 03, 2005 and have a inter alia submitted the statement of amounts as per the valuation of the adjoining plot at the 1/3 market rate in view of the remarks filed by the Asst. Director, Town Planning seeking setting aside of the order dated December 20, 2003 and demand notice dated January 07, 2004 in respect thereof.

High Court, Mumbai
Suit No 501 of 1980
Jyoti Chandru Raheja v/s Dr Dhun Sarosh Anklesaria & Others
(under the provisions of the Specific Reliefs Act, 1963)

The plaintiff has filed a Suit bearing No 501 of 1980 at the Mumbai High Court claiming specific performance of an agreement of sale dated December 30, 1977 and in the alternative damages of amount of Rs. 1,200,000/- be granted.

Currently the case is listed for hearing

High Court, Mumbai
Suit No 1903 of 2003
K.Raheja Corp Pvt. Ltd. v/s Goolestan P Coelho & Ors
(under the provisions of the Specific Reliefs Act, 1963)

The plaintiff has filed the Suit bearing No 1903 of 2003 at the Mumbai High Court for specific performance of agreement between plaintiff and Mr. Peter Coelho and in the alternative the plaintiff has prayed for a refund of Rs. 3,500,000/- together with interest aggregating to Rs. 17,984,077 /- and further damages of Rs. 53,679,600/-

The defendants have filed their written statement, the suit is pending.

High Court, Mumbai
Summary Suit No 428 of 2000
K Raheja Pvt.Ltd. v/s. ITC Agro Tech Finance & Investment Ltd.

The plaintiff has filed a Summary Suit bearing No 428 of 2000 under Order XXXVII of the Code of Civil Procedure, 1908 at the Mumbai High Court for refund of Inter Corporate Deposit of Rs.35,000,000/- together with interest . The High Court has vide order dated December 16, 2000 granted the defendant's unconditional leave to defend the suit .The suit is transferred to the list of commercial cause court.

High Court, Mumbai
Suit 3762 of 2002
K.Raheja Corp Pvt. Ltd. v/s. Maharashtra Tourism Development Corporation Ltd.
The plaintiff filed a Suit bearing No 3762 of 2002 at the Mumbai High Court claiming a refund of Rs. 2,900,000/- (Rs. 29 Lac) paid under the memorandum of understanding dated March 20, 1995 with interest. Currently the case is still pending. This suit is filed under the provisions of the Indian Contract Act 1872. The plaintiff has taken out notice of motion no. 1296 of 2005 inter alia praying for interim relief restraining MTDC from dispossessing or parting with possession or alienating or encumbering the suit property having regard to the public advertisement appearing in Loksatta dated April 20, 2005 offering the suit property on a BOT basis for development for tourism activity, which notice of motion was heard by Justice Karnick on May 3, 2005, and the court did not grant ad interim reliefs.

State Consumer Dispute Redressal Commissions
Appeal No 548 of 2000
Paramount Hotels Ltd. (now K Raheja Corp Pvt. Ltd) v/s. VR Sekseria
Mr. Sekseria filed a compliant at the consumer forum claiming damages of Rs. 310,100/- for cancellation of his membership and closure of the Resort Club. The Consumer Forum directed the Resort to pay Rs. 111,100/-. Paramount Hotels Ltd (now K Raheja Corp Pvt. Ltd) appealed under the provisions of the Consumer Protection Act, 1986 against the impugned order at the State Consumer Forum

Currently the order of the Consumer Forum is stayed and the appeal at the State Consumer Forum is pending.

In the Small Cause Court
Stamp No.589 of 2003
Ivory Properties and Hotels Pvt. Ltd. v/s. Municipal Corporation of Greater Mumbai
An appeal was filed pursuant to the provisions of the BMC Act 1888, against Municipal Corporation of Greater Mumbai in respect of Municipal tax assessment of Bldg. No. 10 (Infinity, at Mindspace,) Survey No. 504, CTS No. 1406 A / 18, Village Malad, located in Ward No. PN 3158 (1/10). The units in this building have been sold to different purchasers. The appeal was filed by Ivory Properties and Hotels Pvt. Ltd. in the capacity of 'Developer' and the ultimate liability of the property taxes is on the purchasers of the respective units. The rateable value of the building as initially arrived at by the MCGM was Rs. 6,935,655/- which was challenged and based on which a demand of Rs. 24,804,818/- was made for the period from December 14, 2000 to March 31, 2004.

The Brihanmumbai Mahanagar Palika has vide its letter dated November 30, 2004 fixed the rateable value of the building at Rs 3,052,790/- as per inter alia the Government IT/ITES Policy 2003, for the period June 4, 2003 to June 3, 2008 subject to submission of the order of the Small Causes Court regarding the withdrawal of the aforesaid appeal. Accordingly the Municipal Appeal Stamp No.589 of 2003 stands disposed off as withdrawn vide order dated December 7, 2004 issued by the Additional Chief Judge

In the Small Cause Court
Stamp No. 807 of 2004 –
Ivory Properties and Hotels Pvt. Ltd. v/s. Municipal Corporation of Greater Mumbai ('MCGM')
An appeal, pursuant to the provisions of the BMC Act 1888, was filed against MCGM in respect of municipal tax assessment of Bldg. No. 7 (Eureka Towers – Mindspace) Survey No. 504, CTS No. 1406 A / 18, Village Malad, Ward No. PN 3158 (1/7). The units in this building have been sold to different purchasers. The appeal was filed by Ivory Properties and Hotels Pvt. Ltd.(IPHL) as the developer and the ultimate liability of the property taxes is on the purchasers of the respective units. The rateable value of the building as initially arrived at by the MCGM was Rs. 12,929,860/- which was challenged and based on which a demand of Rs.7,635,188/- was made for the period from January 15, 2003 to March 31, 2004.

The Brihanmumbai Mahanagar Palika has vide its letter dated November 30, 2004 fixed the rateable value of the building at Rs 10,013,190/- as the total rateable value of the property interalia as per inter alia the Government IT/ITES Policy 2003 subject to submission of the order of the Small Causes Court regarding the withdrawal of the aforesaid appeal. Accordingly the Municipal Appeal Stamp No.807 of 2004 stands disposed off as withdrawn vide order dated December 7, 2004 issued by the Additional Chief Judge.

Suit No. 542 of 2000
Court of Civil Judge, Sr. Division Suit, Pune
Paramount Hotels Ltd. (now K Raheja Corp Pvt Ltd) VS Tropicana Properties Ltd. and Basant Kumar Bhatnagar
Suit under Section 6 of the Specific Relief Act 1963 in respect of repossession of office space on the 2nd and 3rd floors of the building Raheja Chambers situated at Survey No. 361, Hissa No. 1, Bund Garden Road, Pune has been filed by Paramount Hotels Ltd. (now K Raheja Corp Pvt. Ltd) against wrongful occupation and possession by Tropicana Properties Ltd., and Basant Kumar Bhatnagar. The plaintiffs have also prayed for restoration of possession of suit premises and for appointment of a Court Receiver and restraining Tropicana Properties Ltd. from dealing with the suit premises in any manner and for attachment and sealing of the suit premises. The matter is pending.

Protest letter dated April 7, 2003 filed with Municipal Corporation of Greater Mumbai (MCGM) by Powai Developers(a division of K Raheja Corp Pvt. Ltd) for under construction Bldg. No. 29 – Raheja Vihar, Powai

Protest letter dated April 7, 2003 had been filed with the Municipal Corporation of Greater Mumbai (MCGM) in respect of municipal taxes assessment of under construction building No.29 - Raheja Vihar, Village Powai, Tungwa under Ward No. L 4467(12/29). The rateable value of the building under construction as arrived at by MCGM is Rs.415,840/- with effect from April 1, 2002, based on which bills for payment for the periods April 1, 2002 to September 30, 2002, October 1, 2002 to

March 31, 2003 and April 1, 2003 to September 30, 2003 were issued for amounts of Rs.254,702/- for each period. On disposal of the complaint on October 21, 2004 the assessing officer reduced the rateable value to Rs.191,190/- with effect from April 1, 2002. Accordingly, revised bills for the said period for taxes of Rs.117,104/- for each period was issued. The company has made the following payments:

Sr. No.	Date of Payment	Amount
1.	September 30, 2003	Rs.80,000
2.	September 30, 2003	Rs.80,000
3.	September 30, 2003	Rs.80,000
4.	December 12, 2004	Rs.37,104
5.	December 12, 2004	Rs.37,104
6.	December 12, 2004	Rs.37,104

Powai Developers has filed an appeal, pursuant to the provisions of the BMC Act 1888, on November 4, 2004 against the rateable value of Rs.191,190 /- NPA under intimation dated October 8, 2004 finalised on October 21, 2004 by the Municipal Corporation of Greater Mumbai in the Small Causes Court an appeal in respect of the fixation of the rateable value of the said building under construction, Municipal Stamp Appeal No. 1929 of 2004.

The matter is pending.

Protest Letter dated April 7, 2003 filed with Municipal Corporation of Greater Mumbai by Powai Developers (a division of K. Raheja Corp. Pvt. Ltd.) Building No.30 – Raheja Vihar, Powai (Land under construction – L.B.B.U. - land being build upon)

A protest letter dated April 7, 2003 was filed with Municipal Corporation of Greater Mumbai (MCGM) in respect of municipal tax assessment of under construction building No.30 – Raheja Vihar, Village Powai, Tungwa under Ward No.L 4467 (12/30). The rateable value of the building under construction as arrived at by the MCGM is Rs.416,770/- and based on which bills for payment were issued by the MCGM for the period from July 1, 2002 to March 5, 2004.

Final intimation dated October 8, 2004 was sent by the MCGM pursuant to which rateable value was revised and fixed at Rs.191,620/- NPA with effect from July 1, 2002 by way of endorsement on the said intimation. Consequently revised bills have been issued for payment of taxes amounting to Rs. 58,686/ for the period from July 1, 2002 to September 30, 2002, Rs.117,368/- for the period from October 1, 2002 to March 31, 2003, Rs.117,368/- for the period from April 1, 2003 to September 30, 2003 and Rs.188,770/- for the period from October 1, 2003 to March 31,2004 (inclusive of the amount payable towards the new building for the period from March 6, 2004 to March 31, 2004).

Powai Developers has paid the following amount on the dates mentioned below against the said bills.

Sr. No.	Date of Payment	Amount (in Rs.)
1	February 12, 2004	350,000
2	December 31, 2004	17,368
3	December 31, 2004	17,368
4	December 31, 2004	8,686

Powai Developers have filed an Appeal (Municipal Stamp Appeal No.1930 of 2004) pursuant to the provisions of the BMC Act 1888,on November 4, 2004 in the Small Causes Court at Mumbai against fixation of Rateable Value of Rs.191,620/- NPA for under construction building.

Protest Letter dated April 5, 2004 was filed on April 7, 2004 with the Municipal Corporation of Greater Mumbai (MCGM) by Powai Developers (Division of K. Raheja Corp. Pvt. Ltd.) for the New Building No.30, Raheja Vihar Powai. (under the provisions of section 163(2) of the BMC Act, 1888)

A protest letter dated April 5, 2004 was filed on April 7, 2004 with Municipal Corporation of Greater Mumbai (MCGM) in respect of municipal tax assessment of building No.30 – Raheja Vihar, Village Powai, Tungwa under Ward No.L 4467 (12/30). The rateable value of the building as arrived at by the MCGM is Rs.1,504,565/- with effect from March 6, 2004 and based on which bills for payment were issued by the MCGM for the period from March 6, 2004 to March 31, 2005.

Final intimation dated January 6, 2005 was sent by the MCGM pursuant to which rateable value was revised and fixed at Rs.1,068,380/- NPA with effect from March 6, 2004 by endorsement on the said intimation. Consequently revised bills have been issued for payment of taxes amounting to Rs.281,941/- for the period from October 1, 2003 to March 31, 2004, Rs.446,049/- for the period from April 1, 2004 to September 30, 2004 and Rs.446,049/- for the period from October 1, 2004 to March 31, 2005. On account payment of Rs.300,000/- is made on June 30, 2004 for the period from April 1, 2004 to September 30, 2004. Further on account payments of Rs.181,941/- , Rs. 1,408,049/- and Rs. 446,049/- have been made.

Protest Letter dated March 9, 2005 was filed with the Municipal Corporation of Greater Mumbai (MCGM) by Rockfort Estate Developers Limited for the Building known as Leela Business Park, on Kurla Andheri Road, Andheri (East) (under the provisions of section 163(2) of the BMC Act, 1888)

A protest letter dated March 9, 2005 was filed on March 11,2005 with Municipal Corporation of Greater Mumbai (MCGM) in respect of municipal tax assessment of building known as “Leela Business Park” on Kurla Andheri Road, Andheri (East) under

Ward No. K/E 11335 (7A/1). The property tax payable for the building as arrived at by the MCGM is Rs.3,363,265/- for the period from October 1, 2004 to March 31, 2005 and based on which a bill for payment was issued by the MCGM. Following on account payments have been made.

Sr.No.	Amount	Paid On
1.	Rs. 1,000,000/-	November 30, 2004
2.	Rs. 7,50,000/-	December 31, 2004
3.	Rs. 586,042/-	January 29, 2005
4.	Rs. 700,000/-	March 31, 2005

The ratable value of the said building has been fixed at Rs. 6,225,885/- with effect from October 1, 2004 by MCGM by the investigating officer on April 21, 2005.

- **Protest Letter dated March 10, 2005 was filed with the Municipal Corporation of Greater Mumbai (MCGM) by Inorbit Malls (India) Private Limited for Inorbit Malls constructed on demarcated portion of plot bearing CTS No.1406A/28A Village Malad.**
  (under the provisions of section 163(2) of the BMC Act, 1888)

A protest letter dated March 10, 2005 was filed on March 11,2005 with Municipal Corporation of Greater Mumbai (MCGM) in respect of municipal tax assessment for Inorbit Malls constructed on demarcated portion of plot bearing CTS No.1406A/ 28A Village Malad under Ward No. PS-400 (203/1). The property tax payable for the building as arrived at by the MCGM is Rs.19,155,874/- for the period April 1, 2004 to September 30, 2004 and Rs.24,722,192/- for the period October 1, 2004 to March 31, 2005. Protest letter is filed with MCGM stating that it is exorbitant and highly excessive and based on which bills for payment were issued by the MCGM. On account payments have been made as follows:

S.No	Amount
1.	Rs.3,000,000/-
2.	Rs.6,000,000/-
3.	Rs.4,000,000/-
4.	Rs.5,000,000/-
5.	Rs.7,500,000/-

In The Court Of Small Causes At Bandra-Mumbai
T. E. & R. Suit No.53/68 Of 2004
Ivory Properties & Hotels Pvt. Ltd. v/s Indian Overseas Bank,
(under the provisions of the Transfer of Property Act, 1882 and under the provisions of the Maharashtra Rent Control Act, 1999**)**
The plaintiff is the owner of the premises being the ground floor having carpet area of 1423.75 sq. ft. together with the basement area having carpet area 1413.12 sq.ft., in aggre-gate admeasuring 2836.87 sq. ft., in the building viz. Triveni Building standing on the land bearing C.T.S. Nos.543, 543/1 to 17 of Village and Taluka Andheri at 221-D, S. V. Road, Andheri (West), Mumbai – 400058. The defendants, Indian Overseas Bank are the tenants of the said premises. The plaintiffs have terminated the tenancy of the defendants in respect of the said premises and requested to hand over vacant possession of the premises. Since the defendants failed to vacate and handover the premises the above suit is filed for a decree against the defendant to quit, vacate and handover, the vacant and peaceful possession of the premises and for compensation at market rate for use and occupation of the suit premises after the termination at the rate of Rs.297, 871/- per month for the period commencing from August 1, 2004 till handing over of vacant possession of the premises

City Civil Court
Suit No.6181 of 1982
Mercury Enterprises & R. N. Talaty V/s. A. K. Satam & Others
(Under the provisions of Code of Civil Procedure 1908)
The above Suit was filed by Mercury Enterprises (now known as K Raheja Properties & Finance) and Mr. Talaty, the plaintiffs for seeking inter-alia a declaration from the Court that the defendants Mr. Satam & others, have no right or cause to interfere with/ obstruct or disturb the construction of a building at Manjrekar Wadi near Natraj Studio, off Andheri Kurla Road, Mumbai and a permanent order seeking to restrain the defendants, their servants, agents and representatives from interfering with, obstructing or disturbing the construction of the said building.
A Notice of Motion No.5317 of 1982 was taken out by the plaintiff's in the said matter. The matter was last adjourned to January 29, 1983. The matter is still pending.

Litigation before the Hon'ble Supreme Court
The Company and one of its Promoters have preferred two separate special leave petitions being SLP (C) No. D9265 / 2005 and SLP (C) No. CC5275 / 2005 respectively before the Hon'ble Supreme Court against the order dated April 26, 2005 passed by the Shillong Bench of the Hon'ble High Court of Gauhati. The Hon'ble Supreme Court vide its common order dated April 27, 2005 passed in the said two special leave petitions stated that the ends of justice would be met only by staying the impugned order dated April 26, 2005 passed by Shillong Bench of the Gauhati High Court and accordingly stayed the said impugned order. The Hon'ble Supreme Court has further directed that until further orders no other court or authority shall make any interim ex-parte orders in the subject matter.

Transfer Petition - A Transfer Petition has been filed by K. Raheja Corp. Pvt. Ltd. in the Supreme Court on May 4, 2005 against North East Investors Association and others similar to the Transfer Petition filed by the Company referred to on page 290 of the Prospectus.

G) **Economic / Criminal / Civil Offences By Promoters, Companies And Firms Promoted By The Promoters And Past Cases In Which Penalties Were Imposed By The Concerned Authorities**
FIR No. PC 0354 dated 3/12/1999, Case No 29/2000 before the Judicial Magistrate F. C. Court No. 3 Criminal Complaint filed by Mr. A.D. Prabhu on behalf of Paramount Hotels Ltd. (now K Raheja Corp Pvt. Ltd), K. Raheja Pvt. Ltd. and Wiseman Finance Pvt. Ltd. on December 2, 1999 with the inspector of Bund Garden against

Tropicana Properties Ltd.

(under the provisions of the Indian Penal Code)

A criminal complaint has been filed by Mr. A.D. Prabhu on behalf of Paramount Hotels Ltd.(now K Raheja Corp Pvt. Ltd), K. Raheja Pvt. Ltd. and Wiseman Finance Pvt. Ltd. on December 2, 1999 with the inspector of Bund Garden, Pune against Mr. Bhatnagar of Tropicana Properties Ltd. in respect of forceful occupation by Tropicana Properties Ltd of the office premises on the 2nd & 3rd Floors of Raheja Chambers, Pune. Final report form under section 173 of the Criminal Procedure Code is filed in the Court of Judicial Magistrate Court No. 3 – Pune, Sheet No. 19/2000 dated February 4, 2000. The Court of the Judicial Magistrate has acquitted the accused by its order dated December 31, 2004.

H) **Litigation Pending – Labour, Employees and Trade Unions**

Writ Petition No. 2456/2003 in the High Court of Mumbai,

The Resort-Division of Paramount Hotels Pvt. Ltd. (Now K Raheja Corp Pvt. Ltd.) v/s Mahendra Pratap Singh

The above writ petition has been filed by Paramount Hotels against the order passed by Labour Court in IDA No. 328 of 1996 on a reference by the Deputy Commissioner of Labour to the Labour Court in respect of reinstatement of Mr. Mahendra Pratap Singh, an employee of the Resort with full back wages and continuity of service. The said reference was admitted by the Labour Court with a direction to reinstate Mr. Mahendra Pratap Singh with full back wages and continuity of service. The company has filed a writ petition in the High Court against the aforesaid order of the labour court which has been admitted with a direction to pay Mr. M P Singh his last drawn monthly wage from January 7, 2004 as per the provisions of Section 17-B of the Industrial Disputes Act 1947.

The parties have arrived at a settlement under the provisions of the Industrial Disputes Act, 1947 and the rules issued thereunder. The High Court has recorded the above vide its minutes of the order dated November 4, 2004 which interalia record that the respondent workman, Mr. Mahendra Pratap Singh agrees and undertakes to the High Court that he has now no claim of whatsoever nature against the petitioner company, the Resort, Paramount Hotel Pvt. Ltd and that by consent of both the parties the impugned order of the labour court dated February 28, 2003 is set aside and the aforesaid writ petition stands disposed off accordingly.

Suit No.1540 of 1997

Raheja Hotels Limited, Paramount Hotels Limited(now known as K Raheja Corp Pvt Ltd) v/s. Rashmi Joglekar.

(under the provisions of the Indian Contract Act 1872 and the Specific Reliefs Act, 1963)

A suit was filed by Paramount Hotels Limited (now known as K. Raheja Corp Pvt. Ltd.) seeking inter-alia that the High Court declare that the defendant, an erstwhile manager of the Resort Club at Resort Hotel (owned by Paramount Hotels Limited) has committed breach of contract and of the terms of the employment related bond and is liable to pay to the plaintiff the sum of Rs.1,300,000/- and pay the said amount with interest at 18% p.a. from date of filing the suit till date of payment and pending final hearing to restrain the defendant from taking up employment as indicated in the plaint.

Notices of Motion No.772 of 1999 and 1460 of 1998 have been taken out in this matter. The matter is pending final hearing.

I) **Bank / Financial Institution Defaults**

There are none

J) **Non Payment Of Statutory Dues And/Or Dues Towards Instrument Holders Such As Debenture Holders, Fixed Deposits**

There are none except as disclosed in the sections titled 'Litigation Pending By/Against our Promoters' in this Prospectus.

K) **Disciplinary Action Taken By SEBI / Stock Exchanges Against The Promoters/Business Ventures Of The Promoters**

There are none except as disclosed in the section on 'Litigation Pending By/Against the Southern, Undivided Entities.

L) **Arrears On Cumulative Preference Shares By Promoters And/Or Companies/Firms Promoted By The Promoters**

There are none except as disclosed in the section on 'Our Promoters - Mumbai Undivided Entities.

M) **Pending Litigations Of Companies/Firms/Ventures With Which Promoters Were Associated In The Past In Case Their Names Continue To Be Associated With The Particular Litigations**

There are none except as disclosed under this section of this Prospectus.

N) **Potential Litigation**

- Entertainment Concepts India, Mr. Francis Faria.

The Resort ,a division of K. Raheja Corp. Pvt. Ltd. have issued notices through their Advocates dated February 3, 2004 to Entertainment Concepts India and Mr. Francis Faria for deficiency in rendering of service by Entertainment Concepts

India to the Resort on the night of December 31, 2003 in respect of the entertainment program shows organized by them. The company is claiming a sum of Rs. 1,000,000/- (Rs. 10 Lakhs)as damages on account of loss of reputation / goodwill, loss of future guests, mental loss, frustration etc from them. The matter is pending.

-The Resort, a division of K. Raheja Corp Pvt. Ltd. and Mrs. Varsha Padhye

Mrs. Varsha Padhye an employee of the Resort (a division of K. Raheja Corp Pvt. Ltd.) was issued a show cause notice dated April 27, 2004 by the management of the Resort which she refused to accept. The same when it was sent to her through Registered A.D., was returned unclaimed.

As per the said notice she was required to show cause as to why necessary action should not be taken against her in respect of the rude and arrogant behaviour against the General Manager of the Resort and against Mr. Alvis Fernandes an employee of the company working in the personnel department on April 3, 2004 and for refusing to accept the show cause notice.

By a letter dated May 27, 2004, she has also been suspended pending enquiry till further orders and was asked to appear on June 18, 2004 at the Resort. She refused to accept this letter of May 27, 2004. The matter was pending resolution/settlement. The date fixed for company's evidence was April 11, 2005. The matter was kept for cross examination on April 23, 2005. A memorandum of settlement dated April 23, 2005 has been entered into between the Resort and Mrs. Varsha Padhye whereby Mrs. Varsha Padhye has submitted her resignation from service with effect from April 23, 2005 which the hotel has accepted. A sum of Rs. 130,000/- has been accepted by Mrs. Padhye in full and final settlement of all her claims and dues arising out of her employment with the hotel.

- Powai Developers, a division of K Raheja Corp Pvt Ltd. and Schindler India Pvt. Ltd.

Powai Developers, a division of K Raheja Corp Pvt Ltd. had installed 8 Schindler elevators in wings A, B, C and D of Hill Side Building at Powai. Vide several letters including letter dated August 22, 2003 through their Advocates, addressed to Schindler India Pvt. Ltd., Powai Developers has stated that Schindler lifts installed by Schindler India Pvt. Ltd. in above buildings were not working properly due to continuous malfunctioning of their various components . The letter further states that Schindler India Pvt. Ltd. had installed lifts which were continuously malfunctioning and seriously defaulted in fulfilling the obligations under the terms of contract under which they were to handover the elevators in perfect working condition and failed to do so even after lapse of a year and called upon Schindler to remove all 8 defective malfunctioning lifts within 6 months from the date of the letter, and to refund within 15 days from date of the letter the entire amount received by Schindler and damages of Rs.10,000,000/- within 15 days from date of the letter. Powai Developers have also reserved rights to claim the damages caused due to sub standard and defectively supplied elevators.

Schindler India Pvt. Ltd. has vide letter of their Advocates and Solicitors dated September 8, 2003 denied the aforesaid allegations. The letter further states that a sum of Rs 880,000/- is still payable by Powai Developers to Schindler India Pvt. Ltd.

Capstan Trading Co Pvt. Ltd. and Ferani Hotels Ltd and Apna Sahakari Bank Ltd.(Matulya Centre Premises)

The company, Capstan Trading Pvt. Ltd., a promoter company , was owner of premises being Unit No. 1 on the 1st Floor of a building known as Matulya Centre 'C' located at Lower Parel, Mumbai in accordance with the ownership agreement dated November 30, 1996 executed between the company and Ferani Hotels Ltd. the builders of the said property. The said agreement has been duly registered.

The said premises were sold by the company to Apna Sahakari Bank Ltd. vide sale deed dated December 30, 2002 executed between the company and the said bank

A cooperative society of the owners of various units in the said building (Matulya Centre Wing 'A','B' and 'C') was formed in May, 2002 wherein the company's name was not entered as a member of the society and no share certificate has been issued to the company. Instead the company received a letter dated March 26, 2003 from the society stating that the said premises were unsold and that the society had issued share certificate in respect of the said premises in the name of the builders viz. Ferani Hotels Ltd. since as per the contention of the builders, the company Capstan Trading Pvt. Ltd. was yet to comply with certain obligations under the ownership agreement dated November 30, 1996. Pursuant to the company's application to the Registrar of Cooperative Society for admission of the company as a member, the Registrar has forwarded to the society, the company's application for membership with a direction to consider the same as per the byelaws. The society has rejected the said application of the company for membership on the ground that in Suit No 2118 of 2003 filed in the Bombay City Civil Court by Apna Sahakari Bank Ltd against the society, it has been held that the said bank has purchased the said property from the company which is not the legal owner.

However the company was never made a party to the above suit. The company intends to file a suit in an appropriate court for membership of the society and issue of share certificate in the company's name.

- Protest letter filed dated March 31, 2004 filed with the Municipal Corporation of Greater Mumbai (MCGM) by Powai Developers (Division of K. Raheja Corp. Pvt. Ltd.) Building No.31, Raheja Vihar Powai (under the provisions of section 163(2) of the BMC Act, 1888)

The protest letter dated March 31, 2004 had been filed with the Municipal Corporation of Greater Mumbai (MCGM) in respect of municipal tax assessment of under construction Building No.31 - L.B.B.U – Raheja Vihar, Village Powai, Tungwa, under Ward No. L 4467 (12/31). The rateable value of the building under construction as arrived at by MCGM

is Rs.1,062,640/- and based on which bills for payment were issued by the MCGM for the period from October 1, 2003 to March 31, 2004, April 1, 2004 to September 30, 2004 and from October 1, 2004 to March 31, 2005.

Final intimation dated January 1, 2005 was sent by the MCGM pursuant to which rateable value was revised and fixed at Rs.488,520/- NPA with effect from October 1, 2003 by endorsement on the said intimation. Consequently revised bills have been issued for payment of taxes amounting to Rs.897,657/- by the MCGM based on the revised rateable value fixed at Rs.488,520/- with effect from October 1, 2003 to March 31, 2005. Powai Development have filed an appeal with Small Causes Court, Mumbai against the fixation of the rateable value under Stamp No. 129 of 2005.

- Protest letter filed dated April 6, 2004 filed with the Municipal Corporation of Greater Mumbai (MCGM) by Ivory Properties and Hotels Private Limited, New Building – CASCADE II – Borivali (E)

(under the provisions of section 163(2) of the BMC Act, 1888)

The protest letter dated April 6, 2004 had been filed with the Municipal Corporation of Greater Mumbai (MCGM) in respect of municipal tax assessment of new building – CASCADE II, Borivli (E) under Ward No. R/C 5488 (9/IB-3). The rateable value of the building as arrived at by the MCGM is Rs.713,485/- and based on which bills for payment were issued by the MCGM for the period from April 1, 2003 to March 31, 2005.

Final intimation dated December 7, 2004 was sent by the MCGM pursuant to which rateable value was revised and fixed at Rs.675,685/- NPA with effect from April 1, 2003 by way of endorsement on the said intimation. Consequently revised bills have been issued for payment of taxes amounting to Rs.282,098/- for the period from April 1, 2003 to September 30, 2003, Rs.282,098/- for the period from October 1, 2003 to March 31, 2004, Rs.282,098/- for the period from April 1, 2004 to September 30, 2004 and Rs.282,098/- for the period from October 1, 2004 to March 31, 2005. All the payments for the aforesaid periods have been made.

Protest letter dated April 11, 2005 was filed on April 13, 2005 with the Municipal Corporation of Greater Mumbai (MCGM) by Mrs. Jyoti C. Raheja & others against increase in rateable value in respect of premises situated at basement & ground floor (occupied by Indian Overseas Bank) in Radhaswami Apartment Co-operative Society Ltd. 36th Road, Bandra (West).

(Under the provisions of section 163(2) of the BMC Act, 1888)

A protest letter dated April 11, 2005 was filed on April 13, 2005 with Municipal Corporation of Greater Mumbai (MCGM) complaining against increase in rateable value in respect of assessment of premises situated at basement and ground floor (occupied by Indian Overseas Bank) in Radhaswami Apartment Co-operative Society Ltd., 36th Road, Bandra (West) under Ward No.H-West-5279.This may give rise to a demand for payment of higher property taxes and may give rise to prospective litigation.

Protest letter dated April 11, 2005 was filed on April 13, 2005 with the Municipal Corporation of Greater Mumbai (MCGM) by Chandru L. Raheja (HUF) & Others against increase in rateable value in respect of premises situated at basement and ground floor (occupied by Indian Overseas Bank) in Harikripa Cosmopolitan Co-operative Hsg. Society Ltd., Santacruz (West)

(Under the provisions of section 163(2) of the BMC Act, 1888)

A protest letter dated April 11, 2005 was filed on April 13, 2005 with Municipal Corporation of Greater Mumbai (MCGM) complaining against increase in rateable value in respect of premises situated at basement and ground floor (occupied by Indian Overseas Bank) in Harikripa Cosmopolitan Co-operative Hsg. Society Ltd., Santacruz (West) under Ward No. H-West-3183. This may give rise to a demand for payment of higher property taxes and may give rise to prospective litigation.

Protest letter dated April 11, 2005 was filed on April 13, 2005 with the Municipal Corporation of Greater Mumbai (MCGM) by Ivory Properties & Hotels Pvt. Ltd. against increase in rateable value in respect of premises situated at ground floor (part) (occupied by Indian Overseas Bank) in premises known as Shoppers' Stop, Andheri (West).

(Under the provisions of section 163(2) of the BMC Act, 1888)

A protest letter dated April 11, 2005 was filed on April 13, 2005 with Municipal Corporation of Greater Mumbai (MCGM) complaining against increase in rateable value in respect of premises situated at ground floor (occupied by Indian Overseas Bank) in the building known as Shoppers' Stop at Andheri (West) under Ward No. K/W/7722 (1-2).This may give rise to a demand for payment of higher property taxes and may give rise to prospective litigation.

Against the Promoters

A) **Pending Arbitration Proceedings**

Before the Ld. Arbitrator Mr. Justice Pendse(Retd)

Unique Estate Development Co. Ltd. v/sChandru Raheja,

Arbtrn Suit No. / Petn. No.	Date	Claimant /Plaintiff /Petitioner	Respondent / defendant	Name of the Court / Arbtrn. Panel	Nature of case	Amt under consideration	Status
Arbitration proceedings (under the provisions of the Indian Partnership Act, 1932 and the Arbitration and Conciliation Act, 1996)	April 15, 2002	Unique Estate Development Co. Ltd. & 3 others	Chandru L. Raheja (in his capacity as the Karta of Chandru L. Raheja HUF), Ivory Properties and Hotels Pvt. Ltd., Casa Maria Properties Pvt. Ltd. and others	Learned Sole Arbitrator Mr. Justice Pendse (Retd.)	Proceedings filed by members of the GL Raheja Group for dissolution of K. Raheja Development Corporation ('KRDC'), a partnership firm. Several interim applications have been filed by the G.L. Raheja Group, the CL Raheja Group and the Menda Group in these proceedings for reliefs pending the hearing and final disposal of the matter.The interim applications filed by the GL Raheja Group include applications for directions to KRDC for surrender of tenancy rights in respect of premises at Coimbatore and for direction to the Menda Group for refund of the amounts withdrawn by them.The interim applications filed by the CL Raheja Group include applications for directions to KRDC to return the loan availed of by it from Raj Trust, another Southern Entities of the K. Raheja Corp Group and for sale of the office premises of KRDC to repay its loans.The interim applications filed by the Menda Group include applications for directions to KRDC for release of funds, completion of construction, payment of stamp duty, income tax and refund of contractors deposits.	Amount would be determined only upon accounts of KRDC being taken	Matter is at trial stage.Mr. Sandeep Raheja (son of Gopal Raheja) has filed his affidavit evidence on behalf of the GL Raheja Group. Mr. Sandeep Raheja has been cross examined by the CL Raheja Group and the Menda Group.It has been agreed between the parties that the evidence will be restricted to the issues pertaining to the "Southern Group Concept of K. Raheja".Mr. Neel Raheja's affidavit evidence on behalf of the CL Raheja Group has been filed and he has been cross examined by the GL Raheja Group.Mr. Menda's affidavit evidence has also been filed. Mr. Menda has been cross-examined by the GL Raheja Group Although it was initially agreed between the CL Raheja Group, the GL Raheja Group and the Menda Group that the Learned Arbitrator at the first stage of the proceedings would decide basically the following three issues, at the stage of final arguments by the parties the Learned Arbitrator restricted the arguments of the parties only to issues (a) and (b) below, viz. (a) Whether KRDC is a partnership at will (b) Whether the GL Raheja Group has given up its rights under section 44 of the Partnership Act, 1932 to file for dissolution of KRDC and (c) Southern Group concept of K. Raheja Group, The Learned Arbitrator has passed an interim award dated October 25, 2004 on

Arbtrn Suit No. / Petn. No.	Date	Claimant /Plaintiff /Petitioner	Respondent / defendant	Name of the Court / Arbtrn. Panel	Nature of case	Amt under consideration	Status
							issue nos. (a) and (b). In the said interim award the Learned Arbitrator has inter alia held that KRDC is not a partnership at will and that the GL Raheja Group has not given up its rights under section 44 of the Partnership Act, 1932. The Learned Arbitrator has also given the parties liberty to lead further evidence in regard to issues arising under the reliefs claimed under section 44 of the Partnership Act, 1932 and incidental issues.The GL Raheja Group has informed the parties that it will not be filing any further affidavit evidence in examination in chief of Sandeep Raheja but will be filing further evidence of one of its accountants by the name of Mr. Vijay Lulla. Sandeep Raheja was accordingly again cross examined firstly by the CL Raheja Group and then the Menda Group on the aforesaid issue. Cross examination of Sandeep Raheja is now concluded. But the Ld. Arbitrator has assured the parties that in the event of the CL Raheja Group or the Menda Group requiring to cross examine Sandeep Raheja after cross examining the said Vijay Lulla, Sandeep Raheja may be recalled for further cross examination. The cross-examination of Mr. Vijay Lulla is now over C L Raheja Group and Menda Group have to arrive at a decision as to whether or not they want to lead further evidence on the aforesaid issue . They will be required to file their requisite affividavit of evidence, if they so decide.The next dates fixed are April 25, 2005 to April 27, 2005. The dates of April 25, 2005 to April 27, 2005 originally fixed were cancelled at the request of the G.L. Raheja Group. New dates are yet to be fixed in the matter.

Arbitration Proceedings Before The Sole Arbitrator, MR. R. K. Nariani

In The Matter Of Mr. Mohan Chelladurai Nadar, (Proprietor Of M/S Glazers), Claimant V/S M/S K. Raheja Pvt. Ltd. Respondent And In The Matter Of Order Passed By His Lordship Mr. Rebello On April 21, 2003 In Arbitration Petition No.172 Of 2003 under the provisions of the Arbitration and Conciliation Act, 1996.

M/s. Glazers had been given a work order by K. Raheja Pvt. Ltd. for structural glazing aluminium panel work at HSBC building, Pune. The said work order was cancelled by K. Raheja Pvt. Ltd. and the work had been done through another contractor. Therefore, M/s. Glazers had filed an Arbitration Petition No.172 of 2003 in the High Court and the same had been disposed off by an order dated April 21, 2003 which directed M/s. Glazers to file their claim before the arbitrator within 4 weeks and also directed K. Raheja Pvt. Ltd. not to encash the cheque given by M/s.Glazers in lieu of the performance bank guarantee under the said work order.

Thereafter, M/s. Glazers had lodged a petition before arbitrator Mr. Nariani inter alia praying for that the termination of the contract is illegal, bad in law and not binding, and for a direction to pay a sum of Rs.1,100,000/- as per contract, and to return the cheque for Rs.1,475,233/- issued in favour of the Respondent in lieu of a performance guarantee.

The arbitrator Mr. Nariani had fixed one meeting on September 1, 2003 and he has directed M/s. Glazers as well as K. Raheja Pvt. Ltd. to pay in aggregate an amount of Rs.15,000/- each towards reading the documents and for initial and subsequent hearings as his fees. No further proceedings have taken place thereafter.

B) **Litigation Pending – FEMA**

There are none

C) **Litigation Pending – Income Tax**

Appeals filed by the Income Tax Department before the Income Tax Appellate Tribunal(ITAT) amongst others.

K. Raheja Private Limited

Assessment Year – 1984-85

(Wealth-Tax)

Through assessment order under section 16 (3) read with section 25 (2) dated March 18, 1993 this company's wealth was determined at Rs.4,621,500/-. Accordingly, wealth tax liability of Rs.894,539/- was determined. Thereafter, appeal was filed to CIT (A) and through order dated May 5, 1994 giving effect to CIT (A) 's order, assessed wealth was reduced to Rs.1743,000/- on which wealth tax liability comes to Rs.34176/-. Out of this Rs.14,700/- was paid by way of self assessment tax and regular assessment tax and it was verbally informed to the company that Rs.19,476/- was adjusted against refund of assessment year 1985-86.

On completion of assessment under section 16 (3) on March 1, 1989, penalty proceedings under section 18 (1) (a) & 18 (1) (c) were initiated through notices both dated March 1, 1989. The company vide both letters dated May 12, 1989, has requested for either dropping the penalty proceedings or keeping the same in abeyance till disposal of appeal filed by the company to CIT(A). Thereafter there is no communication from the department.

(As per provisions of section 275 the penalty proceedings have become time barred)

On completion of assessment under section 16 (3) read with section 25 on March 18 1993 penalty proceedings under sections 18 (1) (a) & 18 (1) (c) were initiated through notice both dated March 18, 1993. The company vide letters dated September 14, 1993 has requested for either dropping the penalty proceedings or keeping the same in abeyance till disposal of appeal filed by the company to CIT(A). Thereafter there is no communication from the department.

(As per provisions of section 275 the penalty proceedings have become time barred)

Income tax department filed reference application on June 13, 1997 to Tribunal. Tribunal vide order dated March 16, 1999, directed that out of four questions referred to it, only one question relating to inclusion of value of unsold flats in the net wealth of the assessee could be referred to Bombay High Court. Thereafter there is no intimation from the department about the filling of further appeal to High Court.

K. Raheja Private Limited

Assessment Year – 1985-86

(Wealth-Tax)

Through assessment order under section 16 (3) dated March 29, 1990 this company's wealth was determined at Rs.45,621,500/-. Accordingly, wealth tax liability of Rs.908,928/- was determined. Thereafter, appeal was filed upto Tribunal and through order dated January 27, 1994 giving effect to ITAT 's order, assessed wealth was reduced to Rs.405,392/- on which wealth tax liability payable was Rs.8,108/-. The total tax collected by the department against this demand was Rs.1,311,801/- (which includes 504,131 /- of actual tax payment and balance refunds due to the company for various years) hence the company was entitled to refund of 1,303,693 /- However department issued refund order of Rs. 969,401 /- it was verbally informed to the company that Rs.334,292/- was adjusted and balance refund of Rs.969,401/- was therefore issued to the company. This explains there is no tax liability pending for this year.

On completion of assessment under section 16 (3) on March 29, 1990 penalty proceedings under sections 18 (1) (a) & 18 (1) (c) were initiated through notice both dated March 29, 1990. The company vide letters dated June 1, 1990 and May 15, 1990, requested for either dropping the penalty proceedings or keeping the same in abeyance till disposal of appeal filed by the company to CWT(A). Thereafter there is no communication from the department.

(As per provisions of section 275 the penalty proceedings have become time barred)

[Income tax department filed reference application. Against tribunal's order dated July 22,1993. Vide order dated October 4, 1994, tribunal directed that out of 4 questions referred, only one question relating to inclusion of value of unsold flats in the net wealth of the assessee could be referred to High Court. Thereafter there is no intimation from the department about the filling of further appeal to High Court]

K. Raheja Private Limited
Assessment Year – 1986-87
(Wealth Tax)

On completion of assessment under section 16 (3) on March 25, 1991 penalty proceedings under section 18 (1) (a) and 18 (1) (c) were initiated through notice both dated March 25, 1991. The company vide letters dated October 12,1992 requested for either dropping the penalty proceedings or keeping the same in abeyance till disposal of appeal filed by the company to CWT(A). Thereafter there is no communication from the department.

(As per provisions of section 275 the penalty proceedings have become time barred)

[Income tax department filed reference application against Tribunal's order dated July 22,1993. Tribunal, vide order dated October 4, 1994 directed that out of 4 questions referred, only one question relating to inclusion of value of unsold flats in the net wealth of the assessee could be referred to High Court. Thereafter there is no intimation from the department about the filling of further appeal to High Court.]

K. Raheja Private Limited
Assessment Year – 1987-88
(Wealth Tax)

On completion of assessment under section 16 (3) on March 25, 1991 penalty proceedings under section 18 (1) (a) and 18 (1) (c) were initiated through notice both dated March 25, 1991 & March 26, 1991 respectively . The company vide letters dated September 14,1991 and October 12,1992 has requested for either dropping the penalty proceedings or keeping the same in abeyance till disposal of appeal filed by the company to CWT(A). Thereafter there is no communication from the department.

(As per provisions of section 275 the penalty proceedings have become time barred)

[Income tax department filed reference application against Tribunal's order dated July 22,1993. Vide order dated October 4, 1994 tribunal directed that out of 4 questions referred, only one question relating to inclusion of value of unsold flats in the net wealth of the assessee could be referred to High Court. Thereafter there is no intimation from the department about the filling of further appeal to High Court.]

K. Raheja Private Limited
Assessment Year – 1988-89

Income tax department filed reference application against Tribunal's order dated July 22,1993 . Vide order dated October 4, 1994, Tribunal directed that out of 4 questions referred, only one question relating to inclusion of value of unsold flats in the net wealth of the assessee could be referred to High Court. There is no intimation from the department about the filling of further appeal to High Court.

K. Raheja Private Limited
Assessment Year – 1989-90
(Wealth Tax)

Through assessment order under section 16 (3) dated March 30, 1992 the company's net wealth was determined at Rs.4,566,600/-. Accordingly, wealth tax liability of Rs.905,936/- was payable. The company filed appeal up to Tribunal and Tribunal allowed substantial relief through order dated July 22, 1993. On giving effect to ITAT's order, the company's wealth would get reduced to Rs.1,302,258/- on which wealth tax liability payable was Rs.25,534/-. However no order giving effect to ITAT 's order was passed. The company paid total tax of Rs.7,534 /- it was verbally informed to the company that balance was adjusted against refund for A.Y. 1985-86 This explains there is no tax liability pending for this year.

Income tax department filed reference application against Tribunal's order dated July 22,1993. Tribunal, vide order dated October 4, 1994, directed that out of 4 questions referred, only one question relating to inclusion of value of unsold flats in the net wealth of the assessee could be referred to High Court. There is no intimation from the department about the filling of further appeal to High Court.

K. Raheja Private Limited
Assessment Year – 1991-92
(Wealth Tax)

Through assessment order under section 16 (3) dated March 21, 1994, the company's wealth was determined at Rs.60,993,790/-. Accordingly, wealth tax of Rs.1,219,875/- was payable. The company filed appeal to CWT(A). CWT(A) vide order No.CITXL/SR30/25/94-95 granted substantial relief. However, no order giving effect to CWT(A)' order was passed. On giving effect to CWT(A)'s order wealth would get reduced to Rs.607,780/- and the wealth tax payable would be Rs.11,684/-. The company paid total tax of Rs.4,602/- and it was verbally informed to the company that balance was adjusted against refund for A.Y. 1985-86 This explains that there is no tax liability pending for this year.

K. Raheja Private Limited
Assessment Year – 1992-93
(Wealth Tax)

Through assessment order under section 16 (3) dated March 21, 1995 the company's wealth was determined at Rs.13,615,110/-. Accordingly, wealth tax liability of Rs.266,963/- was payable . The company paid total tax of Rs.4,602/- and it was verbally informed to the company that Rs.266,963/- was adjusted against refund for A.Y. 1985-86. This explains that there is no tax liability pending for this year.

Assessment Year 1990-91
K. Raheja Pvt. Limited.
(Income Tax)

The company filed an appeal bearing No.CIT (A)-XLDCSR-30/113/1993-94 before the CIT (A) against the disallowance of interest of Rs.545,316/- and addition made by the A.O. of Rs.2,299,726/- on account of low lease rent charged to sister concerns. The CIT (A) granted full relief in respect of addition of Rs.2,299,726/- and allowed interest of Rs. 235,242 /- out of the disallowance of Rs.545,316/- through an order dated April 22, 1993. Aggrieved by the order of the CIT (A) the department filed an appeal bearing NoITA-1406/M/97 to ITAT against the relief granted by CIT(A).

Assessment Year 1990-91
Ivory Properties And Hotels Pvt. Ltd.
(Income Tax)

The company filed an appeal bearing CIT(A)XL/SR.30/33/92-93 before the CIT (A) against the assessment order made by the A.O. The CIT(A) granted relief in respect of disallowance of expenditure of Rs.21,000/- and Rs.45,108/- incurred on plant and machinery and disallowance of interest of Rs.7,362/- through an order dated November 20, 1992. The department then filed an appeal bearing ITAT No.5802/M/94 before the ITAT .

Assessment Year 1991-92
K. Raheja Pvt. Ltd.
(Income Tax)

The company filed an appeal bearing no CIT(A)-XL/DCSR/30/28/94-95 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed the relief in respect of disallowance of finance cost Rs.5,082,009/- relating to incomplete projects and also deleted the addition on account of disallowance of interest of Rs.226,121/-. through an order dated April 18, 1994. The department then filed an appeal bearing No ITA-2523/M/97 before the ITAT.

Assessment Year 1991-92
Ivory Properties And Hotels Pvt.Ltd.
(Income Tax)

The company filed an appeal bearing no CIT(A)-XL/DCSR-30/171/93-94 before the CIT (A) against the assessment order made by the A.O. The CIT(A) granted relief by deleting the disallowance of expenditure of Rs.24,150/- incurred on repairs of the building and maintenance of plant and machinery and interest of Rs.51,332/- which was capitalized to stock in trade. CIT (A) further deleted interest of Rs.36,043/- paid on borrowing to its group concern. through an order dated January 28, 1994. The department then filed an appeal bearing No ITA-6618/M/96 before the ITAT

Assessment Year 1992-93
K. Raheja Pvt.Ltd
(Income Tax)

The company filed an appeal bearing no CITAC-II/AP-64/95-96 before the CIT (A) against the assessment order made by the A.O. The CIT (A) erred in allowing the interest of Rs.136,598/- on account of expenses incurred on behalf of sister concern and further allowed deduction for finance cost of Rs.1,308,253/- as period cost relating to incomplete project. The CIT(A) allowed the appeal in favour of the company through order dated April 24, 1995. The department then filed an appeal bearing No ITA4279-M/98 before the ITAT.

Assessment Year 1993-94
K. Raheja Pvt. Ltd
(Income Tax)

The company filed an appeal bearing no CIT(A) C-II /AP/39/96-97 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed relief in respect of interest of Rs.605,488/- which was treated as capital investment by A.O, and further allowed interest of Rs.189,519/- on expenses incurred on behalf of sister concern through order dated April 22, 1996. The department then filed an appeal bearing No ITA4280/M/98 before the ITAT .

ASSESSMENT YEAR 1993-94
IVORY PROPERTIES & HOTELS PVT. LTD.
(INCOME TAX)

The company filed an appeal bearing no CIT(A) C-II AP-65/96-97 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed relief in respect of interest disallowance of Rs.684,637 attributable to investment made in the projects through order dated April 25, 1996. The department then filed an appeal bearing No ITA 416/M/98 before the ITAT. The said appeal by the Department was dismissed by ITAT vide its order No ITA/ 416/MUM/98

ASSESSMENT YEAR 1994-95
K.RAHEJA CORP PVT. LTD.
(INCOME TAX)

The company filed an appeal bearing No CIT(A)XLII/JC.SR.6/98/00-01 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed relief in respect of disallowance interest of Rs.93,800/- on share application money of Rs.500,000/- and allowed deduction for interest of Rs.3109,987/- on interest free loans advanced to sister concerns through order dated April 5, 2001. The department then filed an appeal bearing No ITA 4748/M/2001 before the ITAT.

ASSESSMENT YEAR 1994-95
K.RAHEJA PVT. LTD.
(INCOME TAX)

The company filed an appeal bearing no CIT (A) CII /AP-25/97-98 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed deduction for interest of Rs.821,400/- relating to interest on borrowed funds utilised for investment in properties and further allowed deduction for interest of Rs.487,972/- relating to incomplete project. The CIT (A) also granted relief of Rs.85,147 out of total disallowance of interest of Rs.703,983/- relating to loans advanced to sister concerns through order dated April 16, 1997 . The department then filed an appeal bearing No ITA 3015/M/99 before the ITAT.

ASSESSMENT YEAR 1995-96
K.RAHEJA CORP PVT. LTD.
(INCOME TAX)

The company filed an appeal bearing no CIT(A)XLII.JC.SR.6/IT-99/00-01 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed relief by deleting the interest disallowance of Rs.84,150/- on share application money and Rs.2,765,151/- on interest free loans through order dated May 16, 2001. The department then filed an appeal bearing No ITA 4975/M/2001 before the ITAT.

ASSESSMENT YEAR 1995-96
K.RAHEJA PVT. LTD.,
(INCOME TAX)

The company filed an appeal bearing no CIT(A)XII/SR-6/2/97-98 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed deduction of interest of Rs.3,245,493/- as period cost which was capitalised by the A.O. towards project expenditure through order dated February 18, 1999. The department then filed an appeal bearing No ITA 2294/M/99 before the ITAT .

K.RAHEJA PVT.LTD
A.Y. 1996-97
(INCOME TAX)

The company filed an appeal bearing no CIT(A)XLII/SR.6/IT.148/99-2000 before the CIT(A) against the assessment order made by the A.O. The CIT(A) granted relief by allowing the interest of Rs. 9,470,835/- on incomplete projects through an order dated March 20, 2001. The department then filed an appeal bearing No.ITA No. 4445/M/01 against this order of CIT(A).

ASSESSMENT YEAR 1996-97
K. RAHEJA CORP PVT. LIMITED (FORMERLY PARAMOUNT HOTELS LIMITED)
(INCOME TAX)

The company filed an appeal bearing no CIT(A)XLII/SR.6/IT.81/99-00 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed deduction in respect of interest of Rs.100,000/- on share application money and Rs.3,715,880/- on interest free loans to sister concerns. CIT (a) also allowed deduction for electricity charges of Rs.500,000/- through order dated April 22, 1999. The department then filed an appeal bearing No ITA No 4431 M/2000 before the ITAT.

ASSESSMENT YEAR 1997-98
K. RAHEJA CORP PVT. LIMITED (FORMERLY PARAMOUNT HOTELS LIMITED)
(INCOME TAX)

The company filed an appeal bearing no CIT(A)XLII/JC.SR.30/265/99-00 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed deduction in respect of interest of Rs.86,250/- on share application money and Rs.3,194,528/- in respect of interest free loans to sister concern through an order dated March 21, 2000. The department then filed an appeal bearing No ITA No 4976/M/2001 before the ITAT.

ASSESSMENT YEAR 1998-99
K. RAHEJA CORP PRIVATE LIMITED (FORMERLY PARAMOUNT HOTELS LIMITED)
(INCOME TAX)

The company filed an appeal bearing no CIT(A)C-V/DCCC.29/141/2001-02) before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed deduction in respect of interest of Rs.95,350/- on share application money and Rs.3,378,875/- in respect of interest free loans to sister concern through an order dated January 10, 2003. The department then filed an appeal bearing No ITA No 1915/M/03 before the ITAT against this order.

ASSESSMENT YEAR - 1999 – 2000
K. RAHEJA CORP PVT. LTD.
(INCOME TAX)

The company filed an appeal bearing No CIT(A)-C-V/DCCC29/102/02-03 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed relief in respect of disallowance of interest of Rs.80,900/- on share application money of Rs.500,000/- and allowed deduction for interest of Rs.2,807,877/- on interest free loans advanced to sister concerns through order dated February 11, 2003. The department then filed an appeal bearing No ITA 2847/M/2003 before the ITAT.

ASSESSMENT YEAR - 2001-02
K. RAHEJA CORP PVT. LTD.
(INCOME TAX)

Demand of interest for Rs.191,152/- under section 201 (1A) read with section 193 was raised by ITO, TDS, Ward 1 (5), Mumbai for non deduction of tax. The company filed appeal with CIT(A) bearing No.CIT(A)XXX/IT-48/TDS-RG.1/03-04. CIT(A) dismissed the company's appeal. The company has filed further appeal before ITAT.

ASSESSMENT YEAR - 2002-03
K. RAHEJA CORP PVT. LTD.
(INCOME TAX)

Demand of interest for Rs.241,039/- under section 201 (1A) read with section 193 was raised by ITO, TDS, Ward 1 (5), Mumbai for non deduction of tax. The company filed appeal with CIT(A) bearing No.CIT(A)XXX/IT-49/TDS-RG.1/03-04. CIT(A) dismissed the company's appeal. The company has filed further appeal before ITAT.

ASSESSMENT YEAR - 2002-03
K. RAHEJA CORP PVT. LTD.

The Company's return of income was assessed under section 143 (3) of the Income Tax Act, 1961, vide order dated March 29, 2005. On completion of the assessment, demand of Rs. 451,563 is raised vide notice of demand U/s 156 of the Income Tax Act 1961, dated March 3, 2005.

The demand of Rs. 451,563/- has been paid.

ASSESSMENT YEAR 2001-02
ANBEE CONSTRUCTION PVT LTD.
(INCOME TAX)

The DCIT has issued a notice of demand dated October 20, 2004 for A.Y. 2001-02 for an amount of Rs.4,458/- pursuant to an order dated October 20, 2004 issued by the DCIT.

The company has by its letter dated December 15, 2004 stated that the demand of Rs.4,458/- is raised on account of additional interest under sections 234 B, 234C & 220 (2) of the Income Tax Act 1961 and that the gross demand of Rs.317,868/- raised by the income tax department vide its notice dated March 16, 2004 for the same assessment year includes interest payable under the above sections and that the company has already paid that entire demand by way of a cheque dated March 30, 2004 sent along with the company's letter dated April 2, 2004. Hence the company has requested that the DCIT rectify the error and delete the demand of Rs.4,458/- raised on the company. No communication is received from the income tax department thereafter.

ASSESSMENT YEAR 1997-98
CAPSTAN TRADING PVT. LTD.
(INCOME TAX)

[The DCIT has issued a letter dated March 8, 2000 stating that an amount of Rs.20,202/- is outstanding

The company has vide its letter dated March 17, 2000 stated that the demand of Rs.20,202/- is not payable and has sought rectification for deleting this demand. No order has been received from the income-tax department to date.

ASSESSMENT YEAR 2001-02
CAPE TRADING PVT.LTD
(INCOME TAX)

The DCIT has issued a notice of demand dated October 20, 2004 for A.Y. 2001-2002 for Rs.6,492/- .

The company has vide its letter dated December 16, 2004 stated that the demand of Rs.6,492/- is not payable. The company has requested that the DCIT rectify the error and delete the demand raised on the company. No intimation has been received from the income tax department cancelling the said demand to date.

ASSESSMENT YEAR 1991-92
CHANDRU LACHMANDAS (HUF)
(WEALTH TAX)

Through notice of demand under section 30 of the Wealth Tax Act 1957 dated March 23, 1994 demand of Rs.28,632/- was raised. The assessee vide letter dated May 16, 1994 sought rectification and pointed out that the actual demand payable is Rs.1,045/-. Thereafter, there is no communication from the income tax department.

ASSESSMENT YEAR 1998-99
CHANDRU LACHMANDAS (HUF)
(INCOME TAX)

Through notice of demand dated April 20, 2001 demand of Rs.2,718/- was raised. This demand was raised in pursuant to order under section 154 of the Income Tax Act, 1961. Assessee vide letter dated May 22, 2001 has sought rectification and stated that the assessee is entitled for refund of Rs.5,178/- hence the demand of Rs.2,718/- needs to be deleted. Thereafter, there is no communication from the department.

ASSESSMENT YEAR 1991-92.
CHANDRU L. RAHEJA
(WEALTH TAX)

Through notice of demand under section 30 of Wealth Tax Act 1957dated March 25, 1994, demand of Rs.4,939/- was raised. The assessee vide letter dated May 16, 1994 sought rectification and pointed out that the actual demand payable is Rs.750/-. Thereafter, there is no communication from the department.

ASSESSMENT YEAR 1992-93.
CHANDRU L. RAHEJA
(INCOME TAX)

Through notice of demand under section 156 received on March 27, 1995 demand of Rs.7,575/- was raised. Assessee vide letter dated June 3, 1996 pointed out that the demand is on account of non granting of credit for self assessment tax of Rs11,217/- and if the credit is granted refund of Rs.3,642/- will due to the assessee. However, there is no intimation from the department.

ASSESSMENT YEAR 1993-94
CHANDRU L. RAHEJA
(WEALTH TAX)

Vide notice of demand under section 30, demand of Rs.750 was raised. Assessee vide letter dated June 21, 1996 pointed out that demand payable is only Rs.78/-. It was requested that the rectification order may please be passed and challan be issued. Thereafter, no communication from the department.

JYOTI C. RAHEJA
ASSESSMENT YEAR 1982-83
(INCOME TAX)

Received notice under section 156 indicating the demand of Rs.7,480/- is payable. The demand of Rs.7,480/- was raised on completion of assessment through notice of demand dated March 28, 1985. Through letter dated May 17, 1985, it was pointed that there was an error in computing the tax liability. Thereafter, through notice of demand dated February 18, 1986 for A.Y. 1983-84 demand of Rs.6,341/- was adjusted against the demand of Rs.7,480/-. As per records available no demand is outstanding.

JYOTI C. RAHEJA
ASSESSMENT YEAR – 1984-85

Letter dated November 10, 2000 is received indicating the demand of assessment year 1984-85 of Rs.7,480/- is outstanding. However, as per records available for assessment year 1984-85 refund of Rs.12,952/- was determined vide notice of demand dated September 24, 1986 on completion of assessment. Hence, this demand appears to be erroneously raised.

JYOTI C. RAHEJA
ASSESSMENT YEAR – 1986-87

Demand of Rs.74/- was raised on completion of assessment vide notice of demand dated February 2 1988. This demand is still outstanding.

ASSESSMENT YEAR 1993-94
JYOTI C. RAHEJA
(WEALTH TAX)

Through notice of demand under section 30 of Wealth Tax Act 1957 dated January 31, 1996, demand of Rs.2,044/- was raised. The assessee vide letter dated June 6, 1996 sought rectification, since no credit for self assessment tax of Rs.1,291/- was not given. Assessee stated in the letter that demand payable was only Rs.753/- as against Rs.2,044/- Demand of Rs.753/- is still pending.

Assessment year 1991-92
Jyoti C. Raheja
(Wealth Tax)

Through notice of demand under section 30 of the Wealth Tax Act 1957 dated March 18, 1994 demand of Rs.18,801/- was raised. Assessee vide letter May 16, 1994 sought rectification and pointed out that the actual demand is Rs.8,339/- as against Rs.18,801/- raised. This demand of Rs.8,339/- is still pending and there is no further communication from the department reducing the above demand.

Jyoti C. Raheja

A.Y	Order Ref.	Tax liability	Tax paid	Tax paid on
1981-82	Under section 35 dated. October 10, 1991	3111	1200 1906	September 24, 1981 September 30, 1986
1982-83	Under section 35 dated October 10, 1991	1690	1501 1297	September, 30, 1986 December 30, 1991
1983-84	Notice under section 30 dated January 1, 1990	3099	1172 45	Adjusted against refund of 1984-85 December 30, 1991
1984-85	Under section 35 dated November, 10 1991	1178	2350 2504	December 30, 1991
1985-86	Under section 35 dated October 10, 1991	10309	6267 2448	September 30, 1986 October, 14, 1985

The above demands were raised as per orders mentioned in the table and the details of taxes paid are as per the challans available and as per the record.

ASSESSMENT YEAR – 1998-99
K. RAHEJA CORP PVT. LTD.
(INCOME TAX)

Notice of demand under section 156 dated March 15, 2000 was received indicating outstanding demand of Rs.7,521,601/- . Thereafter, the company paid tax of Rs.4,611,052/- on April 23, 2001 and Rs.1,500,000/- on March 31, 2001. The company vide letter February 1, 2003 has pointed out that through CIT (A)'s order No appeal CIT(A) C-V/DCCC29/141/2001-02 dated January 10, 2003 has granted substantial relief. However, order giving effect to relief granted by CIT (A) is not passed. After considering the relief granted and the credit for taxes paid of Rs.4,611,052/- and 150,000/-, the company will be entitled for refund of Rs.6,135/-. However, the income tax department has not passed any order and no refund is received till date.

ASSESSMENT YEAR – 2000-01
K. RAHEJA CORP PVT. LTD.
(WEALTH-TAX)

Letter dated August 18, 2003 was received indicating demand of Rs. 3,168/-. The company vide letter dated August 26, 2003, pointed out that as per Company's record the assessment is already complete and there is no demand outstanding. Hence request was made to delete the demand shown as outstanding in the income tax department's record. Thereafter, no communication has been received from the income tax department.

ASSESSMENT YEAR – 1992-93
RAVI C. RAHEJA
(WEALTH-TAX)

On completion of wealth tax assessment, demand of Rs.12,235/- was raised as against actual demand payable of Rs.9,464/-. Assessee sought rectification through his letter dated May 18, 2001 pointed out that the demand of Rs.13,969/- (including interest on Rs.12,235/-) is already adjusted against refund due for 1999-00 vide intimation under section 143(1) for 1999-00 dated August 22, 2000. In view of this no demand is outstanding. However, there is no intimation from the department deleting the aforesaid demand.

ASSESSMENT YEAR – 1993-94
RAVI C. RAHEJA
(WEALTH-TAX)

Through letter August 18, 2003, Income-Tax Department has sent intimation that demand (Wealth Tax) of Rs.60,605/- is pending for 1993-94. The assessee vide letter dated August 26, 2003 has pointed out that an error has crept in while computing tax liability and further credit for prepaid tax was also not granted. On rectifying the error, the assessee will be entitled for refund 16,659/-. There is no further communication from the department thereafter.

ASSESSMENT YEAR - 2002-03
RAVI C. RAHEJA

Through notice of demand dated December 24, 2004 demand of Rs.2,646/- was raised, since credit for tax paid of Rs.2,435/- was not granted. Letter seeking rectification of this error and deletion of this demand was filed on January 17, 2005. A rectification order dated February 15, 2005 under section 154 was received on February 23, 2005 deleting the said demand.

ASSESSMENT YEAR – 1996-97
NEEL C. RAHEJA
(INCOME TAX)

Through letter dated November 20, 2000 received from Joint Commissioner of Income-Tax, it was indicated that demand of Rs.1,686/- was pending. The assessee vide its letter pointed out that, an error was crept in while computing the taxable income for the year. If the error is rectified, there will be no demand payable. However, till date no order is received canceling this demand.

ASSESSMENT YEAR – 1998-99
NEEL C. RAHEJA
(INCOME TAX)

Through intimation under section 143 (1) (a) dated March 31, 1999 demand of Rs.20,610/- was raised. This demand is still pending.

ASSESSMENT YEAR – 1991-92
NEEL C. RAHEJA
(INCOME TAX)

Notice of demand under section 156 dated August 23, 1993 was issued raising demand of 18,572/- The assessee vide letter dated November 24, 1993 pointed out the demand has arisen since no credit for TDS certificate for Rs.16,143/- was granted Hence rectification for deletion of this demand was sought however there is no communication received deleting the aforesaid demand.

ASSESSMENT YEAR – 1990-91
NEEL C. RAHEJA
(WEALTH TAX)

Demand of Rs.7,090/- was raised vide notice under section 30 dated September 16, 1992. Assessee vide letter dated May 13, 1993 pointed out that as per assessee's record there is no demand outstanding. Hence request for tax working was made. However, there is no response from Income-Tax Department thereafter.

NEEL C. RAHEJA
ASSESSMENT YEAR 1979-80
(WEALTH TAX)

Notice of demand under section 30 of the Wealth-Tax Act 1957 dated January 4 1988 was issued raising a demand of Rs.33/-. This demand is pending.

NEEL C. RAHEJA
ASSESSMENT YEAR 1981-82
(WEALTH TAX)

Notice of demand under section 30 of the Wealth-Tax Act 1957 dated January 4, 1988 was issued raising a demand of Rs.45/-. This demand is pending.

NEEL C. RAHEJA
ASSESSMENT YEAR – 1982-83.
(WEALTH TAX)

Notice of demand under section 30 of the Wealth-Tax Act 1957 dated January 4, 1988 was issued raising a demand of Rs.31/-. This demand is pending.

NEEL C. RAHEJA
ASSESSMENT YEAR – 1983-84.
(WEALTH TAX)

Notice of demand under section 30 of the Wealth-Tax Act 1957 dated January 4, 1988 was issued raising a demand of Rs.38/-. This demand is pending.

NEEL C. RAHEJA
ASSESSMENT YEAR – 1984-85.
(WEALTH TAX)

Notice of demand under section 30 of the Wealth-Tax Act 1957 dated January 4, 1988 was issued raising a demand of Rs.47/-. This demand is pending.

NEEL C. RAHEJA
ASSESSMENT YEAR – 1985-86.
(WEALTH TAX)

Notice of demand under section 30 of the Wealth-Tax Act 1957 dated December 6 , 1988 was issued raising a demand of Rs.2,819/- in pursuant to order passed under section 35 out of this Rs.1,016/- is paid on March 10, 1988. This demand is pending.

NEEL C. RAHEJA
ASSESSMENT YEAR – 1986-87.
(WEALTH TAX)

Notice of demand under section 30 of the Wealth-Tax Act 1957 dated January 4, 1988 was issued raising a demand of Rs.887/-. Out of this demand Rs.765/- is paid on March 10, 1988.

ASSESSMENT YEAR – 1991-92
NEEL C. RAHEJA
(WEALTH TAX)

Notice demand under section 30 dated March 11, 1993 of Wealth-Tax Act 1957 was issued raising a demand of Rs.1,176/-. In response to this notice, assessee vide letter dated May 27, 1993 has stated that, the liability has arisen on account of interest under section 17B erroneously charged. Through this letter, request is made for deletion of aforesaid demand. However no intimation is received thereafter, deleting the liability.

IVORY PROPERTIES AND HOTELS PVT. LTD.

In following cases penalty proceedings under section 271 (1) (c) of the I.T. Act were initiated. However, no order was passed levying penalty. Penalty proceedings have kept in abeyance, since the company has filed appeal before ITAT. ITAT appeals are pending for disposal.

A.Y	Notice dated	Assessee's letter dated
1995-96	October 30, 2000	December 4, 2000
1996-97	March 26, 1999	April 7, 1999
1997-98	February 29, 2000	March 14, 2000
1998-99	March 3 , 2001	April 5, 2001

D) **Litigation Pending - Sales Tax / Luxury Tax**

- Powai Developers and Hill Crest Developers **(Divisions Of K. Raheja Corp Pvt. Ltd.)** Notices of Demand under section 38 of the Bombay Sales Tax Act, 1969

  Powai Developers and Hill Crest Developers **(Divisions Of K. Raheja Corp Pvt. Ltd.)** have received 3 notices of demand each dated February 25, 2005 under section 38 of the Bombay Sales Tax Act, 1959 alongwith assessment orders dated February 25, 2005 for the following financial years seeking payment of the following amounts together with interest and penalties levied as mentioned hereunder;

Financial year	Purchases liable to tax (Rs.)	Total tax thereon (Rs.)	Interest under section 36(3)(b) (Rs.)	Penalty under section 36(2)(c) (Rs.)	Total amount payable (Rs.)
1999-2000	41,288	5,904	6,967	590	13,461
2000-2001	1,271,332	181,800	170,892	18,180	370,872
2001-2002	782,886	111,953	78,367	11,195	201,515

Powai Developers and Hill Crest Developers **(Divisions Of K. Raheja Corp Pvt. Ltd.)** had made 3 applications each dated February 28, 2005 under the Amnesty Scheme 2004 for availing benefits declared by the Government of Maharashtra By G.R. No. STA–11.04/CR-No.56/Taxation– I Mumbai dated June 1, 2004 in respect of the disputed tax, interest and penalties for the respective years.

Financial year	Outstanding Tax Dues (Rs.)	Total Payment Made under Amnesty Scheme (Rs.)	Amount sought waiver (Rs.)
1999-2000	13,461	4,298	9,163
2000-2001	370,872	146,894	223,978
2001-2002	201,515	85,084	116,431

The payments made as referred to above include payments due with respect to purchase tax, interest and penalty leviable on Mr. Ravi C. Raheja, Mrs. Jyoti C. Raheja and Mr. Neel C. Raheja.

Thereafter additional payments of Rs. 215/-, Rs. 6611/- and Rs. 4071/- were made on March 10, 2005 for the financial years 1999-00, 2000-01 and 2001-02.

The orders of the Sales Tax Officer pursuant to the aforesaid applications under the Amnesty Scheme 2004 have been received whereby disputed tax, penalty and post assessment interest/penalty amounting to Rs. 112,360/- (2001-02); Rs. 217,367/- (2000-01) and Rs. 8948/- (1999-2000) have been waived while considering additional payments of Rs.215/-, Rs. 6611/- and Rs. 4071/- made by the company as stated above.

- **Ivory Properties and Hotels Pvt. Ltd. -** 3 notices of demand each dated February 25, 2005 under section 38 of the Bombay Sales Tax Act, 1959

Ivory Properties and Hotels Pvt. Ltd. is in receipt of 3 notices of demand each dated February 25, 2005 under section 38 of the Bombay Sales Tax Act, 1959 alongwith assessment orders each dated February 25, 2005 for the following financial years seeking payment of tax, interest and penalties relevant as mentioned hereunder;

Financial year	Purchases liable to tax (Rs.)	Total tax thereon (Rs.)	Interest under section 36(3)(b) (Rs.)	Penalty under section 36(2)(c) (Rs.)	Total amount payable (Rs.)
1999-2000	17,600	2,517	2,970	252	5,739
2000-2001	609,975	87,227	81,994	8,723	177,944
2001-2002	44,969	6,431	4,502	643	11,576

Ivory Properties and Hotels Pvt. Ltd. has made 3 applications each dated February 28, 2005 under the Amnesty Scheme 2004 for availing benefits declared by the Government of Maharashtra By G.R. No. STA–11.04/CR-No.56/ Taxation– I Mumbai dated June 1, 2004 in respect of the disputed tax, interest and penalties for the respective years.

Financial year	Outstanding Dues (Rs.)	Total Payment Tax Made under Amnesty Scheme (Rs.)	Amount sought waiver (Rs.)
1999-2000	5,739	1,832	3,907
2000-2001	177,944	70,480	107,464
2001-2002	11,576	4,888	6,688

The payments made as referred to above include payments due with respect to purchase tax, interest and penalty leviable on Mr. Ravi C. Raheja, Mrs. Jyoti C. Raheja and Mr. Neel C. Raheja.

Thereafter additional payments of Rs. 92/-, Rs. 3172/- and Rs. 234/- were made on March 10, 2005 for the financial years 1999-00, 2000-01 and 2001-02.

The orders of the Sales Tax Officer pursuant to the aforesaid applications under the Amnesty Scheme 2004 have been received whereby disputed tax, interest, penalty and post assessment interest/penalty amounting to Rs. 3815/- (1999-2000); Rs. 104,292/- (2000-01) and Rs. 6454/- (2001-02) have been waived while considering additional payments of Rs. 92/-, Rs. 3172/- and Rs. 234/- made by the company as stated above.

E) **Litigation Pending –Customs and Excise Gold Control Appellate Tribunal ('CEGAT')**

There are none

F) **Litigation Pending- Money Recovery and other Civil Suits**

High Court of Mumbai
Writ Petition (PIL) No 93 OF 2003
Raheja Vihar Co-operative Hsg Societies Assc. Ltd. v/s. Municipal Corporation of Greater Mumbai & others (under the provisions of Article 226 of the Constitution of India)

A public interest litigation was filed by the residents of Raheja Vihar Complex against K. Raheja Corp Pvt. Ltd. and Powai Developers besides the BMC and others interalia for direction for setting aside permission granted by the authorities concerned to Powai Developers in connection with leveling / quarrying a hillock located within the complex and carrying out any construction /development of hill. The petition was admitted. Interim relief was refused.

By an order dated April 28, 2004 stay is vacated. The petitioners filed a special leave petition in the Supreme Court from the said order dated April 28, 2004. By an order dated May 17, 2004 the special leave petition is dismissed.

The date fixed for final hearing was March 11, 2005. The above matter was initially listed on board on March 11, 2005 under the caption 'for due orders' when the petitioner's advocate informed the Hon'ble Court that the matter was wrongly shown under the caption 'for due orders' instead of final hearing. After hearing the submissions made by the Counsel for the petitioners the Hon'ble Court expedited the hearing of the petition with the liberty to the petitioners to mention the matter after a month or two for having it placed on the Board for final hearing.

High Court of Mumbai
PIL Stamp No 131 of 2003
Sunil Patil v/s. State of Maharashtra & others

K.Raheja Corp Pvt. Ltd (Respondent No4) has been allocated bulk plot of land admeasuring about 29,000 sq.mt in sector 30 A of Vashi by CIDCO to develop a well planned complex consisting of retail, hospitality, residential unit etc

The above public interest litigation has been filed under articles 226 and 14 of the Constitution of India and the provisions of the Maharashtra Regional and Town Planning Act 1966 and resolution no. 8842 passed by CIDCO challenging the said allotment in favor of Respondent No 4 interalia for cancelling the said allotment in favor of Respondent No 4 and directing Respondent No 2 to issue fresh advertisement in the same. By an order dated December 17, 2003 pending the admission the Honorable Court had issued directions to maintain status quo.

The petition is admitted on February 18,2004. By an order dated April 23, 2004 stay is vacated.

HIGH COURT OF MUMBAI
PIL STAMP NO ST. 7637 OF 2004
S K SURVE V/S. STATE OF MAHARASHTRA & OTHERS

(under Articles 226 and 14 of the Constitution of India and the provisions of the Maharashtra Regional and Town Planning Act 1966 and resolution No.8842 passed by CIDCO)

K.Raheja Corp Pvt. Ltd (Respondent No4) has been allocated bulk plot of land admeasuring about 29,000 sq.mt in sector 30 A of Vashi by CIDCO to develop a well planned complex consisting of retail, hospitality, residential unit etc

The above public interest litigation has been filed challenging the said allotment in favor of Respondent No 4 interalia for cancelling the said allotment in favor of Respondent No 4 and directing Respondent No 2 to issue fresh advertisement in the same. By an order dated December 17, 2003 pending the admission the Honorable Court had issued directions to maintain status quo.

Petition is admitted on February 18, 2004. By an order dated April 23, 2004 stay is vacated.

In Bombay City Civil Court Suit No.3298 of 1994

Hindustan Transmission Products Ltd. v/s. Municipal Corporation of Greater Bombay & Paramount Prop & Hotels Pvt Ltd.

(under the provisions of the BMC Act, 1888)

The plaintiff had filed the above suit interalia for seeking that the court declare that the notice dated May 16, 1994 issued by the B.M.C. to construct a municipal drain through the plaintiff's property situated at Village Saki Chandivli Farm Road is null, void and / or bad-in-law and not binding on the plaintiffs and liable to be set aside; and that the defendants their servants and agents be restrained by a permanent order and injunction from carrying out the proposed drainage work as per the said notice.

IN THE COURT OF DEPUTY COLLECTOR (APPEALS)
CASE NO. C/RTS/A-13/2004,
SIR MOHEMMED YUSUF TRUST & OTHERS V.S. SUB DIVISIONAL OFFICER & ORS.

The appellants Sir Mohammed Yusuf Trust and others have filed appeal filed under the Maharashtra Land Revenue Code, 1966 (from an order dated July 8, 2004 passed by the Sub-Divisional Officer (SDO), Mumbai Suburban District in the Revision Application No. DLN/RTS/REV-26/2002 rejecting the said revision application in respect of mutation entries 18, 21 and 29) against Chandrabhan B. Sharma, Mrs. Tara Swarup, Ajay Mohan, Arun Kumar (Indian Cork Mills Ltd.), K. Raheja Corporation, Sub Divisional Officer, Mumbai Suburban District, Charity Commissioner, Worli and Saryu Properties and Hotels Pvt. Ltd.

This matter involves immovable properties bearing new survey no. 3 (Part), 14, 15, 16, 17 in the revenue records such as 6/12, 7/12, 8/12 Property Registration Card, Index II. The present owner of Plot A3 of Survey No.3B (pt), CTS No.72B/C and Plot No.A4 of CTS No.72A/B is Chalet Hotels Ltd. whereas Survey No. 13(pt) CTS No.2 and CTS No.1, 1/1 to 24 (pt), 25 to 38, 40 to 46, 50 (pt) and survey no 14(pt) CTS No.27 (pt) presently vests with M/s. Powai Properties, which is a Mumbai Undivided Entity.

The abovementioned appellants have in the appeal filed inter alia prayed that the Court set aside order dated July 8, 2004 of the SDO, Mumbai Suburban District and quash the mutation entries no 13,14,16 and 17.

The appeal was fixed for hearing on January 24, 2005 and adjourned to April 25, 2005. The matter is further adjourned to June 20, 2005 for final hearing.

HIGH COURT OF MUMBAI
SUMMARY SUIT NO 4531 OF 1993
M/S SARASWATI INDUSTRIES (EXPORTS) PVT. LTD. V/S. POWAI DEVELOPMENT CORPORATION, CHANDRU RAHEJA, GOPAL RAHEJA, M/S PARAMOUNT HOTELS LTD(NOW K RAHEJA CORP PVT. LTD)

A Summary Suit under Order XXXVII of the Code of Civil Procedure, 1908 for refund of an amount of Rs. 5,000,000 /- paid as advance with interest at 9% p.a. was instituted by Saraswati Industries (Exports) Pvt. Ltd. against the above defendants which was paid as an advance towards booking of certain units constructed at Powai.

The plaintiff prayed for a decree against the defendants to pay to the plaintiff a sum of Rs. 7,371,800/- which is inclusive of interest at 9% p.a.

The matter is still pending in the High Court

SMALL CAUSES COURT, BANDRA
RENT ARREARS & DECLARATION SUIT NO 766 OF 2000
OASIS RESTAURANT AND BAR V/S. IVORY PROPERTIES & HOTELS PVT. LTD.

Oasis Restaurant and Bar has filed a suit at the Small Causes Court praying that Oasis Restaurant and Bar be declared as a tenant of a portion of the premises on the ground floor of the premises at Plot No 211.D S.V Road Andheri which is owned by Ivory Properties & Hotels Pvt. Ltd. The suit is filed under the provisions of the Maharashtra Rent Control Act 1999 The suit is still pending.

HC SUMMARY SUIT NO.229 OF 2004
JOSEPH BERNARD FERNANDES V/S K.RAHEJA CORP P. LTD.

The plaintiff has filed the above Summary Suit under Order XXXVII of the Code of Civil Procedure, 1908 for a decree and payment of the sum of Rs.1,496,295/- by way of brokerage of 1 % of the property sold by the plaintiff and three other co-owners of the property bearing C.T.S. Nos. C-534, C-535 and C-536 at 22B, Pali Road, Bandra, Mumbai - 400 050. Vakalatnama on behalf of the defendant is filed**.** An affidavit in reply dated February 21, 2005 has been filed in reply to Summons for Judgement No. 355 of 2004.

An application for condonation of delay in filing the affidavit in reply dated March 29, 2005 has been filed, which states that the grounds for delay were inter alia due to delay on part of the plaintiff in giving inspection of documents referred to therein**.**

HIGH COURT (OOCJ)
SUIT NO.3453 OF 2000
TROPICANA PROPERTIES LTD V/S NECTAR PROPERTIES PRIVATE LTD.,K.RAHEJA PRIVATE LTD.,
ITC AGRO-TECH FINANCE & INVESTMENT LTD, AND OTHERS
(UNDER THE PROVISIONS OF INDIAN CONTRACT ACT, 1872 AND TRANSFER OF PROPERTY ACT, 1887)

The plaintiff filed the above suit praying that the debt of Rs.73,000,000/- and Rs.35,000,000/- and interest thereon due by [defendant No 6] ITC Agro-Tech Finance and Investments Limited to [defendant Nos. 1 and 2] Nectar Properties Private Limited and K Raheja Private Limited respectively stands assigned to the Plaintiff as these defendants have no right title and interest therein and that these Defendants be injuncted from demanding the said sums from [defendant No.6] ITC Agro-Tech Finance and Investments Limited.

However the plaint and writ of summons have not been served on the defendant 1 and 2 so far and although Mr.C.L.Raheja has been added as a party, no relief is claimed against him.

HIGH COURT OOCJ
SUIT NO 3710 OF 2000
ITC AGRO-TECH FINANCE AND INVESTMENT LTD V/S NECTAR PROPERTIES PRIVATE LTD.
K.RAHEJA PRIVATE LTD AND OTHERS

The plaintiff has filed the Suit praying that the promissory notes executed by the plaintiff in favour of defendant Nos. [1] and [2] for [Rs. 6 Crore] and [Rs.3.50 Crores] respectively be cancelled and pending hearing and final disposal of the suit defendant Nos. l and 2 be injuncted from acting upon these promissory notes etc. However, the plaint and writ of summons have not been served on K. Raheja Pvt. Ltd. and Mr. C.L. Raheja.This matter involves the provisions of the Transfer of Property Act 1887, the provisions of the Negotiable Instruments Act 1881, the Indian Contract Act of 1872 and the Code of Civil Procedure 1908.

IN THE COURT OF SMALL CAUSES COURT AT MUMBAI (BANDRA BRANCH)
R.A.D. SUIT NO. 488 OF 1997
LAXMAN DHONDU LINGAYAT V/S. M/S. MERCURY ENTERPRISES, IDEAL ENTERPRISES, MR.R.N. TALATY & ORS.

Prior to the filing of the above suit the plaintiff filed a suit in the City Civil Court at Bombay being Suit No.3155 of 1984.. By an order dated May 6, 1997 the City Civil Court held that the City Civil Court has no jurisdiction to entertain and try the suit and the plaint was therefore returned to the plaintiff for presentation in the proper Court. The Suit is filed under the provisions of Bombay Rents, Hotel and Lodging House Rates Control Act 1947

Thereafter the above plaint was presented by the plaintiff in the Small Causes Court at Bandra against M/s.Mercury Enterprises, Ideal Enterprises (now known as M/s. K Raheja Properties & Finance) & Ors.

The plaintiff filed the above suit for a declaration that the defendants have no right whatsoever for demolishing a room in a chawl situated at Manjrekarwadi near Natraj Studios off Andheri Kurla Road, Andheri (East), occupied by the plaintiffs.

The plaintiff had expired on September 3, 2002 . The legal heirs of the deceased plaintiff sought to be joined as plaintiff's in place of the deceased plaintiff by Notice No.1967/2002. The hearing of the suit is adjourned to June 8, 2005.

IN BOMBAY CITY CIVIL COURT, SHORT CAUSE
SUIT NO.5437 OF 1983,
SMT. SHARDA B. MENON V/S. BURJOR MISTRY, OLYMPIC ENTERPRISES & OTHERS

The above suit was filed against defendants Olympic Enterprises , (now known as K Raheja Properties & Finance), inter alia praying that the defendants to be permanently restrained by an order and injunction from obstructing the use of passage from plaintiff's premises leading to Parsi Panchayat Road, Andheri (East) and that pending hearing and final disposal of the suit the defendants to be ordered by injunction to remove a portion of the brick wall across the said passage. The suit is filed under the provisions of the Code of Civil Procedure 1908

The matter is pending hearing and final disposal.

- **Mrs. Jyoti Raheja- as partner of erstwhile firm Greenview Corporation- Before the Consumer Disputes Redressal Forum, Mumbai Suburban District, Mumbai**
  Complaint No.500 of 2004
  Pali Hill Neptune Co-Operative Society Ltd. Vs. Greenview Corporation
  (Green View Corporation was dissolved with effect from January 31, 1985)

(under the provisions of the Consumer Protection Act 1986)

The above complaint is filed by the complainants (Pali Hill Neptune Co-Operative Society Ltd and its members) interalia praying that the erstwhile Greenview Corporation convey the land and building located at plot No.B.C.T.S 1312 A &1373, Pali Hill, Bandra, Mumbai in favour of the Pali Hill Neptune Co-Operative Society Ltd., the complainant and pay the sum of rupees that the complainants may have to suffer for conveyance because of negligence and fault on part of Greenview Corporation. A written statement dated April 11, 2005 has been filed by the opposite party on April 12, 2005.

Erstwhile Greenview Corporation was dissolved with effect from January 31, 1985 by way of a dissolution deed dated February 27, 1985. The assets and liabilities of the erstwhile firm were taken over /allotted to/assigned to Mrs. Jyoti C. Raheja, one of the partners of the erstwhile firm.

High Court Mumbai
PIL Writ Petition No 482 of 2005
Bombay Environmental Action Group and Anr v/s the State of Maharashtra & Ors. Notice of Motion No 142 of 2005

Under a registered Development Agreement dated August 24, 2004 inter-alia entered into between K. Raheja Corp Pvt Ltd with Hindoostan Spinning and Weaving Mills Ltd and Capricon Realty Ltd, K Raheja Corp Pvt Ltd has acquired development rights in respect of portions of the Mahalaxmi property of Hindoostan Spinning and Weaving Mills Ltd as per the scheme approved by Board for Industrial and Financial Reconstruction by its the Order dated April 1, 2004 and confirmed by Appellate Authhority for Industrial and Financial Reconstruction (AAIFR) by its Order dated January 7, 2005.

A Public Interest Litigation (PIL) has been filed by the Bombay Environmental Action Group in the High Court of Bombay inter alia seeking to challenge the 2001 amendment to Regulation 58 of the Development Control Regulation, 1991 under which plans for redevelopment of textile mills are being allowed/sanctioned by the Muncipal Corporation. The plans for development of the aforesaid Mahalaxmi Property have also been sanctioned under Regulation 58 of the DC Rules as amended in the year 2001.

K Raheja Corp Pvt. Ltd., has filed the captioned Notice of Motion on March 16, 2005 and the Affidavit in Support thereof on March 15, 2005 for making itself a party to the captioned PIL and to oppose the reliefs as prayed for in the captioned matter.

The Hon'ble High Court has passed an order on April 1, 2005 directing the parties to the Petition and the Intervenor to file affidavits setting out details as required by the Hon'ble Court and has further directed the BMC not to approve any layout/IOD/CC till April 20, 2005, when the matter is next placed for directions.

K Raheja Pvt. Ltd. was also allowed to be added as a party respondent to the PIL.

Various parties to the PIL have filed special leave petitions in the Hon'ble Supreme Court of India challenging the orders passed on April 01, 2005. K Raheja Corp. Pvt. Ltd. has filed an Intervention Application in the special leave petition filed by Hindoostan Spinning and Weaving Mills Ltd. The Hon'ble Supreme Court has directed status quo to be maintained and further directed the special leave petitions to be heard for interim reliefs on May 04, 2005 and to be finally heard on August 23, 2005. By virtue of such order passed by the Hon'ble Supreme Court, the Hon'ble High Court at Bombay has adjourned the PIL to August 31, 2005, without passing any further orders. On May 4, 2005 the Supreme Court heard the matter and has reserved its order.

G) **Economic / Criminal / Civil Offences By/Against Promoters, Companies And Firms Promoted By The Promoters And Past Cases In Which Penalties Were Imposed By The Concerned Authorities**

In The Court of Small Causes at Mumbai (Bandra Branch)
Contempt Notice No.1945 of 2001
in R.A.D. Suit No. 766 of 2000

Oasis Restaurant & Amber, Oscar & Minor Canteens v/s Gopal Lachmandas H.U.F.; R.R. Enterprises, Ivory Properties & Hotels Pvt. Limited, (- as defendants) and Mr.Ravi C. Raheja and Mr. Gordhan G. Kukreja (-as Respondents) read with Int. Notice 1441 of 2000 and Inj. Notice No.1559 of 2000

The plaintiff has taken out an Interim Notice being No 1559 of 2000 in the above suit praying

" That pending hearing and final disposal of the suits the defendants and their servants and agents be restrained by an order and injunction of this Honorable Court from obstructing the plaintiffs and their servants and agents from ingress and egress to the terrace above their store room for maintaining and repairing the cooling towers, water tank and blower on the terrace"

The Honorable Court was pleased to grant the said prayer by its order dated October 21, 2000. Oasis Restaurant and Bar, through their advocates notice dated November 23, 2001 addressed to Gopal Laxmandas Raheja (HUF) and Ivory Properties and Hotels Pvt Ltd. (and its advocate) has stated that on October 26, 2001 in the morning at 4 a.m. the duct coming out of the kitchen was burnt due to a fire and the water pump, the air conditioner, foundation of the water pump, ducting, blower, cable and outside ducting was also burnt and damaged in the said fire and that Oasis Restaurant and Bar was required to carry out repairs to the damaged portions of the said equipment, and it is necessary to put up bamboo and scatha scaffolding near the store room inside the compound and called upon Ivory Properties and Hotels Pvt Ltd and others to give access to Oasis Restaurant and Bar and their workers into the compound to enable them to get repairs done. The advocate for Ivory Properties and Hotels Pvt Ltd replied by his letter dated November 27, 2001 inter alia stating that the order passed in the Injunction Notice No 1559 of 2000 did not relate to the alleged fire mentioned by them and since the matter was sub-judice unless and until specific order and/or direction was obtained, Ivory Properties and Hotels Pvt Ltd regrets their inability to give any access to Oasis Restaurant and Bar and their workers.

Thereafter Oasis Restaurant and Bar had taken out the above contempt notice seeking relief under Order 39 Rule 2-A of the Civil Procedure Code and prayed that the defendants and respondents be dealt with in accordance with the law for deliberately and willfully committing contempt of orders passed by the Honorable Court. The defendants and respondents have filed their affidavit in reply to the said notice inter alia repudiating all the allegations made by the plaintiff in the notice.

H) Litigation Pending – Labour, Employees and Trade Unions

Compl (ULP) No. 506 of 1997, in the 10th Labour Court, Mumbai Nisar Ali VS The Resort (Paramount Hotels Pvt. Ltd.) and Mr. Anuj Prakash, General Manager of the Resort

(Under the provisions of the Maharashtra Recognition of Trade Union and Prevention of Unfair Labour Practices Act, 1971)

Mr. Nisar Ali an ex-employee of the Resort (a division of Paramount Hotels Pvt. Ltd., now known as K Raheja Corp Pvt. Ltd.) has filed the above suit against termination of his services which were terminated on July 2, 1997 by the Resort praying for his reinstatement in the services and with full back wages and continuity of service. The matter is pending. The matter was adjourned to May 2, 2005, which is further adjourned to June 23, 2005.

I) **Bank / Financial Institution Defaults**

There are none

J) **Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits**

There are none except as disclosed under the section titled 'Litigation Pending –Income Tax in this Prospectus.

K) **Disciplinary action taken by SEBI / Stock Exchanges against the Promoters/ business ventures of the Promoters**

There are none except as disclosed under the section titled 'Litigation Pending By/Against the Southern Undivided Entities- Outstanding Litigations' in this Prospectus.

L) **Arrears on cumulative preference shares by Promoters and/or companies /firms promoted by the Promoters**

There are none except as disclosed under the section titled 'Our Promoters' in this Prospectus.

M) **Pending Litigations of companies/firms/ventures with which Promoters were associated in the past in case their names continue to be associated with the particular litigations**

There are none except as disclosed under this section in this Prospectus.

N) **Potential Litigation**

- **M/s Clea Public Relations Consultants Pvt. Ltd.**

  M/s Clea Public Relations Consultants Pvt. Ltd. have issued a notice dated February 6, 2004 to The Resort, Mumbai (a division of K. Raheja Corp Pvt. Ltd) through their Advocates for their outstanding payment of Rs. 110,250/-. The Resort has replied to the said notice through their Advocate vide their reply dated April 15, 2004 claiming damages of Rs. 147,000/- from Clea Public Relations Consultants Pvt. Ltd. for their deficiency in rendering services to The Resort . The matter is pending.

- **Show Cause Notice Dated February 26, 2004 Issued By The Sales Tax Officer (Enforcement, Mumbai) To Hill Crest Developers And Powai Developers (Divisions Of K. Raheja Corp Pvt. Ltd.) With Regard To M/S. Indica Marble & Granite**

  Hill Crest Developers and Powai Developers (divisions of K. Raheja Corp Pvt. Ltd.) have received a show cause notice dated February 26, 2004 from the sales tax officer (E-245) Enforcement, Mumbai in respect of purchases made by them from M/s. Indica Marble & Granite during the financial years 1999-2000, 2000-2001 and 2001-2002 worth amounts of Rs.67,888/-, Rs.1,881,307/- and Rs.827,855/- respectively. The said notice states that the proprietor of M/s. Indica Marble & Granite is Shri. Vipul Mehta and as per his statement recorded under section 53 of the Bombay Sales Tax Act, 1959 he has stated some fictitious person had applied for registration certificate in his name by forging documents. The notice further states that while effecting the purchase of marble, Hill Crest Developers and Powai Developers did not place the order on M/s.Indica Marble and Granite and that on the background of these facts it can be inferred that the bills in support of the purchases made by Hill Crest Developers and Powai Developers have been obtained fraudulently and to show cause why penal action under the provision of Indian Penal Code should not be initiated against Hill Crest Developers and Powai Developers, the divisions of the company.

  The company has in its letter dated March 15, 2004 replied to the said show cause notice stating inter alia that as a policy the company purchases from registered dealers and if, out of the number of suppliers dealing with the company on a day to day basis one of the suppliers commits an offence it should not be inferred that the company has obtained the bills fraudulently and penal action should not be initiated against the said divisions of the company.

  The company has interalia further stated in the said reply that there are valid invoices indicating full details as required under the provisions of law, the certificate of registration under the Bombay Sales Tax Act, 1959 was in force on the date of purchase and the payments to the suppliers have been made by account payee cheques. In the said reply it is stated that the said purchases from Indica Marble & Granite have been made by Hill Crest Developers, Powai Developers, Ivory Properties And Hotels Pvt. Ltd. and Powai Developers and Others.

  With regard to Ivory Properties and Hotels Pvt. Ltd.

  Show Cause Notice dated February 26, 2004 from the Sales Tax Officer(Enforcement) to Hill Crest Developers and Powai Developers (divisions of K. Raheja Corp Pvt. Ltd.)

Although no show cause notice has been received by Ivory Properties and Hotels Pvt. Ltd. from the sales tax department, K. Raheja Corp Private Limited in its reply letter dated March 15, 2004 sent to the sales tax officer, Enforcement Branch has disclosed that Ivory Properties and Hotels Pvt. Ltd. is one of the entities who have made purchases from M/s.Indica Marble & Granite which purchase together with amounts are referred to in the said show cause notice.

Further pursuant to a notice dated December 4, 2003 received by the K Raheja Corp Private Limited from the sales tax authorities, the said company had produced before the said authorities on December 6, 2003 a copy of the purchase ledger account in this regard in which Ivory Properties and Hotels Pvt. Ltd is shown as a purchaser. This may lead to litigation /dispute with the sales tax authorities for Ivory Properties and Hotels Pvt. Ltd.

With regard to Mr. Ravi Raheja, Ms. Jyoti Raheja and Mr. Neel Raheja -

Show Cause Notice dated February 26, 2004 from the Sales Tax Officer(Enforcement) to Hill Crest Developers and Powai Developers (divisions of K. Raheja Corp Pvt. Ltd.)

Although no show cause notice has been received by any of Mr.Ravi Raheja, Mrs. Jyoti Raheja or Mr. Neel Raheja, K. Raheja Corp Private Limited in it's letter dated March 15, 2004 read with the copy of the purchase ledger account shown to the sales tax authorities discloses Mrs.Jyoti Raheja Mr. Ravi Raheja and Mr.Neel Raheja as amongst the persons who made purchases from M/s.Indica Marble & Granite. This may lead to litigation /dispute with the sales tax authorities.

The payments made as referred to in the table in the section titled 'Litigation Pending –Sales Tax/Luxury Tax-Against The Promoters' in this Prospectus includes payments due with respect to purchase tax, interest and penalty leviable on Mr. Ravi C. Raheja, Mrs. Jyoti C. Raheja and Mr. Neel C. Raheja.

- **Ivory Properties & Hotels Pvt. Ltd. -** A summon dated March 9, 2005 was served on Mr C.L. Raheja, Ivory Properties & Hotels Pvt Ltd., under section 14 of the Central Excise Act 1944 and the relevant provisions of the Customs Act 1962 in connection with an enquiry against Nitco Tiles Ltd whereby the addressee's were summoned to appear before the Superintendent, Central Excise(Preventive), Wagle-I Division, Mumbai – III on March 11, 2005 to give evidence on matters concerning the inquiry on Nitco Tiles Ltd and to produce certain documents relating to some materials received from Nitco Tiles Ltd. In response to the said summons, a statement was recorded on behalf of Ivory Properties And Hotels Pvt. Ltd before the Superintendent, Central Excise on March 11, 2005 and relevant documents were furnished before the concerned officer such as copies of certain invoices, workorders and quotation concerning the aforesaid purchases, work orders issued by Ivory Properties & Hotels Pvt. Ltd. and bills raised by Nitco Tiles Ltd towards purchases made by Ivory Properties & Hotels Pvt. Ltd.

  No further communication has been received from the Superintendent, Central Excise in this matter.

- **Notice received from Advocate of Tata Power Company Limited by K. Raheja Corp Pvt. Ltd.**

  K. Raheja Corp Pvt. Ltd. has received a notice dated March 14, 2005 from the Advocates and Solicitors of Tata Power Company Limited with respect to certain cables located in the Hindustan Mills Compound [which has been taken up for development by K. Raheja Corp Pvt. Ltd.] The said notice makes certain allegations regarding the excavation work carried on by K. Raheja Corp Pvt. Ltd. at the said location and the resulting effect on the cables of Tata Power Company Limited and calls upon K. Raheja Corp Pvt. Ltd. not to tamper with any of the property of Tata Power Company Limited including excavation work causing damage to the live cables of Tata Power Company Limited failing which Tata Power Company Ltd. will obtain an injunction order from the Court and K Raheja Corp Pvt. Ltd. would be solely responsible for all consequences including adverse claims of losses/damages/ litigations to which Tata Power Company Limited may be subjected. K Raheja Corp Pvt Ltd has replied to the said notice of the advocates and solicitors of Tata Power Company Limited denying all the allegations and claims made. Further K Raheja Corp Pvt Ltd has called upon Tata Power Company Limited to forthwith interalia terminate the supply of electric energy from the subject property and "live" HT cables and deactivate the same and if there is any delay in deactivating and removing the same, any loss damage etc on account of such delay will be to the risk and responsibility and consequences of Tata Power Company Limited. The matter is pending.

- The inter se disputes and contentions between the C.L. Raheja group and the G.L. Raheja group as mentioned at pages 105 to 109 of the RHP may result in potential litigations.

- **Potential litigation- G. L. Raheja group / family**

  Subsequent to the filing of the draft RHP with SEBI, there has been exchange of some correspondence between the G.L. Raheja Group and the C.L. Raheja Group which may potentially result in litigation. G.L. Raheja by his letters dated September 10, 2004 and September 30, 2004 has made a number of allegations against our Promoters and/or in respect of Mumbai Undivided Entities and Properties. Further by letters of December 8, December 14, and December 18, 2004 certain additional allegations have also been made against our Promoters and/or in respect of Mumbai Undivided Entities and Properties. The aforesaid allegations and the clarifications of our Promoters thereto include the following which are set out below:-

  Allegation:

  Challenging the inability of our Promoters to disclose information relating to the Mumbai Undivided Entities, absence of material disclosure on matters relating to matter of fact having serious impact on management, directorship, finance, etc in relation to the matters concerning the Promoters and their Companies, certain purported illustrations seem to have been provided by G.L. Raheja group in this regard. The G.L. Raheja group has also alleged that Promoters intend to dupe innocent and gullible investors.

Clarification:

Our Promoters deny the allegations. It may be noted that our Promoters had expressed their inability to provide such information as they alone cannot be said to be in control of the Mumbai Undivided Entities, which are jointly owned and controlled by the G.L. Raheja family and the C.L. Raheja family. Admittedly both the families have separately in their possession various documents, papers, records, assets, etc. of the said Mumbai Undivided Entities and Properties. Therefore, our Promoters do not have complete and accurate information and hence were not in a position to expressly assure the completeness and accuracy of such information. Our Promoters have clarified to the G.L. Raheja group that in view of the aforesaid, the said purported illustrations does not mean that the information available with our Promoters (in respect of the Mumbai Undivided Entities and Properties) is complete and accurate for the purposes of disclosure, as required under the SEBI Guidelines. Further, our Promoters have cited various instances of joint actions taken by both the G.L. Raheja family and the C.L. Raheja family as well as unilateral actions taken by G.L. Raheja family, inter-alia in furtherance of our Promoters contention that the said Mumbai Undivided Entities are jointly owned and controlled. However our Promoters have undertaken to SEBI and our Promoters have further now provided information to the extent it is available with them in relation to the Mumbai Undivided Entities, in accordance with SEBI Guidelines. In view of the disputes between our Promoters and the G.L. Raheja family in respect of the Mumbai Undivided Entities and that they are jointly controlled by the G.L. Raheja family and the C.L. Raheja family, our Promoters believe that there is a possibility that the information provided by our Promoters in relation to the Mumbai Undivided Entities may be disputed by the G.L. Raheja family.

Allegation:

By reason of certain of the Mumbai Undivided Entities being public limited companies and that these companies not having filed annual returns and annual accounts with the ROC, our Promoters may be disqualified as directors.

Clarification:

Our Promoters have obtained legal opinions in the matter from two retired Chief Justices of India and two senior Counsel that they are not so disqualified. Further, a supplemental opinion has also been obtained that provides that holding out as directors after cessation of directorship would not make a difference to this position.

Allegation:

The net asset value of Promoter Companies K. Raheja Corp. Companies and entities the Southern Undivided Companies and Entities and Residual Entities is not disclosed in the RHP

Clarification:

Our Promoters clarify that the net asset value (NAV) has been defined in the RHP and the same criteria is used to calculate the NAV of the Promoter companies, K Raheja Corp Group Companies and Entities, the Southern Undivided Companies and Entities and Residual Entities and as specified by Clause No.6.18.8(f)(iii) and Clause 1.2 (xixa) of the SEBI (Disclosure and Investor Protection) Guidelines and in consonance with market practice

Allegation:

Our Company used to avail supply of products from K.R. Trends (a division of Nectar Properties Pvt. Ltd., one of the Mumbai Undivided Entities) Our Company also availed of supply of products from K.R. Trends (a division of Upasana Trading Ltd. which is now our subsidiary). Certain allegations have been raised by the G.L. Raheja group on the fiduciary duty of our Promoters towards Nectar Properties Pvt. Ltd.

Clarification:

Our Promoters deny the said allegations and have clarified that the Company is free to deal with any supplier of their choice.

Allegation:

The G.L. Raheja group has also alleged that information relating to Mass Traders Private Limited (a Southern Undivided Entity, which classification is itself questioned by the G.L. Raheja group) is available with the Promoters and has cited a number of purported reasons as to why it believes such information is available.

Clarification:

While denying the allegation, like in the case of the Mumbai Undivided Entities, our Promoters have provided information to the extent available with them in relation to the said Mass Traders Private Limited in accordance with SEBI Guidelines.

Allegation:

As regards Wiseman Finance Private Limited (Wiseman), the G.L. Raheja group has denied that it is professionally managed.

Clarification:

Since Wiseman has a Managing Director our Promoters have denied with the said allegation. Further, our Promoters believe that in respect of Wiseman from the time of the Arrangement the G.L. Raheja group may dispute the finalisation and audit of accounts, filings, compliances and board and shareholders meetings.

Allegation:

G.L. Raheja group has also alleged that the Promoters have issued shares to themselves at a lesser premium resulting in a shortfall of [Rs.61.48 crores] to the Company.

Clarification:

Our Promoters deny the said allegations since there is no such alleged issue of shares to our Promoters.

Allegation:

The G.L. Raheja group has also claimed that it has the right to unilaterally use a certain property held by a company forming part of the Mumbai Undivided Entities and Properties. Under one of the aforesaid letters, the G.L. Raheja group has further claimed that since the year 1997 they are maintaining the books of account and have been filing income-tax returns in respect of the said Mumbai Undivided Entity.

Clarification:

Our Promoters while denying the said claim regarding the right to unilaterally use the said property are also disputing the said books of account and the said income tax returns.

Our Promoters by their reply dated October 25, 2004 to G. L. Raheja group have responded to the aforesaid allegations (and other allegations which are contained in the letters dated September 10, 2004 and September 30, 2004) and have denied the said allegations and have also provided clarifications wherever applicable. Further, our Promoters have also responded to the aforesaid remaining letters dated December 8, 2004, December 14, 2004 and December 18, 2004 from G. L. Raheja group by their letter dated March 8, 2005 denying all the allegations and providing clarifications, wherever applicable while reserving their rights to deal with Mr. G.L. Raheja's allegations before the appropriate forum.

Subsequently our Promoters by their letter dated March 11, 2005, forwarded the draft pages of the RHP inter alia relating to the Mumbai Undivided Entities, requesting Mr. G.L. Raheja for comments on or before March 18, 2005.

Mr. G.L. Raheja has alleged in his letter dated March 28, 2005 that the disclosures contained in the draft pages of the RHP forwarded to him were incorrect and incomplete and that he would place the same on record shortly. The C.L. Raheja Group vide their letter dated April 04, 2005 informed Mr. G.L. Raheja that given the circumstances the Promoters have disclosed information to the extent available with them in relation to the Mumbai Undivided Entities which information/disclosure may not be complete and accurate .

There is a possibility that the aforesaid would result in further correspondence, allegations by the Mr. G.L. Raheja and litigations between the G.L. Raheja group and our Promoters and our Company may also be involved in the same.

- The inter se disputes and contentions between the C.L. Raheja group and the G.L. Raheja group as mentioned at pages 105 to 109 of the RHP may result in potential litigations.

- **Letter dated February 28, 2005 addressed by Mr.G.L. Raheja to SEBI:**

  SEBI has forwarded a letter dated February 28, 2005 received by SEBI from Mr.G.L. Raheja to BRLMs who in turn have forwarded the same to our Promoters, for their comments. The said letter questions the basis on which SEBI has given their approval to the proposed IPO. The said letter also raises issues relating to (a) the non-disclosures in the draft RHP in respect of the Mumbai Undivided Entities and certain legal proceedings instituted in the Bombay High Court where the Mumbai Undivided Entities and the Promoters are parties; (b) the alleged disqualification of our Promoters to act as directors of our Company; and (c) the pending contempt and perjury proceedings against our Promoter directors before the Company Law Board. Our Promoters have sent their response to BRLMs in this regard vide their letter dated March 11, 2005 and have clarified matters and have also denied allegations made in the said letter.

1. **K. Raheja Pvt. Ltd.**

   The Promoter group company has received a debit note from one of its lessees, HSBC in respect of repairs and rectification work for a sum of Rs.937,416/-. The Promoter group company believes that the repairs and rectification would be the responsibility of its contractor and therefore the amount would be recoverable from the contractor. The matter is pending recovery from the contractor which may be a case of potential litigation.

- **Contractors Disputes-** In addition, various companies forming part of the Promoters / K. Raheja Corp Group Entities have awarded contracts to various contractors, suppliers and other agencies in respect of its construction projects. Certain disputes have arisen between the said companies and certain contractors as regards the work carried out and /or the amount payable to the contractors. We set out below by way of illustration some such instances which may give rise to prospective litigation. In addition to the said illustrations since there would be ongoing dealings with the contractors on a regular basis, it is possible that there may be instances of differences, which may not have cyrstalized into a dispute.

1. **K. Raheja Pvt. Ltd.**

   The Promoter group company as part of its day to day business activities enters into raw material and other construction related business transactions with various contractors/suppliers. The Promoter group company had

awarded such contracts to the undermentioned contractors in respect of its construction projects. Certain disputes have arisen between the Promoter group company and said contractors as regards the work carried out and the amount payable to the contractors.

Sr. No.	Name of the party	Amount claimed by the party (Rs.)	Amount payable as per the company(Rs.)
1	Cleanco	65,000	The Promoter group company believes that the said amount is not payable.
2	Godrej & Boyce Mfg. Co. Ltd.	398,190	The Promoter group company believes that a sum of Rs.30,000/- may be payable.
3	Super Flooring Tiles	139,030	The Promoter group company believes that only a part of the amount relating to labour cost is payable which is presently not quantified.
4	Euro Architecturals Pvt. Ltd.	1,562,225	The Promoter group company believes that the contractor has to carry out rectification of defective work failing which the promoter group company will get the work done from a third party and deduct the costs incurred from the amount payable to the contractor. The matter is pending.

2. Ivory Properties and Hotels Pvt Limited

The Promoter group company as part of its day to day business activities enters into raw material and other construction related business transactions with various contractors/suppliers. The Promoter group company had awarded such contracts to the undermentioned contractors in respect of its construction projects. Certain disputes have arisen between the Promoter group company and said contractors as regards the work carried out and the amount payable to the contractors.

Sr. No.	Name of the party	Amount claimed by the party(Rs.)	Amount payable as per the company(Rs.)
1	Vaishali Petrochemicals	550,000	The Promoter group company believes that based on the internal working done, the amount payable to the contractor would be approximately Rs.504,900/-
2.	Ex Airman Services	684,743	The Promoter group company believes that the contractor is unable to produce challans towards supplies claimed to be made by him and hence the payment is not made.

- FRC Precasts has through its Advocates sent K Raheja Corp Pvt Ltd a legal notice dated January 9, 2005 calling upon the company to make payment of Rs. 192,464/- (plus interest at the rate of 18% p.a. from due date of the bill). The Promoter group company believes that no amount is payable to the contractor since the contractor has not carried out the rectification work .This may give rise to prospective litigation.

- **Old Survey No.271, New Survey No.504(pt), CTS No.1406**

  A legal notice dated December 23, 2004 addressed to F.E. Dinshaw Trust, Administrator of estate of late F.E. Dinshaw, Raheja Builders and Ivory Property & Hotel Pvt Ltd was received from Advocate Mr. Vinod Thaker on behalf of his clients Shantaram Kashinath Nashiba and Prakash Pandurang Nashiba interalia claiming to be in use, occupation and possession of about 35 acres each of land in CTS Survey No. 1406 and old Survey No.271 at Chincholi Bunder, Malad (W) and calling upon F.E. Dinshaw Trust, Administrator of estate of late F.E. Dinshaw, Raheja Builders, Ivory Properties and Hotels Private Limited and others to stop construction activities including filling as also obstructing his clients rights in fishing within 7 days of the receipt of the notice. A reply has been sent by the manager of F.E. Dinshaw Trust and Administrator of estate of late F.E. Dinshaw.

O. Miscellaneous

The following cases are those in which the Promoters are not impleaded as parties but are nevertheless involved or concerned with the subject matter of the suit/proceedings :

Matters relating to Estate of F.E. Dinshaw - Brief summaries of litigations relating to 504, Malad immovable property are set out below

N. N. Wadia as the sole Administrator of the Estate and Effects of the Late F.E.. Dinshaw is the owner of the large lands and has inter alia entered into a development agreement with Ivory Properties and Hotels Pvt. Ltd. for development of portions of his land. Ivory Properties and Hotels Pvt. Ltd is a Promoter company. In terms of the development agreement executed between N. N. Wadia as the sole Administrator of the Estate of Late F.E. Dinshaw, and Ivory

Properties and Hotels Pvt. Ltd. Ivory Properties and Hotels Pvt. Ltd. has been given the responsibility and is entitled to look after the litigation and enter into arrangement and settlement at its cost, charges and expenses in respect of the litigation concerning the said land under the said agreement.

Writ Petition No. 3180 Of 2004
The Administrator Of Estate Of F.E.Dinshaw v/s The State Of Maharashtra & Ors.

(under the provisions of Article 226 of the Constitution of India and DC (Development Control) Regulations 1991 and the Urban Land Ceiling Act, 1976.)

N. N. Wadia as the sole administrator of the estate and effects of the Late F.E Dinshaw , the owner of the large lands bearing Survey No. 504 of Malad has entered into a development agreement with Ivory Properties and Hotels Pvt. Ltd. for development of certain portions of his land as specified therein. A portion of the land bearing CTS No. 1406A/16C admeasuring about 10,748.40 sq. mtrs is reserved for BEST Depot and possession of the said land was handed over to BEST on January 1, 1999. On July 26, 1999 a no objection was granted by Housing and Special Assistance Department, Mantralaya for granting a TDR (transfer development rights) certificate which was subsequently withdrawn by letter dated October 15, 1999. By numerous letters representations were made before the authorities concerned for issuing the DRC (development rights certificate), however, the authorities concerned have refused to grant TDR (transferable development rights) in respect of the said land. The writ petition has been filed in the High Court, Bombay against the State of Maharashtra and others for issue of development rights certificate in respect of the said land.

Bombay City Civil Court
Suit No 3196 of 1981
N.N. Wadia & others v/s. Gundecha Builders & Ors
(under the provisions of the Civil Procedure Code 1908 and the provisions of the Specific Relief Act, 1963)

The plaintiff has filed a suit at the City Civil Court bearing No 3196 of 1981 for an injunction restraining from preventing and /obstructing the plaintiff from putting up a boundary wall along the southern portion of the area shown in the plan. The City Civil Court has vide order dated June 1, 1984 ordered that the parties maintain status quo as per the Commissioner's report.

City Survey Officer
Case No 78 of 2003
Laxmi Kanji Mehta & Anr v/s. Administrator of Estate of F.E.Dinshaw
(under the provisions of the Maharashtra Land Revenue Code, 1966)

The city survey officer, Borivili issued a notice dated October 17, 2003 inviting objection from the owners of the land in respect of the mutation entry no. 78 of the even date.

On October 17, 2003 the name of Mr. Pandharinath Narayan Karigar was sought to be entered in the CTS records by the mutation entry no 78 as a sub tenant of CTS no: 556,556/1 to 4 of Kanheri for an area of 1050 sq. yd. Currently a preliminary reply on behalf of the owners has been filed objecting to the said mutation entry.

By an order dated December 8, 2004 the application has been disposed off. The appellants, Pandharinath Narayan Karekar and Laxmi Kanji Mehta have filed appeal challenging the order passed by the City Survey Office, Borivali dated December 8, 2004. The appeal was fixed for hearing on April 20, 2005, which date is adjourned to June 7, 2005.

High Court of Mumbai
Suit No 3494 of 1991
Brijbhushan Singh v/s. N .N Wadia
(under the provisions of the Limitation Act, 1963, Specific Relief Act,1963 and the Civil Procedure Code, 1908)

Brijbhushan Singh, the plaintiff has filed a suit at the High Court of Mumbai bearing Suit No 3494 of 1991 claiming sole ownership of the land bearing survey number 504 alleging to be in adverse possession of the said land.

The current status of the cases is that the suit is pending and that no application for interim relief has been sought till date.

High Court of Mumbai
Suit No 3437 of 1996
Navratan S. Jain v/s. Bharathchandra Bhanjedeo, N N Wadia & others
(under the provisions of the Specific Relief Act, 1963 and the Civil Procedure Code, 1908)

The plaintiff has filed a suit at the Mumbai High Court bearing Suit No 3437 for a declaration that there is a valid subsisting and concluded agreement for sale between the defendants No. 5 and 6 i.e. the owners, N N Wadia as Administrator of the Estate and effects of Late F.E. Dinshaw and the late Mrs. Hitendra Kumari Devi

No Writ of Summons has been issued in the matter till date.

High Court of Mumbai
Suit No 3066 of 1989
Kashinath Katin v/s. N.N Wadia, (Ivory Properties and Hotels Private Ltd. – Defendant No.5) & others
(under the provisions of the Limitation Act, 1963, Specific Relief Act,1963 and the Civil Procedure Code, 1908)

The plaintiff has filed a suit at the Mumbai High Court bearing Suit No 3066 of 1989 for a declaration that that the plaintiff is the sole owner of the land area admeasuring 229 Acres, bearing Survey No 504, and for mesne profits.

A notice of motion was taken out for interim relief on February 23, 1998.When it reached for the final hearing on December 2, 1998, it was allowed to be withdrawn with the liberty to take out a fresh notice of motion. A fresh notice of motion bearing No. 3916 of 1998 was taken out on December 24, 1998 .However by an order dated September 21, 2000 the notice of motion was dismissed as withdrawn. The suit is pending.

Bombay City Civil Court
Suit No 4060 of 1983
Laxmi Asbestos Products Ltd. v/s. F.E Dinshaw & Ors
(under the provisions of the Civil Procedure Code 1908 and the provisions of the Specific Relief Act, 1963)

The suit was filed by the plaintiff for restraining the defendants from constructing a compound wall on the southern side of the plot of land bearing No. CTS No. 1406 A/28 shown in the plan filed with the plaint.

The Court vide order dated June 19, 1984 has appointed District Inspector of Land Records. The report was the basis on which the plaintiff have taken out Chamber Summons for carrying out amendments in the plaint that the defendants have constructed the compound wall and to demolish the said wall .

High Court of Mumbai
Suit No 311 of 2000
Kherunnais Abdul Aziz Shaikh v/s. Brij Bhushan Singh & F. E.Dinshaw
(under the provisions of the Civil Procedure Code 1908 and the provisions of the Specific Relief Act, 1963)

A suit was filed at the Mumbai High Court bearing Suit No 311 of 2000 where the plaintiff claimed to have taken an immovable property admeasuring about 5 acres bearing survey no 504 ,Malad on tenancy basis from the father of the defendant No 1 i.e. Brij Bhushansingh .The suit is filed for declaration that the plaintiff is the sole and absolute owner in respect of the said land admeasuring 5 acres and defendants to hand over vacant possession of the structure admeasuring 20,000 sq. ft comprising of ground and an upper floor and pending the hearing restrain the defendant from cresting any third party rights, appointment of commissioner receiver etc. A notice of motion was taken out by the plaintiff for interim relief but was withdrawn when it reached the final hearing. The Court has passed an order allowing the withdrawal of the notice of motion .Till date no writ of summons have been issued.

High Court, Mumbai
Appeal Stamp No. 35096 of 1999
Shantidevi Kumbhar v/s. N.N. Wadia
(under the provisions of the Civil Procedure Code, 1908)

Shantidevi Kumbhar has filed an appeal before the High Court against the order and judgement dated September 9, 1999 passed by the Bombay City Civil Court in Suit No. 4605 of 1992 in favour the plaintiff N.N. Wadia. The said suit was filed by the plaintiff for a declaration that the defendant has no right, title, interest or claim in respect of portion of the land admeasuring 67 sq meters being part of the land bearing CTS No 1406/18 of the village Malad. The court passed a decree in favour of the plaintiff.

The appeal is filed in the High Court and is pending for hearing.

Before Addl. Commissioner, Konkan Division, Mumbai
Appeal No.52 of 2004
Ganpat Panglya Tabali v/s Evora Builders & Developers & N.N.Wadia & Ors.
(under the provisions of the Maharashtra Restoration of Land to Schedule Tribe Act, 1974)

In the High Court Suit No.1348 of 1995 between Ganpat Panglya Tabali & Anr. v/s N.N.Wadia & Ors., consent terms were filed and the suit was disposed off by an order dated January 25, 1999 in terms of the consent terms filed by the parties. Ganpat Panglya Tabali by the abovementioned appeal before the Additional Commissioner has filed an appeal from the Collector's order dated July 10, 2003 for setting aside the said order passed by the Collector. In the proceedings adopted by the said Ganpat Panglya Tabali before the Collector Tabali interalia purportedly disputed the said consent terms on the ground that Ganpat Panglya Tabali being adivasi, the said consent terms were bad in law etc. in the said matter the parties have filed their respective written arguments . The matter was closed for orders on March 22, 2005.

Before The Appellate Tribunal
miscellaneous Application No. 2 Of 2004 In
Appeal No. [____] Of 2004
From The Award Dated December 3, 2003 Of The Deputy Collector (Enc (Removal)), Bandra, Mumbai

Sara Harry D'Mello v/s. Deputy Collector (Encr.), Bandra.
Read with Writ PetitionNo.2582 of 2003
Sara Harry D'Mello v/s. State of Maharashtra & Ors.
(under Article 226 of The Constitution Of India)

Sara D'Mello has filed the above appeal under section 17 of the Maharashtra Slum Area (Improvement Clearance Redevelopment) Act, 1971 challenging the award dated December 3, 2003 of the Deputy Collector (Enc (Removal)), Bandra, Mumbai for acquiring the slum land admeasuring about 1575 sq. mtrs. bearing C.T.S. No. C -44 (Part) (old CTS

N.44, 47, 45 A) in Somnath Lane, D'Mello compound, Bandra (W). Mrs. Sara D'Mello, widow of the owner of the land (late) Mr.Harry D'Mello had also interalia challenged acquisition of the said land and the said award before the High Court in Writ Petition No.2582 of 2003.The High Court by its order dated December 8, 2003 granted an adjournment and stated that pending further orders, the State of Maharashtra and others shall maintain status quo as of December 8, 2003. The matter appeared before the Division Bench of the High Court on March 2, 2004. The Court has directed the parties to circulate the various judgments and the Court would thereafter pass appropriate orders referring the matter to a larger bench. The said Writ and the Appeal are pending. The High Court by its order dated April 25, 2005 has directed that interim relief granted on December 8, 2003 continue pending hearing and final disposal of the writ petition to be heard along writ petition no. 91 of 2002.

High Court Suit No.1796 of 2003
K.Raheja Universal Pvt. Ltd. & Anr. v/s Bombay Forgings Ltd.
(Under the provisions of Specific Relief Act, 1963)

The plaintiff K. Raheja Universal Pvt. Ltd. has filed the above suit in the High Court, Bombay against Bombay Forgings Limited interalia seeking specific performance of an alleged oral agreement between K. Raheja Universal Pvt. Ltd., and another and Bombay Forgings Ltd for development of the property being land admeasuring 5041.87 sq.mtrs bearing C.S. No.5435 at Village Kole Kalyan,Kalina. The said suit is pending hearing and final disposal.

By an indenture dated October 23, 2004, Bombay Forgings Limited has transferred / surrendered its right, title and interest in the aforesaid property in favour of Ivory Property Trust.

True Value Homes (India) Pvt. Ltd v/s M/s Pioneer Homes, Pioneer Software Part Pvt. Ltd. and Mr. Sarath Kakumanu and Others

K. Raheja Corp Pvt. Ltd is not a party to the Suit bearing No.471 of 2004 filed in the Madras High Court by True Value Homes (India) Pvt. Ltd against M/s Pioneer Homes, Pioneer Software Part Pvt. Ltd. and Mr. Sarath Kakumanu and Others but has entered into a Memorandum of Understanding with Pioneer Software Technology Park Pvt. Ltd and Mr. Sarath Kakumanu for the development of the property mentioned therein which is the subject matter of the aforesaid application by True Value Homes (India) Pvt. Ltd. The Honorable High Court of Madras has passed an order that the respondents are restrained by an order of interim injunction until further orders of the Court from in anyway dealing with the properties either by way of sale or development or in any other manner with third parties contrary to the terms of memorandum of understanding dated February 5, 2004 entered into between the applicant and respondents till the disputes are finally resolved by the Arbitral Tribunal under the provisions of the Arbitration and Conciliation Act, 1996. The matter is pending.

Madras High Court
Civil Suit No. 476 of 1986
Canara Bank v/s Lefranc Bourgeois (India) Pvt. Ltd. Pioneer Homes & Builders, and others.

Canara Bank, Saidapet Branch, Chennai filed a Suit C.S. No 476/86 under Order IV Rule 1 & 2 and Order XXXVII Rule 1 & 2 of the O.S. Rules read with Order VII Rule 142 of the CPC in the Madras High Court for a recovery of the sum Rs. 3,763,608.17 with further interest at 19% and costs and in default of such payment, the mortgaged property. The suit was filed against Lefranc Bourgeois (India) Pvt. Ltd and others. On September 11, 1995 the plaintiff has received monies from Mr. Sarath Kakumanu in full satisfaction of its dues but the same has not been withdrawn as yet. The settlement of the suit and the vesting of the title to the suit lands is a condition precedent before K Raheja Corp Pvt Ltd is granted development rights under the memorandum of understanding dated March 17, 2004. Further K Raheja Corp Pvt Ltd is not a party to the aforesaid proceedings.

Miscellaneous - Potential Litigation

- **Legal Notice from Administrator of Estate of F.E.Dinshaw to Mr. Lakshmi Kanji Mehta**

  Legal notice dated August 31, 2004 has been issued by Advocate Mr. R.V.Yadav on behalf of Administrator of Estate of F.E.Dinshaw, addressed to Mr. Lakshmi Kanji Mehta terminating tenancy rights in respect of an area admeasuring 1050 sq. yds bearing Survey No.30(pt) C.T.S. No. 556, 556/1 to 4 of village Kanheri for the reasons stated therein and to quit, vacate and handover possession of the said land.

  This legal notice is in connection with the matter before the City Survey Officer in Case No. 78 of 2003 already disclosed in this section.

- **Legal Notices received in the matter of Hitendrakumari Devi**

  Legal notices on behalf of various persons claiming on behalf of Hitendra Kumari Devi as her constituted attorney or as heirs and/or as the constituted attorneys of the heirs of Hitendra Kumari Devi were received from time to time alleging that there was a concluded agreement for sale between the owners of the land bearing S.No.504 and Late Hitendra Kumari Devi for the entire land admeasuring about 470 acres.

  N. N. Wadia as the sole Administrator of the Estate and Effects of the Late F.E. Dinshaw to whom the legal notices have been served is the owner of the large lands and has inter alia entered into a development agreement with Ivory Properties and Hotels Pvt. Ltd. for development of portions of his land. Ivory Properties and Hotels Pvt. Ltd is a promoter company. In terms of the development agreement executed between N. N. Wadia as the sole Administrator of the Estate of Late F.E. Dinshaw, and Ivory Properties and Hotels Pvt. Ltd. Ivory Properties and Hotels Pvt. Ltd. has been given

the responsibility and is entitled to look after the litigation and enter into arrangement and settlement at its cost, charges and expenses in respect of the litigation concerning the said land under the said agreements.

All the said notices are based on the identical set of photo copies of some forged and fabricated receipts / letters. One of the persons has also filed legal proceedings being HC Suit No. 3437 of 1996 Navaratan S. Jain v/s Bharatchandra Bhanjdeo & Ors. A list of such legal notices received is mentioned hereunder. Ivory Properties and Hotels Pvt. Ltd is not a party to the notice but responsible for the development of the land belonging to Mr. N. N. Wadia as Administrator of the Estate of late F.E. Dinshaw

THE FOLLOWING IS THE LIST OF THE SAID LEGAL NOTICES RECEIVED IN THE MATTER OF HITENDRAKUMARI DEVI

Public Notice dated 4.7.1995 in Mumbai Samachar by K.D. Naik, Advocate.

Letter dated 6.9.1995 from V.G. Vartak & Co, Advocates

Letter dated 12.3.1996 M/s. Vinod Sharma & Co., Advocates.

Letter dated 13.10.1996 from Ashok A. Kadam, Society & Trust Consultant.

Letter dated 4.2.1997 from Devendra Sharma, Advocate.

Letter dated 3.3.1997 from Bharat Zaveri, Advocate.

Letter dated 25.3.1997 from Ratilal Desai & Co., Advocates

Letter dated 4.7.1997 from Shivraj Singh Jhala, CA of heirs of Smt Hitendra Kumari Devi.

Letter dated 29.4.1998 from Nitin H. Shukla, Advocate.

Letter dated 8.8.1998 from M.S. Construction

Letter dated 15.9.1998 from Q.F. Siddique, Advocate

Letter dated 21.10.1999 from Mane & Associates,

Letter dated 17.9.2003 from V.K. Tripathi, Advocate

Letter dated 23.6.2000 from Meena A. Fulbandhe.

Letter dated 3.12.2003 from Divcons Properties Pvt. Ltd.

Letter dated 12.5.2004 from Prithvi Developers

IV LITIGATION BY AND /OR AGAINST THE K RAHEJA CORP GROUP ENTITIES

By the K Raheja Corp Group

A) **Pending Arbitration Proceedings**

There are none

B) **Litigation Pending – FEMA**

There are none

C) **Litigation Pending – Income Tax**

There are none

D) **Litigation Pending – Sales Tax /Luxury Tax**

There are none

E) **Litigation Pending –Customs and Excise Gold Control Appellate Tribunal ('CEGAT') Among Other Things**

There are none

F) **Litigation Pending-Money Recovery and Other Civil Suits**

Commissioner of Konkan Division -MSD

Appeal Desk Entry 97 of 2003 Chalet Hotels Ltd. v/s. Deputy Commissioner

The appeal is filed under section 10A of the Bombay Entertainment and Duty Act 1923 against the levy of entertainment tax together with surcharge and penalty amounting to Rs. 237,546/- in respect of a fashion show conducted by the Gems and Jewelry Export Council at the Hotel Renaissance on July 19, 2002

Currently the case is pending before the Commissioner, Konkan Division MSD Mumbai.

Small Cause Court, Bandra
Rent Arrears and Eviction Suit
Suit No 279 of 1994
K.Raheja Properties & Finance v/s. Makhanlal Kaul & Anr

A suit was filed for eviction of the occupant under Bombay Rent Act, 1947 from the ground floor of Mistry Plot bearing No 195 Parsi Panchayat Road, Mogra Village, Andheri East. The suit is currently pending

Small Cause Court, Bandra
Rent Arrears and Eviction Suit
Suit No 834 of 1995
K.Raheja Properties & Finance v/s. Harish Enterprise

A suit was filed for eviction of the occupant under Bombay Rent Act, 1947 from the ground floor of Mistry Plot bearing No 195, Parsi Panchayat Road, Mogra Village, Andheri East. The suit is currently pending.

Small Cause Court
Appeal No. 339 of 2002
Chalet Hotels Ltd. Vs Municipal Corporation of Greater Mumbai

The rateable value was fixed at Rs.4,881,225/- with effect from May 27, 2000 to August 11, 2000 (for part building) and Rs.6,111,575/- with effect from August 12, 2000 (for full building) by the investigating officer on disposal of complaint no. SCR/331/2000-01 on July 6, 2001, based on which following bills for payment were issued and on account payments made :

Sr. No	Period	Taxes Payable	On account payment made	Balance Payable
1.	27/5/2000 – 30/9/2000	2,094,030/-	1,676,785/-	417,245/-
2.	1/10/2000 – 31/3/2001	3,437,762/-	2,750,000/-	687,762/-
3.	1/4/2001 - 30/9/2001	3,437,762/-	2,750,000/-	687,762/-
4.	1/10/2001 - 31/3/2002	3,437,762/-	2,750,000/-	687,762/-
5.	1/4/2002 - 30/9/2002	3,437,762/-	2,750,000/-	687,762/-
6.	1/10/2002 – 31/3/2003	3,437,762/-	2,750,000/-	687,762/-
7.	1/4/2003 - 30/9/2003	3,437,762/-	2,750,000/-	687,762/-
8.	1/10/2003 – 31/3/2004	3,437,762/-	2,740,000/-	697,762/-
9.	1/4/2004 – 30/9/2004	3,437,762/-	2,750,000/-	687,762/-
10.	1/10/2004 – 31/3/2005	3,437,762/-	1,000,000/-+1,700,000/-	737,762/-
	TOTAL	**33,033,888/-**	**27,366,785/-**	**5,667,103/-**

Above appeal was filed pursuant to the provisions of BMC Act of 1888 against the MCGM by Chalet Hotels Ltd. against the order dated July 6, 2001 passed by the investigating officer while disposing of the complaint No.SCR/331/2000-2001. The said appeal is pending for hearing.

Small Cause Court
Stamp No. 669 of 2003
Chalet Hotels Ltd. Vs Municipal Corporation of Greater Mumbai

The rateable value was fixed at Rs.8,537,750/- with effect from September20, 2001 to June 11, 2002 (for part building) and Rs.11,922,595/- with effect from June 12,2002 (for full building) by the investigating officer on disposal of complaint no. SCR/381/2001-02 and SCR/312/2002-2003 on March 15, 2003, based on which following bills for payment were issued and on account payments made :

Sr. No	Period	Taxes Payable	On account payment made	Balance Payable
1.	20/9/2001 - 30/9/2001	293,485/-	250,000/-	43,485/-
2.	1/10/2001 - 31/3/2002	4,802,484/-	3,840,000/-	962,484/-
3.	1/4/2002 - 30/9/2002	5,955,448/-	6,000,000/-	44,552/- (paid excess)
4.	1/10/2002 – 31/3/2003	6,706,460/-	4,116,000/-	2,590,460/-
5.	1/4/2003 - 30/9/2003	6,706,460/-	5,365,000/-	1,341,460/-
6.	1/10/2003 – 31/3/2004	6,706,460/-	5,350,000/-	1,356,460/-
7.	1/4/2004 – 30/9/2004	6,706,460/-	5,350,000/-	1,356,460/-
8.	1/10/2004 – 31/3/2005	6,706,460/-	2,500,000/-+2,800,000/-	1,406,460/-
	TOTAL	**44,583,717/-**	**35,571,000/-**	**9,012,717/-**

Above appeal was filed under the provisions of BMC Act, 1888 against the MCGM by Chalet Hotels Ltd. against the order dated March 15, 2003 passed by the investigating officer while disposing of the complaint no. SCR/381/2001-02 and SCR/312/2002-2003. The said appeal is pending for hearing.

G) **Economic / Criminal / Civil Offences By The K Raheja Corp Group Entities, and past cases in which penalties were imposed by the concerned authorities.**

There are none.

H) **Litigation Pending – Labour, Employees and Trade Unions**

There are none disclosed to our Company

I) **Bank / Financial Institution Defaults**

There are none disclosed to our Company

J) **Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits**

There are none disclosed to our Company

K) **Disciplinary action taken by SEBI / Stock Exchanges against the K Raheja Corp Group entities business ventures of the Promoters**

Not Applicable

L) **Arrears on cumulative preference shares by the K Raheja Corp Group**

There are none disclosed to our Company

M) **Pending Litigations of companies/firms/ventures with which the K Raheja Corp Group entities were associated in the past in case their names continue to be associated with the particular litigations**

There are none disclosed to our Company

N) **Potential Litigation**

Protest Letter filed on February 11, 2005 under Section 163 (2) of the Mumbai Municipal Corporation Act, with the Assistant Assessor & Collector Mumbai Municipal Corporation by Avacado Properties And Trading (India) Private Limited Building No.12 known as 'Paradigm' – Ward No.PN-3158 (1-12) constructed on portion of plot bearing CTS No.1406A/18 of Village Malad

A protest letter was filed on February 11, 2005 under section 163(2) of the Mumbai Municipal Corporation Act, with the Assistant Assessor & Collector Mumbai Municipal Corporation, in respect of Municipal Tax Assessment of building known as 'Paradigm' – under Ward No. PN 3158 (1-12). The property tax payable for the building as arrived at by the MCGM is Rs.970,887/- for the period June 22, 2004 to September 30, 2004 And for Rs.9,596,671/- for the period October 1, 2004 to March 31, 2005. On account payment of Rs.2,000,000/- and Rs.3,000,000/- has been made, pending the disposal of the protest letter.

Against The K Raheja Corp Group entities

A) **Pending Arbitration Proceedings**

There are none disclosed to our Company

B) **Litigation Pending – FEMA**

There are none disclosed to our Company

C) **Litigation Pending – Income Tax**

Assessment Year – 1993-94

K. Raheja Properties & Finance (Formerly known as Ideal Enterprises)

The firm is in receipt of notice of demand under section 156 of the I.T.Act dated September, 14 1995 for Rs.6,178/- The firm has written a letter dated January 15, 1996 stating that while computing the tax, credit for self assessment tax of Rs.4,424/- paid on August 26, 1993 is not given and copy of the said challan have been enclosed with the said letter. The letter further states that if credit for pre paid tax given there will be no demand outstanding. Order under section 154 of the I.T.Act, dated January 6, 1997 is passed for granting credit for self assessment tax of Rs.4,424/- . No fresh demand raised along with this order. Hence no demand is pending.

Assessment Year – 1995-96

K. Raheja Properties & Finance (Formerly known as Ideal Enterprises)

The firm is in receipt of notice of demand under section 156 of the I.T.Act dated November 08, 1995 for Rs.5,454/-. The firm has written a letter dated January 24, 1996 stating that while computing the tax, credit for advance tax paid Rs.2,000/- on September 15, 1993 and Rs.2,000/- paid on December 14, 1993 is not given and copies of the said challans have been enclosed with the said letter. The letter further states that interest under section 234 B and 234 C have been levied accordingly which will not be attracted if the credit for the aforesaid prepaid taxes is given, this would result in a refund of Rs.263/- and to grant the refund and delete the demand. Order under section 154 dated January 9, 1996 is passed for granting credit for advance tax paid of Rs.4000/- . No fresh demand raised along with this order. Hence no demand is pending.

Assessment Year - 1999-2000
Chalet Hotels Ltd.
(Income Tax)

Through intimation under section 143 (1) of the I.T.Act, dated September 6, 2001 a demand of Rs.259 was raised (inadvertently shown as refund, refund order of Rs.259/- was sent along with that.) While returning the refund order, the company has sought rectification through letter dated October 16, 2001 for deletion of this demand since interest under section 234C was charged in excess.

Assessment Year – 1989-90
K. Raheja Sales
(Income Tax)

A letter Ref. No.67 was received indicating demand of Rs.27,774/- was payable. The firm vide letter dated June 8, 1994 pointed out that the firm is entitled for refund of Rs.18,868/- There is no communication received from the department thereafter.

Assessment Year – 1991-92
K. Raheja Sales
(Income Tax)

Demand of Rs.152/- was raised through notice of demand dated October 30, 1992. The firm has pointed out through letter dated April 21, 1993 has pointed out that firm is entitled for refund of Rs1,891/- and demand raised should be deleted. Thereafter there is no response from Income-Tax Department.

Assessment Year – 1997-98
K. Raheja Sales
(Income Tax)

Notice of demand under section 156 of the I.T.Act, dated December 16, 1999 raising demand of Rs.28,091/-. The company vide letter dated June 8, 2001 has pointed out that demand raised is on account non granting of credit for TDS of Rs. 16,143/- Through this letter the firm has filed duplicate TDS certificate and requested for deletion of demand. Department has not sent any further intimation deleting the aforesaid demand.

Assessment Year – 1987-88
K. Raheja Sales
(Income Tax)

On completion of assessment under section 143(3) of the I.T. Act penalty proceedings were initiated under section 271 (1) (c) & 272 (2) (c) through notice dated March 28, 1989 . The firm vide letter dated May 31, 1989 has requested for dropping penalty proceedings. However, there is no communication from the department dropping the penalty proceedings.

[As per provisions of section 275, the penalty proceedings have become time barred]

Through notice under section 221 dated August, 8 1991 the firm has informed that demand of Rs.99,550/- is pending. The demand was raised since the assessing officer had disallowed certain expenses against which appeal was preferred and the additions made by the assessing officer were deleted. However, order giving effect allowing the relief granted by CIT(A) was not passed. On passing the order the demand will get deleted.

Assessment Year – 1988-89
K. Raheja Sales
(Income Tax)

On completion of assessment under section 143(3) of the I.T. Act , penalty proceedings were initiated under sections 271(1)(c) and 272 (2)(c) through notice dated March 28, 1989. The firm vide letter dated May 31, 1989 has requested for dropping penalty proceedings. However, there is no communication from the department dropping the penalty proceedings.

Through notice under section 221 dated August 8, 1991 the firm has informed that demand of Rs.44,335/- is pending. The demand was raised since the assessing officer had disallowed certain expenses against which appeal was preferred and the additions made by the assessing officer were deleted. However, order giving effect allowing the relief granted by CIT(A) was not passed. On passing the order the demand will get deleted.

[As per provisions of section 275, the penalty proceedings have become time barred]

D) **Litigation Pending – Sales Tax/ Luxury tax / Service Tax**

The office of the Assistant Commissioner of Service Tax, Division III has issued a notice in the name of Raheja Services Pvt. Ltd. (the correct name of the company is K.Raheja Services Pvt. Ltd.) raising a demand of Rs. 29.84 lacs towards service tax plus penalty (in respect of F.Y. 2000-2001) asking the company to obtain a registration certificate and to furnish copies of income tax returns, balance sheet for certain years mentioned in the notice. The matter is pending.

E) **Litigation Pending –Customs and Excise Gold Control Appellate Tribunal ('CEGAT')**

There are none

F) Litigation Pending- Money Recovery and other Civil Suits

Small Causes Court, Bandra

Rent Arrears & Declaration Suit No 416 of 1996

Mechanical Packing v/s. K Raheja Properties and Finance

The suit was filed by Mechanical Packing at the Small Causes Court Bandra under The Bombay Rent Act 1947 for the plaintiff to be declared as a tenant of the first floor of Mistry Bungalow Parsi Panchayat Road, Andheri. The matter is now pending at the Small Causes Court.

G) Economic / criminal / civil offences against the K Raheja Corp Group entities
State Consumer Dispute Redressal Forum
Complaint No 342 of 1998
Andheri Monica Co-operative Housing Society Ltd. vs.
Mercury Enterprise, Ideal Enterprise, R.N. Talaty, G.L Raheja, Ashok Raheja, M/s K Raheja Properties & Finance

Andheri Monica Co-operative Housing Society Ltd. had filed a complaint under the Consumer Protection Act 1986 against K.Raheja Properties and Finance and others before the State Consumer Commission. The society has prayed for compensation and for conveyance of the land and the building constructed by the predecessors of K.Raheja Properties and Finance. The dispute is due to the non-acceptance of consent decree obtained by the developers, which was in favour of the chief promoters of the society.

The complaint is pending for final hearing

B. Prakash Reddy (petitioners) v/s The Commissioner of Police, Cyderabad Ranga Reddy District; The Circle Inspector of Police, Narsing Police Station
Cyderabad; Station House Officer, Madhapur Police Station, Cyderabad, Ranga Reddy District.; Raheja Developers Represented by its Managing Director, Madhapur, Ranga Reddy District.;The Project Manager (IPU), A. P. Industries Infrastructure Corporation.

The petitioner has filed a writ petition in the High Court of Judicature of Andhra Pradesh at Hyderabad, praying registration of a crime under the Explosive Substances Act 1908 against the 4th Respondent, to prevent open blasting process in land bearing Survey No. 64(pt) at Madhapur, Cyderabad, Ranga Reddy District and to prevent the alleged illegal action and also praying to prevent the open blasting process carried out by the 4th Respondent in the said land at Madhapur, pending disposal of the main Writ Petition.

The Hon'ble Court vide its order dated January 2, 2004 has directed the 4th Respondent to undertake only control blasting by taking all safety measures but however, there should be no blasting within 150 feet of the compound wall of the petitioners building.

Subsequently the petitioner vide his advocate's letter dated November 1, 2004 has sent a legal notice to K. Raheja I.T. Park (Hyderabad) Pvt. Ltd., alleging damage suffered to the petitioner's building and injury to the petitioner and claiming a sum of Rs.500,000/- towards damages. K. Raheja IT Park (Hyderabad) Pvt. Ltd. has replied to the said notice through its advocate's letter dated November 5, 2004 denying the allegations. The petitioner's advocate has sent in reply a letter dated November 22, 2004 to K. Raheja IT Park (Hyderabad) Pvt. Ltd. The matter is pending.

H) **Litigation Pending- Labour, Employees and Trade Unions**

There are none

I) **Banks and Financial Institution Defaults**

There are none

K) **Disciplinary action taken by SEBI / Stock Exchanges against the K Raheja Corp Group entities**

There are none

L) **Arrears on cumulative preference shares by the K Raheja Corp Group entities and/or companies /firms promoted by the K Raheja Corp Group entities**

There are none disclosed.

M) **Pending Litigations Of Companies/Firms/Ventures With Which The K Raheja Corp Group Entities Were Associated In The Past In Case Their Names Continue To Be Associated With The Particular Litigations**

There are none disclosed.

N) **Potential Litigation**

- Mr. Kirit Mehta, Chairman & Managing Director of Astha Broadcasting Network Ltd., (company) Andheri, Mumbai and Chalet Hotels Limited.

The aforesaid company Astha Broadcasting Network Ltd. has failed to pay a sum of Rs. 282,946.94 plus interest thereon against Bill No. 23493 dated February 20, 2004 raised on them by the Marriott Executive Apartments , a division of

Chalet Hotels Limited in respect of Mr. Kirit Mehta, its Chairman and Managing Director for his stay and other services availed by him at the Marriott Executive Apartments during the period from December 12, 2003 to February 20, 2004. Chalet Hotels Ltd is contemplating to take legal action against Mr. Kirit Mehta and the company Astha Broadcasting Network Ltd. in respect of these dues.

- **Chalet Hotels Ltd & Symphony International**

  M/s L.D. Shah & Co, Advocates, Solicitors and Notary, on behalf of their clients Symphony International addressed a legal notice dated January 31, 2005 to Chalet Hotels limited interalia alleging that a sum of Rs.77,498/- remained due and payable to Symphony International under the works orders for supply and installation of hard wood flooring and beading and called upon Chalet Hotels Limited to pay the said sum of Rs.77, 498/- along with interest at the rate of 12% per annum from the date of the receipt of the said notice until payment and threatened to take legal action for recovery of the said amount .

  Mr. S.B. Amin, Advocate of Chalet Hotels Ltd., has in his letter dated February 15, 2005 stated that Chalet Hotels Ltd., denies each allegation contained in the said legal notice and that Chalet Hotels Ltd., is constrained to retain the amount of Rs.77,498/- because Symphony International had failed to satisfactorily affix/repair wooden flooring in accordance with the work order specifications and is not liable to pay the said amount of Rs.77,498/- with interest at the rate of 12% per annum. M/s, L.D. Shah & Co., Advocates on behalf of their clients, Symphony International have responded by their letter dated March 5, 2005. The matter is pending.

- **Show cause Notice No. Ref DCTO No. V. 93/2004-05 dated December 15, 2004 issued by the office of the Joint Commissioner (Commercial Taxes) Enforcement Wing, Government of Andhra Pradesh to K. Raheja IT Park (Hyderabad) Pvt. Ltd.**

  A show cause notice dated December 15, 2004 has been issued by the Office of the Joint Commissioner (Commercial Taxes) Enforcement Wing, Hyderabad to K. Raheja IT Park (Hyderabad) Pvt. Ltd. to the company alleging that , since the company has recovered a sum of Rs.12,398,673/- towards supply of ready mix concrete and sum of Rs.1,683,375/ - towards supply of cement from J.M.C. Projects India Ltd., Begumpet, Hyderabad and as the said recovery of the value of cement and ready mix concrete amounts to a deemed sale of ready mix concrete the company is liable to pay turnover tax at the rate of 1% under the provisions of the APGST Act,1957. The tax due is shown in the said notice as Rs.140,820/- and the company has been requested to file objections within seven days of receipt of notice. The company has filed its reply denying that it has recovered any amount towards supply of readymix concrete and therefore the company should not be liable to pay turnover tax. The matter is pending. \

  Thereafter the statement of Mr. K. Ganesh, Subudhi, Manager, Finance and Accounts of the Company, dated February 8, 2005 (as acknowledged by the DCTO No.V (Enforcement Wing) states that during the DCTO's visit dated November 30, 2004, the DCTO has verified the books of account and relevant documents, and regarding the free supply of materials to contractors, the DCTO has verified and found them in order.

- **Mrs. Theresa D. Pandey and Inorbit Malls (India) Pvt Ltd.**

  Legal notices dated October 4, 2004 and August 28, 2004 have been sent to Inorbit Malls (India) Pvt Ltd. by M/s. SKS Legal, advocates on behalf of their client Mrs. Theresa D. Pandey with regard to an alleged incident that took place on August 16, 2004 at the Inorbit Mall, Malad. It is alleged in the said notice that Mrs. Theresa D. Pandey had an accident and was injured by falling down at her right hand elbow due to the tower on which emergency stop button of the escalator is located. She has claimed Rs.9,600,000 /- as compensation. The said notice was replied to by Inorbit Malls (India) Pvt Ltd. through their advocates and solicitors vide letter dated December 22, 2004 denying the allegations of Mrs Pandey.

- The company has received a legal notice dated November 24, 2004 from the advocate of its security agency, KTR Securities & Intelligence Brigade Pvt Ltd claiming one months contract amount towards termination of their services. The company has through its advocate replied to the said notice denying the allegations and refusing to pay the amount since in the opinion of the company the said amount is not payable. The matter is pending. This may give rise to prospective litigation.

- The inter se disputes and contentions between the C.L. Raheja group and the G.L. Raheja group as mentioned at pages 105 to 109 of the RHP may result in potential litigations.

- Chalet Hotels Ltd. has received a notice from the advocates and solicitors of one of the members of membership programme of Chalet Hotels Ltd., claiming some benefits and threatening to adopt legal proceedings in the event the benefits are denied to him. This may give rise to prospective litigation.

- Potential Litigation Renaissance Mumbai Hotel & Convention Centre (Chalet Hotels Ltd.) Catvision Products Limited through their Advocates & Legal Consultants, M/s. Kundra & Bansal, have addressed a legal notice dated April 04, 2005 to (1) Mr. S.P.Singh, Director Engineering, Renaissance Mumbai Hotel and Convention Centre and (2) Mr. Philip Bryson, General Manager Renaissance Mumbai Hotel and Convention Centre calling upon them to withdraw the termination notice issued by Chalet Hotels Ltd. with respect to the contract of Catvision Products Ltd. and to pay a sum of Rs. 465,000/- within seven days from the receipt of the said notice, being outstanding monthly service charge, along with interest at the rate of 12% from the date payment became due upto date payment is made. Failure to withdraw the termination notice would make Renaissance Mumbai Hotel and Convention Centre liable to pay to Catvision Products Ltd. the full monthly service charges due from April 1, 2005 to December 31, 2005 amounting to Rs. 1,395,000/- along with interest thereon at 12 % per annum. This may give rise to prospective litigation.

V LITIGATION BY AND /OR AGAINST THE SOUTHERN UNDIVIDED ENTITIES

As on the date of this Prospectus, there are family disputes between some of our Promoters and the G. L. Raheja family as a result of which there could arise, from time to time, claims and counterclaims, between some of our Promoters and the G.L. Raheja family. Some of these claims and counterclaims may have an impact on our Promoters. Our Promoters believe that such claims and counterclaims may not have a material impact on our Company except for the dispute relating to the premises from which we operate our store at Bangalore. Nevertheless, the existence, value, impact and resulting liability, if any with regard to such claims cannot be ascertained as on the date of this Prospectus. The details of the correspondence between the two groups in relation to the Draft Red Herring Prospectus is contained in this chapter under the heading of potential litigations. Further, the Promoters have disclosed in this chapter, the details of litigations relating to the Southern Undivided Entities ordinarily available to our Promoters as shareholders and/or directors and/or partners and/or trustees and/or made available to our Promoters and/or their representatives, on request, by the Menda Group and relying upon the information so provided, for the purpose of this Prospectus. The Promoters have also disclosed litigations relating to the Southern Undivided Entities where some of the Promoters are parties to such proceedings.

Consequently, neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to the Southern Undivided Entities as made in this Prospectus.

Further our Promoters are unable to state with certainty about any liability or contingent liability in respect of the said entities.

By the Southern Undivided Entities

A) **Pending Arbitration Proceedings**

There are none

B) **Litigation Pending – FEMA**

There are none

C) **Litigation Pending – Income Tax**
Assessment Years 1992-93, 1996-97 and 2001-02
K. Raheja Development Corporation

Income Tax Appeals are pending for assessment year 1992-93 – Rs.221,079/- assessment year 1996-97 – Rs.5,494,835/- and assessment year 2001-02 Rs.771,26,759/- and for the block period May 29, 1991 to May 29, 2001 – Rs. 5,818,755.00 vide order under section 158 BD read with Section 158 BC dated January 31, 2005, and assessment year 2002-03 Rs. 15,941,398/-. ITAT order has been received for assessment year 2001-02 and the appeal is allowed and rectification order pending.

As against the aforesaid demand for various assessment years, the firm has to get short credit of TDS amounting to Rs.73,102/- for the assessment year 1993-94, Rs.36,575/- for the assessment year 1994-95, Rs.451,691/- for the assessment year 1995-96, Rs.6300/- for the assessment year 1996-97, Rs.16,405/- for assessment year 1997-98, Rs.154,644/- for assessment year 1998-99, Rs.9,204/- for assessment year 1999-00, Rs.56,655/- for assessment year 2001-02, Rs.57,088/- for assessment year 2002-03.

As against the aforesaid demand for the various assessment years, the company has paid at various dates amounting to Rs.7,000,000/- for assessment years 2005-06.

Apart from aforesaid payments income-tax department adjusted subsequent refunds of various assessment years against aforesaid demands i.e. assessment years 1992-93 – Rs.172,629/-, assessment years 1994-95 Rs.22,904/-, assessment years 1995-96 Rs.3,458,670/-, assessment years 1996-97 Rs.442,459/-, assessment years 1998-99 Rs.296,800/- and assessment year 2000-01 Rs.169,638/-.

The firm is not aware against which assessment year the aforesaid payments and subsequent refund adjustments have been adjusted by the Income Tax Department.

Assessment Years 1994-95, 1995-96, 1997-98, 1998-99 and 1999-00.
R & M Trust

Income tax appeals are pending for assessment year 1994-95 – Rs.434,848/-, assessment year 1995-96 Rs.966,331/- assessment year 1996-97 Rs.84,960/-, assessment year 1997-98 Rs.2,411,596/-, assessment year 1998-99 Rs.114,126/- and assessment year 1999-00 Rs.779,466/-.

As against the aforesaid demand for various assessment years, the trust has to get short credit of TDS amounting to Rs.34,004/- for the assessment year 1996-97. During the year 2000-01 the trust has paid Rs.966,738/- paid vide cheque No.517694 dated October 18, 2000 drawn on Deutsche Bank. Apart from these payments, income tax department adjusted subsequent refund of various assessment years against aforesaid demand i.e. assessment year 1994-95 - Rs.434,848/-, assessment year 1995-96 - Rs.79,184/- assessment year 1996-97 - Rs.116,459/-, assessment year 1997-98 - Rs.966,331/-, assessment year 1999-00 - Rs.121,321/-, assessment year 2000-01 - Rs.335,819/- and assessment year 2001-02 - Rs.81,091/-.

The trust is not aware against which assessment year the aforesaid payments and subsequent refund adjustments have been adjusted by the Income Tax Department

Income tax appeals are pending for the block period May 29, 1991 to May 20, 2001, Rs. 1,484,528/- vide order under section 158BD read with section 158BC.

Assessment Years 1996-97, 1997-98 (income tax and wealth tax) and 1998-99
K.Raheja Hotels And Estates Private Limited

Income Tax Appeals are pending for the assessment year 1996-1997 – Rs.4,639,944/- and Assessment Year 1997-1998 – Rs.5,707,005/- and Wealth Tax Appeals pending for the Assessment Year 1997-1998 – Rs.882,221/- and assessment year 1998-1999 – Rs.882,424/-.

However, Wealth Tax CIT and ITAT orders received for wealth tax demand for the assessment years 1997-1998 and 1998-1999 have been received. As a result appeal is allowed and rectification order pending.

As against the aforesaid demands for various assessment years, the company has to get short credit of TDS amounting to Rs.7,562/- for the assessment year 1995-1996, Rs.255,749/- for the assessment year 1999-2000, Rs.32,461/- for the assessment year 2000-2001. Intimation under Section 141 still awaited for Rs.22,066/- for the assessment year 2003-2004.

As against the aforesaid demand for the various assessment years, company has paid at various dates amounting to Rs.3,990,843/- from assessment year 2000-2001 to assessment year 2005-2006.

Apart from aforesaid payments, Income Tax Department adjusted subsequent refund of various assessment years against aforesaid demand i.e., assessment year 1998-1999 – Rs.778,520/-, assessment year 1999-2000 – Rs.582,950/-, assessment year 2000-2001 – Rs.602,757/- and assessment year 2001-2002 – Rs.64,626/-.

The company is not aware against which assessment year the aforesaid payments and subsequent refund adjustments have been adjusted by the Income Tax Department.

Income tax appeals are pending for the block period May 29, 1991 to May 20, 2001, Rs. 1,036,042/- vide order under section 158BD read with section 158BC.

Assessment Year 1990-91
Asiatic Properties Limited

The company's return of income for assessment year 1990-91 was assessed by the A..O. Additional Commissioner of Income Tax , Mumbai under section 143(3) of the Income Tax Act, 1961.

The A.O made an addition of Rs.204,445/- on the ground that interest income earned on surplus funds to be taxed separately under income from other sources. The company filed an appeal (bearing No CIT(A)X-V/CIR.6/350/1993-94 against the said addition made by the A.O and CIT(A) rejected the company's appeal.

The company has further appealed against the order of the CIT(A) with ITAT.

Assessment Year 1996-97

K. Raheja Hotels & Estates Private Limited

The company has filed an appeal to the Commissioner of Income-Tax (Appeals) – I against the order of assessing officer – DCIT , Circle 11(1), Bangalore, passed under section 143 (3) read with section 148 of the Income-Tax Act, 1961, on the ground that the order of reassessment passed is bad in law and void ab initio for want of requisite jurisdiction in view of the fact that the mandatory requirements to assume jurisdiction under section 148 did not exist and are not complied with. The company has further appealed that the annual value of property let out to Ivory Properties & Hotels Pvt. Ltd., should be Rs.1,000,000/- as disclosed in the return which represents the actual rent received under the facts and circumstances of the case instead of Rs.9,444,000/- as estimated by the assessing officer and that the annual value of property let out to UTI Bank should be Rs. 426,250/- as disclosed in the return as against the wrongful estimation of the same by the assessing officer at Rs. 1,795,200/- . The company has also appealed against referring the matter of determination of annual value of the aforesaid properties to the Divisional Valuation Office under section 133(6) by the assessing officer and against charging of interest of Rs 188,937/- under section 234-C of the I.T. Act.

The order of the Commissioner of Income Tax (Appeals) is awaited.

Assessment Year 1997-98

K. Raheja Hotels & Estates Private Limited

The company has filed an appeal to the Commissioner of Income-tax (Appeals) – I , Bangalore against the order of Assessing Officer – DCIT (Asstt) Circle 11(1), Bangalore, passed under section 143 (3) read with section 148 of the Income-Tax Act, 1961 , on the ground that the order of reassessment passed is bad in law and void ab initio for want of requisite jurisdiction in view of the fact that the mandatory requirements to assume jurisdiction under section 148 did not exist and are not complied with. The company has further appealed that the annual value of property let out to Ivory Properties & Hotels Pvt. Ltd., should be Rs.1,800,000/- as disclosed in the return which represents the actual rent received under the facts and circumstances of the case instead of Rs.9,444,000/- as estimated by the Assessing Officer and that the annual value of property let out to UTI Bank should be Rs. 1,023,000/- as disclosed in the return as against

the wrongful estimation of the same by the Assessing Officer at Rs. 1,795,200/- . The company has also appealed against referring of the matter of determination of Annual Value of the aforesaid properties to the Divisional Valuation Office under section 133(6) by the Assessing Officer and for charging of interest of Rs 2,846,060/- under section 234B and of Rs 8922/- under section 234C of the I.T. Act.

The order of Commissioner of Income Tax (Appeals) is awaited.

Assessment Year 1998-99

K. Raheja Hotels & Estates Private Limited

The company has filed an appeal to the Commissioner of Income-tax (Appeals) – I, against the order of Assessing Officer – DCIT (Asstt) Circle 11(1), Bangalore, under section143 (3) of the Income-Tax Act, 1961, on the ground that the annual value of property let out to Ivory Properties & Hotels Pvt. Ltd., should be Rs.1,800,000/- as disclosed in the return which represents the actual rent received under the facts and circumstances of the case instead of Rs.9,444,000/- as estimated by the Assessing Officer and against the wrongful estimation of annual value of property let out to UTI Bank at Rs.1,795,200/- by the Assessing Officer as against Rs.1,023,000/- being the rent actually received. The company has also appealed against the reference to the Divisional Valuation Officer by the Assessing Officer under section 133(6) for determination of annual value of the aforesaid properties.

The order of Commissioner of Income Tax (Appeals) is awaited.

Assessment Year –1992-93

K. Raheja Development Corporation

The firm has filed an appeal to the Income Tax Appellate Tribunal against the order of Commissioner of Income Tax (Appeals) – III, Bangalore sustaining the following disallowances made by the Assessing Officer in his order under section 143(3) of the I.T. Act, (i)in respect of interest of Rs.18,000/-attributable to interest free advance given to Mr. Rajendra Halve out of commercial expediency, (ii)in respect of Rs.820,400/- paid by way of compensation to the earlier allottees of the units in the building upon their cancellation and (iii)in respect of telephone and vehicle expenses of Rs.20,000/- on the grounds of personal use.

The order of the Income Tax Appellate Tribunal is awaited.

Assessment Year –1996-97

K. Raheja Development Corporation

The firm has filed an appeal to the Income Tax Appellate Tribunal against the order of Commissioner of Income Tax (Appeals) – I, Bangalore sustaining the disallowance of Rs.9,850,000/- made by the Assessing Officer in his order under section 143(3) of the I.T. Act, in respect of expenditure yet to be incurred for pending work in a contract in respect of which the income has been recognized on computed contract method and against charging of interest of Rs 2,074,590/- under section 234B of the I.T. Act.

The order of the Income Tax Appellate Tribunal is awaited.

Assessment Year –2001-02

K. Raheja Development Corporation

The firm has filed an appeal to the Commissioner of Income-tax (Appeals) , against the order under section143 (3) of the Income-Tax Act, 1961 passed by the Assessing Officer – ACIT Central Circle 1(4), Bangalore, in respect of disallowance of bad debts amounting to Rs 192,409,280/- written off during the year and for charging of interest Rs 19,219,056/- under section 234B and interest of Rs 727,748/- under section 234D of the I.T. Act.

The order of the Commissioner of Income-Tax (Appeals) was awaited and the same has been passed dismissing the appeal. The company has filed an appeal before ITAT against the said order of the CIT(A) and the same is disposed off vide an order of the Income Tax Appellate Tribunal dated March 28, 2005 and the appeal has been allowed.

Assessment Year 1994-95

R & M Trust

The said trust has filed an appeal to the Income Tax Appellate Tribunal against the order of Commissioner of Income-Tax (Appeals) – III, Bangalore sustaining the disallowance made by the Assessing Officer in his order under section 143(3) of the I.T. Act in respect of administrative expenses which were erroneously capitalized to work in progress by the company, for ignoring the claim in the revised return for allowance of expenditure on the ground that such return is invalid as beyond the period mentioned in section 139 (5) of the I.T. Act and for charging interest under section 234B of Rs 64,952/- and under section 234C of Rs 18,789/- .

The matter is pending.

Assessment Year 1995-96

R & M Trust

The trust has filed an appeal to the Income Tax Appellate Tribunal against the order of Commissioner of Income-Tax (Appeals) – III, Bangalore sustaining the disallowance of Rs.2,370,916/- made by the Assessing Officer in his order under section 143 (3) being the provision made for expenses to be incurred (which are not contingent in nature) in respect of the projects whose income has been recognised and for charging interest of Rs. 13,149/- under section 234C of the Income-Tax Act, 1961.

The matter is pending.

Assessment Year 1996-97

R & M Trust

The trust has filed an appeal to the Income Tax Appellate Tribunal against the order of Commissioner of Income-Tax (Appeals) – I, Bangalore sustaining the disallowance made by the Assessing Officer in his order under section 143 (3) for a sum of Rs.1,800,000/-being the provision made for expenses to be incurred (which are not contingent in nature) in respect of the projects whose income has been recognised and for charging of interest of Rs 31,496/- under section 234C of the Income-Tax Act, 1961.

The matter is pending.

Assessment Year 1997-98

R & M Trust

The trust has filed an appeal to the Income Tax Appellate Tribunal against the order of Commissioner of Income-Tax (Appeals) – I, Bangalore sustaining the disallowance made by the Assessing Officer in his order under section 143 (3) for a sum of Rs.7,000,000/-being the provision made for expenses to be incurred (which are not contingent in nature) in respect of the projects whose income has been recognised.

The matter is pending.

Assessment Year 1998-99

R & M Trust

The trust has filed an appeal to the Income Tax Appellate Tribunal against the order of Commissioner of Income-Tax (Appeals) – I, Bangalore sustaining the disallowance made by the Assessing Officer in his order under section 143 (3) for a sum of Rs.5,400,000/-being the provision made for expenses to be incurred (which are not contingent in nature) in respect of the projects whose income has been recognised and for charging of interest of Rs. 20,433/- under section 234C of the Income-Tax Act, 1961.

The matter is pending.

Assessment Year 1999-00

R & M Trust

The trust has filed an appeal to the Commissioner of Income-Tax (Appeals) – I, Bangalore against the order under section 143 (3) of the Assessing Officer -Asstt. Commissioner of Income Tax Circle 1-(1), Bangalore making a disallowance of a sum of Rs.5,500,000/-being the provision made for expenses to be incurred (which are not contingent in nature) in respect of the projects whose income has been recognised and for charging of interest of Rs. 118,668/- under section 234C of the Income-Tax Act, 1961.

The matter is pending.

Writ Appeal No.1336 of 2004

Div. Bench of the High Court of Karnataka

Ashoka Apartments Pvt.Ltd. v/s. (1) Appropriate Authority Income Tax, (2) Dr. V.A. Ram (3) Mrs. Rama G. Jadav

Pursuant to the agreement entered into with Dr.V.A. Ram, a statement in form no.37-I, was filed before the Appropriate Authority. The said Appropriate Authority ordered pre-emptive purchase of the property. Subsequently, it was auctioned. Respondent No. 3 namely Mrs. Rama G. Jadhav was the successful bidder. The possession of the property was also handed over to her. This order was challenged before the High Court. Subsequently, in the light of C.B. Goutam's case, the case was remanded to Appropriate Authority for fresh enquiry. However, once against the Appropriate Authority Ordered directing pre-emptive purchase of the property. In the writ Petition No. 3011/96 this order passed second time is challenged. The High Court on January 19, 2004 disallowed the Writ Petition No.3011/96. Aggrieved with this order, Ashoka Apartments Pvt.Ltd., filed Writ Appeal No.1336/2004 before the Division Bench of the High Court of Karnataka.

The matter is pending for arguments.

Writ Petition No. 39258 & 59/1999 in the High Court of Karnataka

Mass Traders Pvt.Ltd. v/s. Appropriate Authority –Income Tax & ors.

This case has arisen under Chapter XX-C of the Income Tax Act, 1961. The Appropriate Authority has passed an order of purchase for a consideration of Rs.18,406,825/-. Income Tax Department has paid the sale consideration to the vendors and is in possession. Action of Appropriate Authority has been challenged under above Writ Petition.

The matter is pending.

D) **Litigation Pending – Sales Tax /Luxury Tax**

Supreme Court of India

Civil Appeal No. 2766/2000

K. RAHEJA DEVELOPMENT CORPORATION v/s. Commissioner of Sales Tax

Sales tax revision Petition No 120/96 filed by K. Raheja Development Corporation in the matter of sales tax/ works contract wherein the composition amount payable is Rs.10,612,650.60 tax was disallowed by the High Court on November 19, 1999 K. Raheja Development Corporation has filed Special Leave Petition - Civil No. 4329/2000 before the Supreme Court later converted to C.A No 2766/2000 challenging the aforesaid order dated November 19, 1999. The matter has not yet appeared in the hearing list of the Supreme Court.

The matter is pending before the Supreme Court

K. Raheja Development Corporation

Works contract tax demand have been levied by the Sales Tax Department for the years 1992-93 and 1993-94 amounting to Rs.88,565/- and Rs.362,711/- respectively. The firm has preferred an appeal before the Joint Commissioner of Commercial Taxes.

R&M Trust

Works contract tax payable for the financial year 1993-94 as per books Rs.394,706/- but as per sales tax department Rs.720,951/- respectively. The trust has filed an appeal before the Joint Commissioner of Commercial Taxes.

E) **Litigation pending –Customs and Excise Gold Control Appellate Tribunal ('CEGAT') among other things**

There are none

F) **Litigation pending-Money Recovery and other Civil Suits**

Land Acquisition Case.

Original Suit. 10234/83

In the Court of the Civil Judge, Bangalore

Arjun M. Menda (K. Raheja Development Corporation) v/s. Narasamma & Others

Agreement-cum-letter dated November 4, 1980 was made by Smt. Narasamma and Sri Venkataramana, agreeing to grant a lease of land measuring 3 acres on Cunningham Road, Old No.5, New No.9. They failed in honouring the contract. Hence, the suit has been filed praying interalia, to get the declaration that the agreement to lease dated November 4, 1980 is valid, subsisting and binding on the first and the second defendants i.e. Smt.Narasamma & Sri Venkataramana or in the alternative a decree for Rs.101,000/- with interest thereon at 18% per annum from the date of the suit till realization. The issue regarding stamp duty on agreement was raised and the High Court, in Civil Revision Petition, has held that the said agreement is a mere agreement, without any present demise, the question of sending the document to the Deputy Commissioner under Section 37(2) of the stamp act does not arise and, vide its order dated August 29, 2000, directed the Trial Court to proceed further with the case accordingly.

In the meanwhile, the defendants 1 and 2 moved the Trial Court for amendment of the Written Statement for which objections were filed by the plaintiff. After hearing, the Trial Court, on January 19, 2002, allowed the applications for amendment. The said order has been challenged by the plaintiff in the High Court by way of CRPs and got the stay of the operation of the said order dated January 19, 2002. The CRP No.945/2002 is still pending before the High Court for final orders.

Currently awaiting further orders from the High Court. The present adjourned date is September 1, 2005.

Summary Suit No16135/2001
In the Court of XXVI Additional City Civil Sessions
K. Raheja Development Corporation v/s. Vinayaka Enterprises & Partners (Recovery suit)

M/s. Vinayaka Enterprises defaulted in paying the amounts in terms of the agreement dated June 27, 1998 entered by it with K. Raheja Development Corporation. Hence Summary Suit has been filed on August 17, 2001, for recovery of money amounting to Rs.241,016,071/- from M/s. Vinayaka Enterprises and its partners. The defendants have been granted leave to defend the suit unconditionally by the trial court overruling the plaintiff's objection. Hence Civil Revision Petition No.2846/2003 has been filed in the High Court. The High Court has ordered on March 2, 2004 to appear before the Lok Adalat to explore possibility of a settlement.

The matter is awaiting orders from the High Court Lok Adalat in the Civil Revision Petition No. 2846/2003. The present adjourned date was April 16, 2005, which is further adjourned to August 1, 2005.

In the High Court Lok Adalat
Civil Revision Petition No.2846 of 2003
K. RAHEJA DEVELOPMENT CORPORATION v/s. Vinayaka Enterprises & others

This Civil Revision Petition was filed on September 17, 2003 in response to the order passed by the Hon'ble XXVI Additional City Civil & Sessions Judge in the Summary Suit 16135. The matter is pending.

Ex Pet No. 2344/2000 (ORIGINAL SUIT. 6117 of 1992)
In the Court of the City Civil Judge , Bangalore
Arjun M.Menda (K. Raheja Development Corporation) v/s. Harilakshmi Talkies & Ors

After obtaining a decree dated September 13, 2000 against Harilaksmi Theatre, in the suit No. 6117/92, the Execution Petition No.2344/2000 has been filed on December 7, 2000, requesting the court to execute a sale deed in favour of the plaintiff. The balance sale price of Rs. 3,700,000/- (Rs.37 lakhs) was also deposited in the Court. Since notices issued to certain defendants were returned unserved, substitute service by way of paper publication was taken with the order of the court and the same was published in the Times of India on January 21, 2002. Draft sale deed has been submitted to the Court. The Court has scrutinized and approved it.

Further order to execute the sale deed was awaited and the Court has approved the sale deed. A Commissioner has been appointed by the Court to inspect the premises and give the report. The matter was adjourned to April 15, 2005, which is further adjourned to May 31, 2005.

Defamation Suit No.1048/02
In the Court of the City Civil Judge Bangalore
K. RAHEJA DEVELOPMENT CORPORATION v/s. Residency Apex Body & Others

Apex Body, associations and its certain office bearers in Raheja Residency, Bangalore Project have started interfering with K. Raheja Development Corporation's right in dealing with car parking spaces in the project. Since the said acts of the aforesaid bodies and other office bearers amount to defaming the K. Raheja Development Corporation and slandering the property rights, defamation suit has been filed on February 13, 2002 claiming Rs. 10,000,000/- (Rs.1 Crore) as damages. Interim order preventing the above parties from publishing/circulating against K. Raheja Development Corporation has also been secured.

The case stands posted on August 17, 2005 for framing of issues.

Original Suit No.3823 of 1987
In the Court of the Civil Judge , Bangalore
K. Raheja Development Corporation v/s. Papanna & Others

Mr. Papanna & others failed to establish marketable title to the property. Hence a suit has been filed by K. Raheja Development Corporation for recovery of Rs.75,875/- and interest thereon at 18% per annum in the matter of agreement of sale, which was entered into between the plaintiffs and the defendants on October 15, 1985 in respect of the site Nos.367, 368, 379 and 370, situated in Survey No.47/11, HA Sanitary Board Area, Bangalore.

The case is posted to April 8, 2005 for marking of documents and leading evidence. The matter is now adjourned to July 6, 2005.

Civil Appeal No.12928/96 (SLP.18879/96)
Supreme Court of India
K. Raheja Development Corporation v/s. Official Liquidator (KSFC Auction) – Intl. Coach Buil. Prop

K. Raheja Development Corporation participated in the KSFC auction sale proceedings in respect of the International Coach Builders Property and paid as below:

Rs.50,000/- - Paid EMD on September 12, 1990

Rs.2,075,000/- - 25% down payment on Rs. 8,500,000/- (Rs.85 lakhs)

Rs.787,123/- interest @ 20% P.A. on Rs. 8,500,000/- (Rs.85 lakhs)towards part of bid amount. In the meanwhile, International Coach Builders Limited, was ordered to be wound up. The Official Liquidator has started objecting the sale. The company court granted permission to the SFC to proceed with the sale. The Officials Liquidator filed appeal before the Supreme Court challenging the company court's order. K. Raheja Development Corporation also filed Special Leave Petition No.18879/96, which was converted as Civil Appeal No.12928/96. The Supreme Court by its order dated March 5, 2003 directed that Financial Corporation is at liberty from moving the learned company Judge for appropriate directions for realization of the sale proceeds of the assets. The aforesaid appeal was accordingly disposed off with no order as to any costs.

K. Raheja Development Corporation had sent its written communication to KSFC seeking refund of the amounts paid with interest. However, the KSFC has expressed its willingness to refund without any interest. Therefore, K. Raheja Development Corporation is awaiting the steps to be taken by KSFC before the Company Court, so that K. Raheja Development Corporation can also urge refund with interest in the Court. KSFC has refunded a sum of Rs 2,912,123/- to K. Raheja Development Corporation.

In the City Civil Court, Bangalore
MA 170 & 171/99-00
K. RAHEJA DEVELOPMENT CORPORATION v/s. Bangalore Mahanagara Palike& others

The property tax was revised in September with retrospective effect in 1998 i.e. with effect from April 1, 1995. Hence, the same was challenged by way of miscellaneous appeals before the City Civil Court, Bangalore. As per the direction of the Court Rs.1,511,125.50 has been paid in respect of Plot No. 27/39, 27/40 and 27/41 and Rs. 896,793.50 has been paid in respect of Plot No.26 both aggregating to Rs. 2,407,919/- as against the total demand of Rs. 3,178,334/- approximately for all these plots.

The above said appeals have been dismissed in the absence of K. Raheja Development Corporation advocate on February 21, 2004. However miscellaneous applications 260 & 261/2004 for restoration have been filed on March 25, 2004 by the K. Raheja Development Corporation Advocate. The Court has ordered on March 29, 2004 notices to the other side. Notices have been served on all the respondents.

The cases are posted on June 9, 2005 for hearing the petition.

Original Suit No.699 of 2002
In the Court of the Civil Judge (Senior Division), Bangalore.
K. RAHEJA HOTELS & ESTATES PVT. LTD. v/s. Bali Hai Resort Pvt Ltd (Shangrila Resorts Pvt Ltd), Bangalore and others

M/s.Shangri – La Resorts Ltd., is now known as Bali Hai Resorts Pvt. Ltd., entered into an agreement dated February 13, 1995 with K. Raheja Hotels & Estates Pvt. Ltd. agreeing to repay the sum of Rs. 5,000,000/- (Rs.50 lakhs) together with interest. The said company also created an equitable mortgage of the converted lands comprised in Sy.Nos. 28 & 87 in Doddasanne and Arishinakunte Villages, Devenahali Taluk. In year 2002 it came to light that the said lands were acquired for the International Airport and compensations have been awarded to the company. Since the company did not pay as agreed, the suit has been filed for a judgement and decree as below:

Ordering and directing the defendant to pay plaintiff a sum of Rs.1,8471,406/- with further interest, and directing the defendant to pay the plaintiff the cost of the suit ordering payment of compensation payable to the suit schedule property to the plaintiff directly. The defendants appeared through their Counsel and filed objections.

The matter is posted for hearing on June 28, 2005.

Land Acquisition Case.
Case No.213/2002
In the Court of the Civil Judge (Senior Division), Bangalore
Puttamma, Bali Hai Resorts Pvt. Ltd. K. RAHEJA HOTELS & ESTATES PVT. LTD. & Ors. v/s. Special Land Acquisition Officer, Karnataka Industrial Area Development Board

In the land acquisition cases K. Raheja Hotels & Estates Pvt. Ltd. filed its claim petition to register its claim against the compensation payable in respect of the suit properties in O.S No.699/2002 i.e. mortgaged properties. Notice has been received by the company from the court to file objections.

The case is posted to for hearing on October 7, 2005.

Land Acquisition. Case.
Case No.214/2002
In the Court of the Civil Judge, Bangalore
C. Laxmaiah, K. RAHEJA HOTELS & ESTATES PVT. LTD. Bali Hai Resorts Pvt. Ltd., & Ors. v/s. Special Land Acquisition Officer Karnataka Industrial Area Development Board

In the land acquisition cases K. Raheja Hotels & Estates Pvt. Ltd. filed its claim petition to register its claim against the compensation payable in respect of the suit properties in O.S. No.699/2002 i.e. mortgaged properties. Notice has been received by the company from the court to file objections.

Claim statement is to be filed by the applicants.

Currently the case is posted for hearing on the October 7, 2005

Land Acquisition Case
Case No.211 of 2002
In the Court of the Civil Judge (Senior Division), Bangalore
Bali Hai Resorts Pvt. Ltd., K. RAHEJA HOTELS & ESTATES PVT. LTD. & Others v/s Special Land Acquisition Officer

In the land acquisition cases K. Raheja Hotels & Estates Pvt. Ltd. filed its claim petition to register its claim against the compensation payable in respect of the suit properties in O.S. No.699/2002 i.e. mortgaged properties. Notice has been received by the company from the court to file objections.

K. Raheja Hotels & Estates Pvt. Ltd. counsel will prepare necessary objections after verifying the court records shortly. Claim statement is to be filed by the applicants.

Currently the case has been adjourned to August 5, 2005.

Land Acquisition Case.
Case No.208 of 2002
In the Court of the Civil Judge (Senior Division), Bangalore
M.Chandrasekhar,K. Raheja Hotels & Estates Pvt. Ltd.,Bali Hai Resorts Pvt. Ltd. & Another v/s. Special Land Acquisition Officer, Karnataka Industrial Area Development Board

In the land acquisition cases the K. Raheja Hotels & Estates Pvt. Ltd. filed its claim petition to register its claim against the compensation payable in respect of the suit properties in O.S. No.699/2002 i.e. mortgaged properties. Pursuant to our application the notice has been received by the company from the court to file objections.

K. Raheja Hotels & Estates Pvt. Ltd. Counsel will prepare necessary objections after verifying the court records shortly. Claim statement is to be filed by the applicants.

Currently the case is posted for hearing on September 16, 2005.

Writ Petition No.8988/2004 (L.B.)
Sy.No. 211/200
High Court of Karnataka
Raj Trust v/s. State of Karnataka, Munishamappa, & others

Mr. Munishamappa and others filed an appeal (No.1 of 2001-2002) before the Executive Officer of Taluk Panchayat, Devanahalli Taluk praying for change of Khata to his/their name. Taluk Panchyath on April 5, 2003 has allowed their application to change the khata. Aggrieved with this order, Raj Trust filed a Writ Petition No.8988/2004(L.B.) on March 3, 2004 to challenge the said order dated April 5, 2003. The matter is pending.

In the High Court of Karnataka
W.P.23099 of 2004
Raj Trust v/s. State of Karnataka & Others

Mr. S. V. Subbaiah and others filed R. A. No.35/2002 before the Assistant Commissioner to get their name entered in the revenue records. Smt. Janaki Gangaram has been made a party to the said appeal and has filed an application on August 11, 2003 under order 1 rule 10 (2) read with section 151 of the Code of Civil Procedure to get impleaded Raj Trust as party to the appeal. The Assistant Commissioner has allowed the appeal and passed order on February 23, 2004 interalia ordering that Khata be registered in the name of Mr. S. V. Subbaiah. A writ petition has been filed on June 11, 2004 by Raj Trust to quash the order dated February 23, 2004. Raj Trust is represented by its trustee Mr. Arjun Menda in the above petition.

Case No. DUS/45-A/DVL/826/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the district - registrar, Devanahalli in which the district Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 531,180/- and the registration charges payable on the difference in value amount to Rs. 81,720**/-.**

Case No. DUS/45-A/DVL/816/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District - Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 703,820/- and the registration charges payable on the difference in value amount to Rs. 108,280**/-.**

Case No. DUS/45-A/DVL/820/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District - Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 544,505/- and the registration charges payable on the difference in value amount to Rs. 83,780**/-.**

Case No. DUS/45-A/DVL/821/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 531,180/- and the registration charges payable on the difference in value amount to Rs. 81,720/-**.**

Case No. DUS/45-A/DVL/818/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 531,180/- and the registration charges payable on the difference in value amount to Rs. 81,720/-.

Case No. DUS/45-A/DVL/817/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 531,180/- and the registration charges payable on the difference in value amount to Rs. 81,720/-.

Case No. DUS/45-A/DVL/828/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 544,505/- and the registration charges payable on the difference in value amount to Rs. 83,780/-.

Case No. DUS/45-A/DVL/815/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 703,820/- and the registration charges payable on the difference in value amount to Rs. 108,280/-.

Case No. DUS/45-A/DVL/819/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 531,180/- and the registration charges payable on the difference in value amount to Rs. 81,720/-.

Case No. DUS/45-A/DVL/827/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 531,180/- and the registration charges payable on the difference in value amount to Rs. 81,720/-.

Case No. DUS/45-A/DVL/825/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 531,180/- and the Registration charges payable on the difference in value amount to Rs. 81,720/-.

Case No. DUS/45-A/DVL/824/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 544,505/- and the Registration charges payable on the difference in value amount to Rs. 83,780/-.

Case No. DUS/45-A/DVL/822/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District - Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 531,180/- and the registration charges payable on the difference in value amount to Rs. 81,720/-.

Case No. DUS/45-A/DVL/823/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District - Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 531,180/- and the registration charges payable on the difference in value amount to Rs. 81,720/-.

Case No. DUS/45-A/DVL/893/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 659,100/- and the registration charges payable on the difference in value amount to Rs. 101,400/-.

Case No. DUS/45-A/DVL/761/99-00
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 165,173/- and the registration charges payable on the difference in value amount to Rs. 24,480/-.

Case No. DUS/45-A/DVL/3/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 172,315/- and the registration charges payable on the difference in value amount to Rs. 26,520/-.

Case No. DUS/45-A/DVL/74/97-98
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 834,600/- and the registration charges payable on the difference in value amount to Rs. 128,400/-.

Case No. DUS/45-A/DVL/892/98-99
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -Registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 666,705/- and the registration charges payable on the difference in value amount to Rs. 102,580/-.

Case No. DUS/45-A/DVL/4/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to Stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The Stamp duty payable on the difference in value amounts to Rs. 199,615/- and the registration charges payable on the difference in value amount to Rs. 30,720/-.

Case No. DUS/45-A/DVL/5/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to Stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The Stamp duty payable on the difference in value amounts to Rs. 199615 and the registration charges payable on the difference in value amount to Rs. 30720.

Case No. DUS/45-A/DVL/6/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to Stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The Stamp duty payable on the difference in value amounts to Rs. 172315 and the registration charges payable on the difference in value amount to Rs. 26520.

Case No. DUS/45-A/DVL/1/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 172315 and the registration charges payable on the difference in value amount to Rs. 26520.

Case No. DUS/45-A/DVL/2/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to Stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 172,315 and the registration charges payable on the difference in value amount to Rs. 26,520.

Case No. DUS/45-A/DVL/7/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 172,315 and the registration charges payable on the difference in value amount to Rs. 26,520.

Case No. DUS/45-A/DVL/8/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 112,580 and the registration charges payable on the difference in value amount to Rs. 17,320.

Case No. DVL/SM/14/94-95(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 114,197.20 and the registration charges payable on the difference in value amount to Rs. 17,568.80

Case No. 45-A/DVL/SM/61/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 2350.92 and the registration charges payable on the difference in value amount to Rs. 361.68.

Case No. 45-A/DVL/SM/62/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,782.95 and the registration charges payable on the difference in value amount to Rs. 274.30.

Case No. 45-A/DVL/SM/63/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,569.49 and the registration charges payable on the difference in value amount to Rs. 241.46.

Case No. 45-A/DVL/SM/64/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,330.29 and the registration charges payable on the difference in value amount to Rs. 204.66**.**

Case No. 45-A/DVL/SM/65/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,884.09 and the registration charges payable on the difference in value amount to Rs. 289.86.

Case No. 45-A/DVL/SM/66/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 356.72 and the registration charges payable on the difference in value amount to Rs. 54.88.

Case No. 45-A/DVL/SM/67/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 282.10 and the registration charges payable on the difference in value amount to Rs. 43.40.

Case No. 45-A/DVL/SM/68/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 325.39 and the registration charges payable on the difference in value amount to Rs. 50.06.

Case No. 45-A/DVL/SM/69/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 616.20 and the registration charges payable on the difference in value amount to Rs. 94.80.

Case No. 45-A/DVL/SM/70/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 325.39 and the registration charges payable on the difference in value amount to Rs. 50.06.

Case No. 45-A/DVL/SM/71/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,096.94 and the registration charges payable on the difference in value amount to Rs. 168.76.

Case No. 45-A/DVL/SM/73/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,779.96 and the registration charges payable on the difference in value amount to Rs. 273.84.

Case No. 45-A/DVL/SM/74/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,823.90 and the registration charges payable on the difference in value amount to Rs. 280.60.

Case No. 45-A/DVL/SM/75/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,802.84 and the registration charges payable on the difference in value amount to Rs. 277.36.

Case No. 45-A/DVL/SM/76/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and Registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1950.91 and the Registration charges payable on the difference in value amount to Rs. 300.14.

Case No. 45-A/DVL/SM/77/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1710.28 and the registration charges payable on the difference in value amount to Rs. 263.12.

Case No. 45-A/DVL/SM/78/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 2,486.12 and the registration charges payable on the difference in value amount to Rs. 382.48.

Case No. 45-A/DVL/SM/79/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,710.28 and the registration charges payable on the difference in value amount to Rs. 263.12.

Case No. 45-A/DVL/SM/80/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 2,086.11 and the registration charges payable on the difference in value amount to Rs. 320.94.

Case No. 45-A/DVL/SM/81/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,710.28 and the registration charges payable on the difference in value amount to Rs. 263.12.

Case No. 45-A/DVL/SM/82/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,567.93 and the registration charges payable on the difference in value amount to Rs. 241.22.

Case No. 45-A/DVL/SM/83/94-95
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 1,432.73 and the registration charges payable on the difference in value amount to Rs. 220.42.

Case No. 45-A/DVL/SM/31/96-97
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 64,008.75 and the registration charges payable on the difference in value amount to Rs. 9,487.50.

Case No. 45-A/DVL/54/96-97 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 131,300.00 and the registration charges payable on the difference in value amount to Rs. 20,200.00.

Case No. 45-A/DVL/58/96-97 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 131,300.00 and the registration charges payable on the difference in value amount to Rs. 20,200.00.

Case No. 45-A/DVL/59/96-97 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 131,300.00 and the registration charges payable on the difference in value amount to Rs. 20,200.00.

Case No. 45-A/DVL/61/96-97 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 287,300 and the registration charges payable on the difference in value amount to Rs. 44,200.00.

Case No. 45-A/DVL/63/96-97 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 131,300.00 and the registration charges payable on the difference in value amount to Rs. 20,200.00.

Case No. 45-A/DVL/64/96-97 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 131,300.00 and the registration charges payable on the difference in value amount to Rs. 20,200.00.

Case No. 45-A/DVL/45/97-98
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 21,255.00 and the registration charges payable on the difference in value amount to Rs. 3,270.00.

Case No. 45-A/DVL/63/97-98
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 41,600.00 and the registration charges payable on the difference in value amount to Rs. 6,400.00.

Case No. 45-A/DVL/67/97-98
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 55,120.00 and the registration charges payable on the difference in value amount to Rs. 8,480.00.

Case No. 45-A/DVL/68/97-98
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 509600.00 and the registration charges payable on the difference in value amount to Rs. 7840.00.

Case No. 45-A/DVL/71/97-98
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 70720.00 and the registration charges payable on the difference in value amount to Rs. 10880.00.

Case No. 45-A/DVL/74/97-98
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 65520.00 and the registration charges payable on the difference in value amount to Rs. 10080.00.

Case No. 45-A/DVL/7/98-99 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 84500.00 and the registration charges payable on the difference in value amount to Rs. 13000.00.

Case No. 45-A/DVL/8/98-99 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 84500.00 and the registration charges payable on the difference in value amount to Rs. 13000.00.

Case No. 45-A/DVL/13/98-99 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 84500.00 and the registration charges payable on the difference in value amount to Rs. 13000.00.

Case No. 45-A/DVL/14/98-99 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 84500.00 and the registration charges payable on the difference in value amount to Rs. 13000.00.

Case No. 45-A/DVL/115/99-2000 (PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 371800.00 and the registration charges payable on the difference in value amount to Rs. 57200.00

Case No. 45-A/DVL/43/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 1,015,950/- and the registration charges payable on the difference in value amount to Rs. 156,300/-

Case No. 45-A/DVL/35/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 131300.00 and the registration charges payable on the difference in value amount to Rs. 20200.00

Case No. 45-A/DVL/36/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 131300.00 and the registration charges payable on the difference in value amount to Rs. 20200.00

Case No. 45-A/DVL/52/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 131300.00 and the registration charges payable on the difference in value amount to Rs. 20200.00

Case No. 45-A/DVL/53/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 79170.00 and the registration charges payable on the difference in value amount to Rs. 12180.00

Case No. 45-A/DVL/55/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 131300.00 and the registration charges payable on the difference in value amount to Rs. 20200.00

Case No. 45-A/DVL/56/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 68932.50 and the registration charges payable on the difference in value amount to Rs. 10605.00

Case No. 45-A/DVL/57/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 131300.00 and the registration charges payable on the difference in value amount to Rs. 20200.00

Case No. 45-A/DVL/60/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 588250.00 and the registration charges payable on the difference in value amount to Rs. 90500.00

Case No. 45-A/DVL/62/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 131300.00 and the registration charges payable on the difference in value amount to Rs. 20200.00

Case No. 45-A/DVL/65/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 131300.00 and the registration charges payable on the difference in value amount to Rs. 20200.00

Case No. 45-A/DVL/66/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 520000.00 and the registration charges payable on the difference in value amount to Rs. 80000.00

Case No. 45-A/DVL/67/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 273000.00 and the registration charges payable on the difference in value amount to Rs. 42000.00

Case No. 45-A/DVL/68/96-97(PO)
Sub-Registrar, Devanahalli
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the Deputy Inspector General of registration, Bangalore Rural, Bangalore for hearing and orders. The stamp duty payable on the difference in value amounts to Rs. 66300.00 and the registration charges payable on the difference in value amount to Rs.10200.00

Writ Petition. No.4222/2004
High Court Of Karnataka
ASIATIC PROPERTIES LTD. v/s. State of Karnataka & ors

ASIATIC PROPERTIES LTD. filed an appeal before the Deputy Inspector General of registration (Int.), Bangalore vide case No.STP/DIG/UAP/IND/6/2003-04 challenging the market value determined by the District Registrar, Detention of Undervaluation of Stamps and registration, Bangalore Rural District, Bangalore.

The Deputy Inspector General of registration (Int.) (DIGR) Bangalore Division passed an order on 6.11.2003 confirming the District Registrar's Order. Aggrieved with this order, Asiatic Properties Ltd. filed W.P. to quash the said order and to drop the proceedings initiated reg. Alleged Undervaluation.

The Hon'ble High Court ordered to issue of notices to the Respondents.

Case No. DUS/45-A/DVL/812/98-99
Sub-Registrar, Devanahalli
Asiatic Properties Ltd. v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden, property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 224120.00and the registration charges payable on the difference in value amount to Rs. 34480.

Case No. DUS/45-A/DVL/809/98-99
Sub-Registrar, Devanahalli
Asiatic Properties Ltd. v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 192400 and the registration charges payable on the difference in value amount to Rs.29600.

Case No. DUS/45-A/DVL/764/98-99
Sub-Registrar, Devanahalli
Asiatic Properties Ltd. v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 114530 and the registration charges payable on the difference in value amount to Rs.17620.

Case No. DUS/45-A/DVL/763/98-99
Sub-Registrar, Devanahalli
Asiatic Properties Ltd. v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 114595 and the registration charges payable on the difference in value amount to Rs.17640.

Case No. DUS/45-A/DVL/762/98-99
Sub-Registrar, Devanahalli
Asiatic Properties Ltd. v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 120380 and the registration charges payable on the difference in value amount to Rs.18520.

Case No. DUS/45-A/DVL/761/98-99
Sub-Registrar, Devanahalli
Asiatic Properties Ltd. v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 91650 and the registration charges payable on the difference in value amount to Rs.14100.

Case No. DUS/45-A/DVL/38/96-97
Sub-Registrar, Devanahalli
Asiatic Properties Ltd. v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 815750 and the registration charges payable on the difference in value amount to Rs.125500.

Case No. DUS/45-A/DVL/37/96-97
Sub-Registrar, Devanahalli
Asiatic Properties Ltd. v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs815750 and the registration charges payable on the difference in value amount to Rs.125500.

Case No. DUS/45-A/DVL/34/96-97
Sub-Registrar, Devanahalli
Asiatic Properties Ltd. v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 77805 and the registration charges payable on the difference in value amount to Rs.11980.

Case No. DUS/45-A/DVL/39/96-97
Sub-Registrar, Devanahalli
Asiatic Properties Ltd. v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District -registrar, Devanahalli in which the District Registrar has passed the provisional orders and is kept pending for final orders. The stamp duty payable on the difference in value amounts to Rs. 830700 and the registration charges payable on the difference in value amount to Rs.127800

Writ Petition No.3480/2001
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs.138502 and the registration charges payable on the difference in value amount to Rs. 21308

Writ Petition No.3481/2001
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 218582 and the registration charges payable on the difference in value amount to Rs. 33628

Writ Petition No.9978/2001
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 319000.50 and the registration charges payable on the difference in value amount to Rs. 49077

Writ Petition No.9977/2001
Raj Trust v/s. Sub-Registrar, Devanahalli

The case pertains to stamp duty and registration charges in respect of Jade Garden property, Devanahalli pending before the District-Registrar, Devanahalli for enquiry, provisional orders and final orders. The stamp duty payable on the difference in value amounts to Rs. 184,359.50 and the registration charges payable on the difference in value amount to Rs. 283,63/-

C.A.1416 of 1999
SLP No.15688/98
Supreme Court of India
Raj Menda v/s. Koramangala Residents Vigilance Group & others

Division bench of Karnataka High Court on July 2, 1998 has ordered for demolition of the building. Special Leave Petition was filed on September 9, 1998 before the Supreme Court. On October 12, 1998, the Supreme Court passed interim order of stay for the demolition of the building.

[The Supreme Court has set aside the judgements of the Division Bench of Karnataka High Court and allowed the Appeal]

C.A.1415/1999
Erstwhile SLP No.15621/98
Supreme Court of India
R& M Trust v/s. Koramangala Residents Vigilance Group & others

Division bench of Karnataka High Court on July 2, 1998 has ordered for demolition of the building Special Leave Petition was filed on September 9, 1998 before the Supreme Court. On October 12, 1998, the Supreme Court passed interim order of stay for the demolition of the building.

[The Supreme Court has set aside the judgements of the Division Bench of Karnataka High Court and allowed the Appeal]

A CMA No. 38/1999 Raheja Centre Deficit Stamp Duty Case
Principal Subordinate Judge, Coimbatore
K. RAHEJA DEVELOPMENT CORPORATION v/s Sub-Registrar's Office

The case is in respect of payment of stamp duty on the guideline value as compared to the document value. Against the order of the Assistant Collector (Stamps), appeal has been filed before the Principal Sub-Ordinate Judge, Coimbatore, who was pleased to grant interim stay.

A notice was received on March 3, 1999 and heard on September 25, 1999 and thereafter posted for hearing on April 22, 2004 when the records sought from lower authority are awaited. The matter is pending for final orders.

OS No.1270/1998 Minors Suit 1270/98 II (O.S. No. 750 of 2004)
ASJ Coimbatore Sub-Court
K Raheja Development Corporation v/s A G Guruswamy, owner of Raheja Centre property

The case is in respect of minors involvement in the property stating the Courts permission is not taken and the amount due to the minor not deposited in the bank. Due to change in the jurisdiction of Sub-Courts this suit has been transferred to District Munsif Court. The date of hearing from the new Court was awaited. Advocate, Mr. Vijay Raghunath has by letter dated May 3, 2005 informed K Raheja Development Corporation that the above suit as against K Raheja Development Corporation has been dismissed.

IN THE APPEAL COURT, COIMBATORE MUNICIPAL CORPORATION

K. RAHEJA DEVELOPMENT CORPORATION v/s Coimbatore Municipal Corporation

The case is in respect of levy of higher property tax on basement showroom unit no. B0001 at Raheja Centre sold to Global Trust Bank. The appeal is pending.

BEFORE THE COMMISSIONER OF LAND REFORMS, COIMBATORE

Peirce Leslie v/s Urban Land Ceiling Department

The case is in respect of levy of urban land tax based on 1981 market valuation of the land in spite of selling various UDI's pertaining to A, B and C blocks of Raj Enclave Project . Stay has been granted by special permissions of land reforms and 50% of the original tax levied has been paid as directed. Notice was received to appear before the Special Commission on November 2, 2000. The Southern Undivided Entities are not impleaded in the above case but are developing the said property.

G) **Economic / criminal / civil offences by the Southern Undivided Entities, companies and firms promoted by the Southern Undivided Entities and past cases in which penalties were imposed by the concerned authorities**

Addl. Chief Metro Magistrate Court
K. Raheja Development Corporation v/s. Vinayaka Enterprises & Partners

24 Cheques of Rs. 50,00,000/- (Rs.50 lakhs) each were bounced. Hence, 24 complaints under section 138 of the Negotiable Instruments Act 1881 have been filed. The respondents appeared and filed objections. Subsequently, the respondents paid amounts relating to 6 cheques and accordingly related 6 criminal cases were withdrawn. Hence only 18 complaints remain outstanding against 24 complaints originally filed. Recently, Vinayaka Enterprises has filed an application to discharge them from criminal liability. However this was strongly opposed. The matter was adjourned to April 15, 2005 which is further adjourned to May 21, 2005.

H) **Litigation Pending – Labour, Employees and Trade Unions**

There are none disclosed to our Promoters/Company

I) **Bank / Financial Institution Defaults**

There are none disclosed to our Promoters/Company

J) **Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits**

There are none disclosed to our Promoters/Company

K) **Disciplinary action taken by SEBI / Stock Exchanges against the Southern Undivided Entities / business ventures of the Southern Undivided Entities**

There are none except as disclosed under this section.

L) **Arrears on cumulative preference shares by the Southern Undivided Entities and/or companies /firms promoted by the Southern Undivided Entities**

There are none disclosed to our Promoters/Company

M) **Pending Litigations of companies/firms/ventures with which the Southern Undivided Entities were associated in the past in case their names continue to be associated with the particular litigations**

There are none disclosed to our Promoters/Company

N) **Potential Litigation**

There are none disclosed to our Promoters/Company

Against The Southern Undivided Entities

A) **Pending Arbitration Proceedings**

There are none disclosed to our Promoters/Company

B) **Litigation pending – FEMA**

There are none disclosed to our Promoters/Company

C) **Litigation Pending – Income Tax**

Mumbai High Court

Assessment Year – 1992-93.
Asiatic Properties Limited
The company's return was assessed under section 143(3) of the Income-Tax Act, 1961.

The A.O. rejected project completion method of accounting and made additions of Rs.3,701,403/-. The company filed appeal to CIT (A), bearing appeal No. C-11/AP-110/95-96 against the order of the A.O. . CIT (A) rejected the company's appeal. Against the order of CIT(A) the company filed appeal before ITAT and ITAT allowed company's appeal vide order dated June 11, 2003. (Appeal No.4136/Bom/1998). Aggrieved by ITAT's order, the department filed Notice of Motion No.1459 of 2003 dated May 24, 2004 in the Mumbai High Court. The Notice of Motion is pending before Mumbai High Court.

Income Tax Appellate Tribunal
Assessment Year 1991-92
Asiatic Properties Ltd.
The company filed an appeal bearing no CIT(A)XL/SR.30/65/94-95 before the CIT (A) against the assessment order made by the A.O. The CIT(A) granted relief by allowing interest of Rs.297,500/, Motor car expenses of Rs.87,966/- and interest set off against work in progress of Rs.979,241/-. through an order dated November 7,1994. The department then filed an appeal bearing No ITA No 976/M/95 before the ITAT.

Assessment Year 1994-95
Asiatic Properties Ltd.
The company filed an appeal bearing no CIT(A)C.III/IT/16/97-98 before the CIT (A) against the assessment order made by the A.O. The CIT(A) allowed interest on advance made to subsidiary company of Rs.590,520/- and further allowed deduction for club membership fees of Rs.201,100/- through an order dated December 1, 2000. The department then filed an appeal bearing No ITA No 1377/M/2001 before the ITAT . ITAT passed an order dated May 24, 2004

Assessment Year-2000-2001
Raj Trust
The trust's return was assessed under section 143(3) of I.T. Act. The A.O. disallowed compensation paid to prospective buyer for delay in completion of project Rs722,250/-, Rs. 5,590,000/- (Rs 55.94 lacs) claimed as payment to M/s R M trust as development charges, Rs 146,910/- paid as compounding fees to Bangalore Mahanagarpalika, Rs.1,956,000/- (Rs 19.56 lacs) addition in respect of option money received and Rs 853,189/- administrative charges paid to sister concern. Against this order the trust filed appeal before CIT (A). CIT (A) allowed full relief vide order dated October 31, 2003. the department has filed appeal before ITAT on august 31, 2004 against the said order.

Assessment Year 1999-00
Raj Trust
The trust was sent an intimation under Section 16(1) of the Wealth Tax Act 1957 pursuant to which demand of Rs.4035/- was raised. The trust has paid a sum of Rs.2690/- against the said demand. It is the contention of the trust that the A.O. has wrongly levied interest under Section 17 B amounting to Rs.4035/- as against the correct figure of Rs.2690/- which has been paid. No order has been received from the income-tax department carrying the above rectification and cancelling the balance demand.

Assessment Year 2004-05
Raj Trust
Through intimation under section 143(1) dated January 4, 2005 demand of Rs.3,263,472/- is raised. While filing the income tax return of the trust, TDS certificates amounting to Rs.2,862,165/- were not attached. The trust, vide its letter dated December 14, 2004 addressed to the Assessing Officer requested to adjust a refund of Rs.1,457,688/- for assessment year 2000-01 alongwith interest thereon against the tax due in respect of assessment year 2004-05 consequential to not attaching the TDS certificates as aforesaid. The department has not adjusted the demand against the refund of assessment year 2001 – 2002 and hence the demand is still pending.

Assessment Year 2000-01
Raj Trust
On completion of assessment under section 143(3) on March 21 2003 penalty proceedings under section 271(1) (c) was initiated . The company vide letter dated April, 15,2003 requested for either dropping the penalty proceedings or keeping the same in abeyance till disposal of appeal filed by the company to CIT(A). A letter dated March 7, 2005 has been received and the trust has made submissions vide its letter dated March 14, 2005 in response.

Assessment Year 1997-98
Mass Traders Pvt. Ltd.
The company has invested in Vijay Shree Units and earned interest of Rs.1,138,194/-. While computing the income for the said year the interest income was reduced from the capital work in progress. However, the A.O. held that the interest

has to be taxed under the head 'income from other sources'. On further appeal to the Income Tax Appellate Tribunal, the Tribunal accepted the company's contention and allowed it to reduce it from the capital work in progress.

Against this order of ITAT, the Department has moved Notice of Motion No.2642 of 2003 (Income-Tax Appeal Lodg. No.845 of 2003) before the High Court on May 3, 2003 for condonation of delay in filing the appeal. The same is pending before the High Court.

Appeal before High Court
Mass Traders Pvt. Ltd.
Assessment Year 1996-97
During the year the company capitalized interest of Rs.4,475,136/- to the Irani Plot project, Bangalore. In connection with this project the company has also invested in Vijay Shree Units and interest income on the same was reduced from the capital work in progress. The A.O. held that the interest income on Vijay Shree Units is taxable under the head 'income from other sources' and the A.O. had allowed deduction of Rs. 4,475,136/- under section 57. On further appeal to the Income Tax Appellate Tribunal, the Tribunal, held that the interest on Vijay Shree Units and interest capitalized of Rs.4,475,136/- forms part of capital work in progress and the same should be allowed as such.

Against this order of the Tribunal, the Department has moved Notice of Motion No.2423 of 2004 (Income-tax Appeal Lodg. No.989 of 2004) dated August 19, 2004 before the High Court for condonation of delay in filing the appeal. The matter is still pending before the High Court.

D) **Litigation pending – Sales Tax/ Luxury tax**

There are none disclosed to our Promoters/our Company.

E) **Litigation pending –Customs and Excise Gold Control Appellate Tribunal ('CEGAT')**

There are none disclosed to our Promoters/our Company.

F) **Litigation Pending- Money Recovery and other Civil Suits**

- **Asiatic Properties Limited** is also a party to Suit No 2135 of 2000 (as defendant no 7) and Company Petition No 64 of 2002 (as respondent no 1). For more details of these suits please see section titled 'Against the Promoters-Outstanding Litigations'

District Registrar, Bangalore
532/93-94, 530/94,528/93-94,526/93-94 and 544/97
K. RAHEJA DEVELOPMENT CORPORATION V/s District Registrar, Indiranagar & Sub-Registrar Shivajinagar
These cases are pending before the District Registrar for determining the proper market value. The required objections were filed and the documents were submitted in support of the consideration shown in the sale deeds.

The matters are still pending before the District Registrar for determining the market value. No date has been fixed by the District Registrar.

Original Suit No.389/2003
In the Court of the Civil Judge (Senior Division), Bangalore
Munishamappa & Another v/s. Raj Trust & Others
Raj Trust purchased 4.00 Acres of land from Mr. Satish Pai during 1996 under three sale deeds all dated January 24, 1996. Mr. Munishamappa and others filed a suit in 2003 contending that they never sold the property to Mr.Satish Pai etc. and as such sale deeds in favour of Raj Trust are null and void. Raj Trust has engaged a counsel to represent it in the court and filed its written statement and objections.

The case stands posted to June 20, 2005.

Original Suit.No.502/95
In the First Additional Rural Civil Judge (Senior Division) Bangalore
Susheelamma & Others v/sMunishamappa, P. Satish Pai, Raj Trust & Others
Smt. Susheelamma and others have filed a suit for partition claiming the above property as joint family property. Raj Trust has also been arrayed as one of the Defendants (16th Defendant). Raj Trust has filed its detailed written statement. Defendant No. 1 has died and legal representatives of defendant No. 1 are to be brought on record. The matter is adjourned to July 21, 2005.

R.A.35/2002 -
The Asst. Commissioner, D.B. Pur Div. Bangalore.
S.V. Subbaiah & Ors. Vs Subamma. Janaki Gangaram & ors (Raj Trust)
Mr.S.V. Subbaiah and others filed R.A. 35/2002 before the Assistant Commissioner to get entered their name in the revenue records. Since Smt. Janaki Gangaram has been made a party to the said appeal, she filed an application to get impleaded Raj Trust as party to the appeal. Raj Trust came to know that ignoring the said application, Assistant Commissioner has allowed the appeal on February 23, 2004.

Order has been passed on February 23, 2004, Certified copy of the order has been obtained on March 25, 2004. Next course of action will be decided after consulting counsel engaged in the aforesaid suit no. 762/2002. The matter is pending.

Original .Suit. No.2170/2003
In the Court of the City Civil Judge (Senior Division) of , Bangalore
SBI Home Fin. Ltd. v/s. Sandeep Budhiraja
& Ors. (Asiatic Properties Ltd. 3rd Defendant)

Mr. Sandeep Budhiraja entered into an agreement for sale dated January 27, 1997 with Asiatic Properties Ltd. regarding apartment NO.TC 007 – Prema Block, Segment – 1, in Saigarden for Rs. 500,000/- (Rs.5 Lakhs). He had paid rupees one lakh and has to pay balance in instalments. He availed loan from SBI Home Finance Limited to the extent of Rs.370,000/-. He has not paid consideration in full for this Apartment. Budhiraja defaulted in repaying the loan to SBI Home Finance Limited.) SBI Home filed the above suit no.2170/2003 to recover the loan given to the aforesaid Sandeep Budhiraja. They sought relief of judgement and decree against the defendant jointly and severally for a sum of Rs.799,461/-. Asiatic Properties Ltd**.** to defend the suit, engaged a counsel and filed necessary counters, objections & statements.

Summons are to be issued to defendant.

Currently the case stands posted for hearing on June 13, 2005.

Complaint. No.875 of 2002
Before the State Consumer Disputes Redressal Commission at Bangalore, Padmini Murthy & Another v/s Asiatic Properties Ltd.

Padmini Murthy filed complaint alleging Asiatic Properties Ltd**.** is not entitled to claim any maintenance charged since it is utilizing the interest accrued on maintenance deposit held by it. She has also alleged Asiatic Properties Ltd. is holding surplus amount of stamp duty and registration fee amounting to Rs.10,606/-. She claimed refund of Rs.10,606/- and surplus interest amounting to Rs.6,360/-. Asiatic Properties Ltd**.** engaged a counsel to represent it in the proceedings. Necessary counter affidavit has been filed.

The matter was reserved for orders, and an order has been passed dismissing the complaint.

ORIGINAL SUIT. No.212 of 2001
In the Court of the Civil Judge (Senior Division), Bangalore
Gopalkrishan Mehta v/s. Asiatic Properties Ltd..

Mr.Gopala Krishna Mehta filed suit restraining Asiatic Properties Ltd**.** from demanding maintenance at the rate of Re.1.00 per sq.foot in respect of his flat etc. Asiatic Properties Ltd. engaged a counsel to represent it in the court and filed necessary counters, objections and statements. The court disallowed his prayer of interim order. He filed miscellaneous appeal no.20/2003 in the Additional Civil Judge Court. However the court asked the parties to explore the possibility of settling the matter mutually.

The case is currently posted for May 31, 2005

MFA 1724/01 (in MVC No.976/94)
High Court of Karnataka
S.R.Parthasarathi v/s. New India Assurance
Co. Ltd. & Asiatic Properties Ltd.

New India Insurance company has been ordered to deposit Rs.70,000/- plus 6% interest along with Rs.1,000/- towards cost in MVC No. 976/94. Aggrieved with this order the petitioner has filed MF appeal on June 2, 2001 against insurance company and Asiatic Properties Ltd**.** before the High Court of Karnataka to enhance the compensation from Rs.70,000/- to Rs.250,000/-. Asiatic Properties Ltd**.** has engaged a counsel to represent it before the High Court. The matter is yet to be taken up for hearing.

The matter is not yet listed for hearing.

High Court
Writ Petition. No.28692/2001
Sub-Registrar v/s. K. RAHEJA DEVELOPMENT CORPORATION

K. Raheja Development Corporation has challenged the order of the Divisions Commissioner dated May 21, 2001 confirming the order of the District Registrar in the High Court.

The matter is pending before the High Court.

High Court Of Karnataka
Writ Petitions No.11887-91 of 2003
In the High Court of Karnataka

Suresh Arora & Tara Rani Arora v/s .Bangalore Mahanagara Palike, Revenue Officer & K. Raheja Hotels & Estates Pvt. Ltd.

Writ Petitions No.27219-27223 of 2003
In the High Court of Karnataka

Apparel and Leather Techniques Pvt. Ltd. v/s. Bangalore Mahanagara Palike, Revenue Officer & K. Raheja Hotels & Estates Pvt. Ltd.

Writ Petitions No.13423-13427 of 2003
In the High Court of Karnataka
Atheeqh Ahmed Khan & Ors. v/s. Bangalore Mahanagara Palike, Revenue Officer & K. Raheja Hotels & Estates Pvt. Ltd.

Writ Petitions No.14836-14840 of 2003
In the High Court of Karnataka
Ramneek S. Bakshi v/sBangalore Mahanagara Palike, Revenue Officer & K. Raheja Hotels & Estates Pvt. Ltd.

Writ Petitions No.11897-11897-90 of 2003
In the High Court of Karnataka
Raghu Nallamuthu v/sBangalore Mahanagara Palike, Revenue Officer & K. Raheja Hotels & Estates Pvt. Ltd.

Writ Petitions No.10130 of 2003
In the High Court of Karnataka
ICICI Venture Funds Management Company Ltd. v/sBangalore Mahanagara Palike, Revenue Officer & K. Raheja Hotels & Estates Pvt. Ltd.

Writ Petitions No.10197-10200/03
Various Parties v/sBangalore Mahanagara Palike, Revenue Officer & K. Raheja Hotels & Estates Pvt. Ltd.

All the aforesaid occupants have filed several Writ petitions against the Bangalore Mahanagara Palike and others. K. Raheja Hotels & Estates Pvt. Ltd. is also made as formal party. In the said Writ Petitions their main prayer is for quashing the Demand notice dated January 28, 2003 issued to the Petitioners by the Bangalore Mahanagara Palike demanding payment of the huge property taxes and for direction to the BMP to issue separate khatas to their respective Units and further to assess the respective units independently to property taxes. Stay has been obtained against Bangalore Mahanagarpalika Notice.

In these Writ Petitions, K. Raheja Hotels & Estates Pvt. Ltd. is formal party. In order to watch the proceedings K. Raheja Hotels & Estates Pvt. Ltd. has appointed a counsel to represent it in the High Court.

Currently the matters are pending in the High Court.

Suit No 1270/ 1998 (O.S. No. 750 of 2004)
Additional Sub- Court, Coimbatore v/s K. RAHEJA DEVELOPMENT CORPORATION
Raheja Centre, Minor Suit

The issue involved being minor's involvement in the property. Court's permission not taken and minor's amount due not deposited in the bank. Required written statements has been filed by the defendants.

Due to change in the jurisdiction of Sub-Courts, this suit has been transferred to District Munsif court.

The date of hearing from the new court was awaited. Advocate, Mr. Vijay Raghunath has by letter dated May 3, 2005 informed K Raheja Development Corporation that the above suit as against K Raheja Development Corporation has been dismissed.

Original Suit No.762/2002
In the Court of the Civil Judge (Senior Division), Bangalore.
S.V. Subbaiah & Ors. Vs.Subamma Janaki Gangaram
Raj Trust & Ors

Raj Trust purchased in 1993 – 1 Acre 25 Guntas in Survey No.193/12, Sadahalli Village, Kasaba Hobli, Devanahalli Taluk from Smt. Janaki Gangaram and formed the layout along with the other lands in Jade Garden.

Now, Mr.S.V. Subbaiah and other filed a suit contending that they sold only 12 guntas of land in Survey No.193/1 to Munishamappa on December 22, 1972. Since, Munishamappa deceased, his legal heirs wife Subbamma and sons, Mr. S.M. Rajanna, S.M. Venkatesh, S.M. Ramachandra, S.M. Krishnappa sold 1 Acre 25 guntas land in Sy.No.193/1 to Smt. Janaki Gangaram vide sale deed dated May 25, 1992 without having any title to the entire extent of 1 Acre and 25 guntas. Mr. S.V. Subbaiah and others have assailed the sale deed dated May 25, 1992 in favour of Smt. Janaki Gangaram and sale deeds dated March 30, 1993 in favour of Raj Trust as null and void. Raj Trust has engaged a counsel to represent it in the court and filed necessary counters, objections and statements.

The matter is posted for hearing on June 28, 2005..

High Court of Karnataka
Civil Revision Petition No.1298/2003, and MFA NO.2508/03 & MFA 2564/03 before the High Court. Raheja Residency Apex Body & Ors v/s. K. Raheja Development Corporation, Corporation of City of Bangalore & another

Suit No.113/2002 was filed in the Court of City Civil Judge on January 3, 2002 by the Raheja Residency Apartment Owners Apex Body and Others against K. Raheja Development Corporation and M/s.John Fowlers (India) Limited,

praying, inter alia, to declare that the defendant Nos.1 and 2 have no right to form and transfer any parking spaces on the land between the compound wall and the boundary roads and in other common areas located in the Raheja Residency project at Koramangala, Bangalore.

Further, the defendant Nos.1 and 2 filed application praying the Court to reject the plaint on the main ground that there is no privity of contract between the Plaintiffs and the Defendants and the Plaintiffs have no right to file such suits. However, the Hon'ble Court disallowed on January 24, 2003 the defendant's application. Aggrieved by this order the defendant (K. Raheja Development Corporation) filed Civil Revision Petition No.1298/2003, and MFA NO.2508/03 and MFA 2564/03 before the High Court.

The MFA No.2508/03 has been filed challenging the order dated January 17, 2003 passed on IA No.III in the suit. The said order is to restrain K.Raheja Development Corporation and John Fowler to form and transfer the surface car parking spaces between the compound wall and boundary walls.

The MFA No.2564/03 has been filed challenging the order dated January 17, 2003 passed on IA No.III in the suit. The said order is to restrain Corporation of the city of Bangalore from granting permission to K.Raheja Development Corporation and John Fowler to form car parking spaces on the land between the compound wall and boundary line or any other common area without recourse to building bye-laws.

The High Court is yet to take up the matter for final hearing.

Currently the trial court awaiting the order from the High Court has kept on adjourning the matter. The present adjourned date is May 31, 2005.

Writ Petition in the High Court, Chennai
Association of Raheja Enclave A,B & C Blocks- - V/s K. Raheja Hotels & Estates Pvt. Ltd.
Association of Raheja Enclave A,B & C Blocks- have filed the Suit in respect of Car Parking in front of BMC Blocks. Caveats have been filed and the matter is pending.

G) **Economic / criminal / civil offences by the Southern Undivided Entities, companies and firms promoted by the Southern Undivided Entities and past cases in which penalties were imposed by the concerned authorities**

Criminal Case NO.872 of 1999
SLP (Crl)
In the High Court of Calcutta
Mr. Dhanveer Singhi, Director & A.M. Business & Finance Ltd. v/sRaj. A. Menda & Vimal Menda

Mr. Dhanveer Singhi filed criminal case No.C/104/99 under section 420/120B IPC in the metropolitan Magistrate court at Calcutta alleging that there was no disclosure about the litigation pending before the High Court at the time of negotiation by the representative of R&M Trust. The same came to be dismissed under section 203 Cr.P.C. on March 1, 1999 holding Calcutta Court has no jurisdiction. Aggrieved by this order Mr. Dhanveer Singhi has filed CRM no. 872/99 in the High Court of Calcutta. The High Court allowed the same and on March 9, 2004 passed order directing the Trial Court to enquire the issue of Jurisdiction based on evidences.

Against the order of High Court SLP has been filed by the respondents in the Supreme Court under SLP NO.4155 and obtained stay.

Consumer Case No.53/2001
State Consumer Redressal Dispute Commission

Raheja Residency 'Maple' Block Apartment Owners Assn. v/s. K. RAHEJA DEVELOPMENT CORPORATION & Ors

Raheja Residency 'Maple' 'C' Block Association filed a complaint before the State Consumer Dispute Redressal Commission, Bangalore, for recovery of Rs.511,467/- along with 24% interest towards contingency fund collected from the customers. Since there is no stipulation in the agreements for such interest, suitable objections were filed by K. Raheja Development Corporation on February 23, 2001.

The case was heard and dismissed on October 25, 2004.

Consumer Case No.212/2002
State Consumer Redressal Dispute Commission
Raheja Residency ' Pine' Block Apartment Owners Assn. v/s. K. RAHEJA DEVELOPMENT CORPORATION & Ors

The complainants in there complaints have stated that as per clause 13 of the agreement entered into between K. Raheja Development Corporation and prospective purchasers, K. Raheja Development Corporation has agreed to transfer the funds collected from the apartment owners to the association which according to the complainant, K. Raheja Development Corporation has not complied with. So the Pine Block Association and Others filed a complaint against K. Raheja Development Corporation before the Consumers Redressal Dispute Commission.

The matter is pending for arguments and is adjourned to June 6, 2005.

H) **Litigation Pending- Labor, Employee and Trade Unions**

I) **Banks and Financial Institution Defaults**

Asiatic Properties Ltd.& SBI Home Ltd./ State Bank Of India

One of the promoter group companies, Asiatic Properties Ltd. had defaulted in repayment of loan to SBI Home Ltd.(the said debt was been assigned by SBI Home Ltd to the State Bank of India) and a sum of Rs. 14,530,442/- was outstanding. However Asiatic Properties Ltd had earmarked one of the office units developed by it for the discharge of the said outstanding loan. State Bank of India vide its letter dated October 1, 2004 has confirmed having read the amount in full satisfaction of the dues.

Asiatic Properties Ltd.& Housing Development Finance Corporation Ltd.(Loan)

One of the promoter group companies, Asiatic Properties Ltd. had defaulted in repayment of loan to Housing Development Finance Corporation Ltd and presently outstanding of Rs. 311,374,547/- plus Interest thereon. However Housing Development Finance Corporation Ltd is holding security of a plot of land belonging to Asiatic Properties Ltd. In view of the Litigation mentioned in this RHP Asiatic Properties Ltd is unable to sell the said Security .

In this regard, HDFC has sent a demand notice under sub section 2 of section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act ,2002 dated February 23,2002 to the company with a copy to all its directors giving the company 60 days (from the date of receipt of the said notice) time to repay the outstanding loan dues of Rs 361,014,419/-, with further interest at the rate of 24% p.a. on the amount of Rs.313,933,790/- (as mentioned under item(b) of schedule IV to the notice) with effect from February 24, 2005 onwards till payment and/or realization and further stating that failing payment HDFC shall be constrained to attach / seize the secured asset and sell the same and/or take action under section 13 of the said the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act ,2002. The matter is pending.

Asiatic Properties Ltd.& Housing Development Finance Corporation Ltd.(ICD)

One of the promoter group companies, Asiatic Properties Ltd. has defaulted in repayment of ICD to Housing Development Finance Corporation Ltd and the amount presently outstanding is Rs. 72,500,000/- plus accrued interest of Rs. 793,525/- upto August 16, 2004

HDFC vide its letter dated January 11, 2005 has rolled over the due date to May 20, 2005. Subsequently HDFC vide its letter dated April 4, 2005 has asked the company to issue a cheque for Rs. 4,600,274/- being the interest for the period July 1, 2004 to March 31, 2005.

Raj Trust & Housing Development Finance Corporation Ltd. (Loan)

One of the promoter group entity, Raj Trust has defaulted in repayment of loan to Housing Development Finance Corporation Ltd. and the principal amount outstanding as on September 28, 2004 and March 31, 2005 is Rs.96,400,000/- and Rs. 75,375,205/- respectively. HDFC by its letter dated May 3, 2005 has stated that the outstanding loan balance as on May 3, 2005 is Rs. 70,140,275/-.

J) **Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits**

There are none disclosed.

K) **Disciplinary action taken by SEBI / Stock Exchanges against the Southern Undivided Entities / business ventures of the Southern Undivided Entities**

Asiatic Properties Ltd.

A show cause notice bearing Ref No. DCS/DL/SM/50883/51 dated February 11, 2004 was issued by the Stock Exchange, Mumbai for delisting of the shares of the company from the Bombay Stock Exchange. The company has replied to the said notice on 16/3/2004 stating that the company had already filed an application dated September 21, 1998 to BSE to delist the 50,000 equity shares of the company which was followed by reminder letters dated November 2, 2001, December 12, 2001, July 1,2002 and July 1, 2003 for the same. However, no action was taken by the Stock Exchange in the matter.

The company has further received a letter dated July 10, 2004 Ref No: DCS/DELISTED/ 508833/38 from the Stock Exchange, Mumbai stating that the company has failed to reply to the said show cause notice bearing Ref No. DCS/DL/SM/50883/51 dated February 11, 2004 even though the company had already replied to the same on March 16, 2002 as aforesaid.

The company has received a letter dated July 21, 2004 no.CFD/DCR/RC/TO/13060/04 from Securities Exchange Board of India stating allegation against the company about violation of Regulation 6 and 8 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.The letter further states that SEBI had introduced a Regularisation Scheme, 2002 for non-compliance of Regulation 6 and 8 of the said Regulations and the company had not availed of the scheme and therefore the company is liable to pay penalty under Section 15A of the SEBI Act, 1992 and prosecution under section 24 of the said Act. The letter further states that pursuant to the provisions of Section 15T(2) (b) of the SEBI Act, SEBI has now offered to pass a consent order upon payment of Rs. 175,000/- as penalty by the company for aforesaid alleged violations.

The company has replied to the said letter of SEBI vide its letter dated August 6, 2004 interalia stating that the application for delisting was made way back in 1998 and it is only in the year 2004 that the shares have been delisted on BSE vide its letter dated July 10, 2004 after regular follow up. In the said letter the company has also contended that the penalty of Rs 175,000/- appears to be on the higher side. Nevertheless, the company has paid the said sum of Rs 175,000/- vide cheque no. 890817 dated August 6, 2004 drawn on IOB, Bandra and has agreed to the passing of consent order by the learned Adjudicating Officer of SEBI vide its letter dated August 6, 2004 addressed to SEBI. The company has been delisted by BSE as per the press release dated August 2, 2004 of BSE.

Subsequently on August 17, 2004, the company has been intimated by SEBI over the telephone to await passing of the consent order and then make the payment.

L) **Arrears on cumulative preference shares by Southern Undivided Entities and/or companies /firms promoted by the Southern Undivided Entities**

There are none disclosed.

M) **Pending Litigations of companies/firms/ventures with which Southern Undivided Entities were associated in the past in case their names continue to be associated with the particular litigations**

There are none disclosed.

N) **Potential Litigation**

K. Raheja Development & Constructions Pvt. Ltd.

Mr. Ravi C. Raheja has been appointed as a Director of K. Raheja Development & Constructions Pvt. Ltd., at its Annual General Meeting held on September 30, 2002 as proposed by the holding company of K. Raheja Development & Constructions Pvt. Ltd. i.e. K Raheja Hotels & Estates Pvt Ltd. One of the Directors of the company, Mr. G.L. Raheja has vide his letter dated October 7,2002 and further letters thereafter, alleged that no resolution (or valid resolution) for the appointment of Mr. Ravi C. Raheja as a Director has been passed by the company. The Promoters have disputed such contention as untenable and are however of the view that Mr. Ravi C. Raheja's appointment as a Director is in accordance with the resolution passed by the shareholders of K. Raheja Development & Constructions Pvt. Ltd and in compliance with the provisions of the Companies Act. Further the necessary form in respect of his appointment has been filed with the Registrar of Companies. K. Raheja Development & Constructions Pvt. Ltd. has replied to Mr. G. L. Raheja to this effect from time to time.

VI LITIGATION PENDING BY AND OR AGAINST MUMBAI UNDIVIDED ENTITIES

As on the date of this Prospectus, there are family disputes between some of our Promoters and the G. L. Raheja family as a result of which there could arise, from time to time, claims and counterclaims, between some of our Promoters and the G. L. Raheja family. Some of these claims and counterclaims may have an impact on our Promoters. Our Promoters believe that such claims and counterclaims may not have a impact on our Company except for the dispute relating to the premises from which we operate our store at Bangalore and the potential risk regarding K.R. Trends as mentioned elsewhere in this chapter of the Prospectus. Nevertheless, the existence, value, impact and resulting liability, if any with regard to such claims cannot be ascertained as on the date of this Prospectus. The details of the correspondence between the two groups in relation to the Red Herring Prospectus is contained in this chapter under the heading of potential litigations. Further, the Promoters have disclosed in this chapter, the details of litigations relating to the Mumbai Undivided Entities in respect of which they and/or Mumbai Undivided Entities are involved and in respect of which proceedings or other papers are available with them. However, due to the nature of the family disputes and given that follow-up action with respect to the distribution of the Mumbai Undivided Entities and South Undivided Entities was not completed and is outstanding, the Promoters cannot state with certainty that the list encompasses all litigations in relation to the Mumbai Undivided Entities as it may be possible that certain papers relating to legal proceedings may be in the possession of the G.L. Raheja family.

Consequently, neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to the Mumbai Undivided Entities as made in this Prospectus. It is also possible that the disclosures made in relation to the Mumbai Undivided Entities as contained in this Prospectus may be further disputed by the G.L. Raheja group. To the extent possible, our Promoters have quantified the liability or contingent liability in respect of the said entities. However the same is inter-alia based on non-finalised and disputed accounts between the G.L. Raheja group and our Promoters and would in most likelihood be disputed and contested as incomplete or inaccurate by the G.L. Raheja group.

By the Mumbai Undivided Entities

A) **Pending Arbitration Proceedings**

To the best of our Promoter's knowledge there are none.

B) **Litigation Pending – FEMA**

To the best of our Promoter's knowledge there are none.

C) **Litigation Pending – Income Tax**

The G. L. Raheja family and the C. L. Raheja family have separately in their possession various documents, papers, records, assets, etc. of Mumbai Undivided Properties and Entities which has made finalisation of accounts, audit, filing of various returns and forms with different authorities and various other statutory compliances difficult and has resulted in the same not having being completed for several years. Several filings and compliances have not been made due to the said disputes. In respect of some of the Mumbai Undivided Properties and Entities where the returns of income-tax (under the Income Tax Act) were filed for some of the years after the Arrangement, the tax and penalty demands and tax refunds have been disclosed elsewhere in this Prospectus. However, due to the said non-filings and non-compliances as on the date of this Prospectus, our Promoters are unable to state with certainty about any tax refunds. Further, due to the said family disputes, in respect of the period prior to the said Arrangement, other than the tax refunds disclosed elsewhere in this Prospectus our Promoters are unable to state with certainty in respect thereof.

Assessment Year-1994-1995
Lakeside Hotels Ltd
The company has filed an appeal before the Commissioner of Income Tax (Appeals), against the disallowance of interest amount of Rs.10,000/- out of the project cost made by the A.O. in respect of the aforesaid assessment year. The matter is pending.

D) **Litigation Pending – Sales Tax / Luxury Tax**

To the best of our Promoter's knowledge there are none.

E) **Litigation Pending – Customs and Excise Gold Control Appellate Tribunal Among other things**

To the best of our Promoter's knowledge there are none.

F) **Litigation Pending – Money Recovery**

Bombay High Court
Suit No. 1149 OF 1975
Suresh L. Raheja v/s. Manchoer Ebrahim Shirazi & Others
(Under the provisions of Specific Relief Act, 1963)

The above suit was filed by the plaintiff for seeking inter-alia a declaration from the High Court that the agreement for sale dated May 28, 1974 executed between plaintiff and the defendants whereby the plaintiff agreed to purchase certain immovable property situated at the junction of 16th Road and Turner Road, Bandra is a valid, subsisting and binding agreement for sale and that the defendants be ordered to specifically perform the said agreement for sale and that the defendants be ordered to disclose all documents of title relating to the said immoveable property and give inspection thereof and to execute a conveyance and assignment and take all actions necessary to vest title of immovable property in favour of the plaintiff. In the alternative to the aforesaid the plaintiff sought that the defendants be ordered

(i) To pay Rs.500,000/- or such other sum as the High Court deem fit with interest thereon at 6%;

(ii) Rs.500,000/- with interest at 6% from May 28, 1974 till payment or realization and that in default the property be sold and sale proceeds be applied to satisfaction of the plaintiff's claim and that the plaintiff be at liberty to bid at the sale,

and that pending hearing and final disposal an injunction restraining the defendants their servants and agents from selling, disposing or alienating the said property be given and a Court Receiver be appointed.

Consent terms were signed on November 22, 1985 in respect of undivided half share in the property of Pasha Begum, Laleh Busheri and Ebrahim Busheri. On August 20, 1997 further consent terms were filed by Defendant No. 2 who is Mahmood Shirazi in respect of his undivided 12.5 % share in the immovable property.

Bombay High Court
Summary Suit No.3872 of 2003
Wiseman Finance Pvt. Ltd. V/s Beautiful Realtors Pvt Ltd.

Wiseman Finance Pvt. Ltd, the plaintiff had placed with Beautiful Realtors Pvt Ltd., the defendant an inter corporate deposit of Rs.3,500,000/- on or about September 10, 1997 with interest thereon at the rate of 20.5 % per annum. The defendant had paid interest up to January 15, 2000 and thereafter stopped the payment of interest. As the defendant failed to pay the inter corporate deposit with interest due thereon, despite a notice sent by the plaintiff's advocate, a suit was filed under Order XXXVII of the Code of Civil Procedure, 1908 for recovery of Rs.6,222,568/- (comprising of a principal amount of Rs. 3,500,000/- and Rs. 2,722,568/- towards accrued interest thereon at the rate of 20.5% and further interest at the rate of 20.5 % per annum or at such other rate as the Hon'ble Court may deem fit from the date of suit).

Thereafter the plaintiff has taken summons for judgment being No. 884 of 2004 which is returnable on April 11, 2005.

Bombay High Court
Summary Suit No.3739 of 2003
Wiseman Finance Pvt. Ltd.
V/s. Dagina Collections Pvt. Ltd. (formerly known as Lexus Investments Pvt. Ltd.)

Wiseman Finance Pvt. Ltd., the plaintiff had placed with Dagina Collections Pvt. Ltd., (the defendant) an inter corporate deposit of Rs.3,000,000/- on or about September 10, 1997 with an interest thereon at the rate of 20.5 % per annum. The defendant paid interest up to January 15, 2000 and thereafter stopped the payment of interest. As the defendant failed to pay the inter corporate deposit with interest due thereon, despite a notice sent by the plaintiff's advocate, a suit was filed under Order XXXVII of the Code of Civil Procedure 1908 for recovery of Rs. 5,333,630/- (comprising a principal amount of Rs. 3,000,000/- and Rs. 2,333,630/- towards accrued interest thereon calculated at the rate of 20.5% and with further interest at the rate of 20.5 % per annum from the date of the suit or from November 1, 2003 till payment and /or realization).

The summons for appearance of defendants was served on the defendants. The above matter was heard by Justice D. G. Karnick on May 3, 2005 and an order of decree was passed in terms of summons for judgement.

Bombay High Court
Summary Suit No.3970 of 2003
Wiseman Finance Pvt. Ltd. V/s. Beautiful Diamonds Ltd.
Wiseman Finance Pvt. Ltd., the plaintiff had placed with Beautiful Diamonds Ltd., (the defendant) an inter corporate deposit of Rs.3,500,000/- on or about September 10, 1997 with interest thereon at the rate of 20.5% per annum. The defendant paid interest up to January 15, 2000 and thereafter stopped the payment of interest. As the defendant failed to pay the inter corporate deposit with interest due thereon, despite a notice sent by the plaintiff's advocates, a suit was filed under Order XXXVII of the Code of Civil Procedure 1908 for recovery of Rs.6,222,568/- (comprising the principal amount of Rs. 3,500,000/- and Rs. 2,722,568/- towards accrued interest thereon calculated at the rate of 20.5% and with further interest at the rate of 20.5% per annum from the date of the suit or at such other rate as the Court may deem fit).

The writ of summons through Court Bailiff was served on December 22, 2004 on the defendant and Mr.T.N.Tripathi Advocate has intimated that he has filed vakalatnama on behalf of the defendant. Thereafter, the plaintiff through it Advocate has taken out the Summons for Judgement No.68 of 2005 and served the same on the Advocate for the defendants.

HC Summary Suit No.6782 of 1999
Nectar Properties Pvt. Ltd. V/s. ITC Agro – Tech Finance & Investments Ltd.
The above summary suit has been filed under Order XXXVII of the Code of Civil Procedure 1908 by Nectar Properties Pvt. Ltd. claiming for refund of inter-corporate deposit of Rs.7,300,0000 /- together with interest thereon. By its order dated December 16, 2000 the Court has granted to the defendants unconditional leave to defend the suit. The suit is transferred to the list of commercial causes.

G) **Economic / criminal / civil offences by Mumbai Undivided Entities, companies and firms promoted by the Mumbai Undivided Entities and past cases in which penalties were imposed by the concerned authorities**

FIR No. PC 0354 dated 3/12/1999 , Case No 29/2000 before the Judicial Magistrate F. C. Court No. 3 Criminal Complaint filed by Mr. A.D. Prabhu on behalf of Paramount Hotels Ltd.(now K Raheja Corp Pvt. Ltd) , K. Raheja Pvt. Ltd. and Wiseman Finance Pvt. Ltd. on December 2, 1999 with the inspector of Bund Garden against Tropicana Properties Ltd.

A criminal complaint has been filed by Mr. A.D. Prabhu on behalf of Paramount Hotels Ltd.(now K Raheja Corp Pvt. Ltd), K. Raheja Pvt. Ltd. and Wiseman Finance Pvt. Ltd. on December 2, 1999 with the inspector of Bund Garden, Pune against Mr. Bhatnagar of Tropicana Properties Ltd. in respect of forceful occupation by Tropicana Properties Ltd of the office premises on the 2nd & 3rd Floors of Raheja Chambers, Pune. Final report form under section 173 of the Criminal Procedure Code is filed in the Court of Judicial Magistrate Court No. 3 – Pune, Sheet No. 19/2000 dated February 4, 2000. The Court of the Judicial Magistrate has acquitted the accused by its order dated December 31, 2004.

H) **Litigation Pending – Labour, Employees and Trade Unions**

Suit No.1540 of 1997

Raheja Hotels Limited, Paramount Hotels Limited(now known as K Raheja Corp Pvt Ltd) v/s. Rashmi Joglekar. (under the provisions of the Indian Contract Act 1872 and the Specific Reliefs Act, 1963)

A suit was filed by Paramount Hotels Limited (now known as K. Raheja Corp Pvt. Ltd.) seeking inter-alia that the High Court declare that the defendant, an erstwhile manager of the Resort Club at Resort Hotel (owned by Paramount Hotels Limited) has committed breach of contract and of the terms of the employment related bond and is liable to pay to the plaintiff the sum of Rs.1,300,000/- and pay the said amount with interest at 18% p.a. from date of filing the suit till date of payment and pending final hearing to restrain the defendant from taking up employment as indicated in the plaint.

Notices of Motion No.772 of 1999 and 1460 of 1998 have been taken out in this matter. The matter is pending final hearing.

I) **Bank / Financial Institution Defaults**

To the best of our Promoter's knowledge there are none.

J) **Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits**

To the best of our Promoter's knowledge except as disclosed under this section titled 'Outstanding Litigation in this Prospectus there are none.

K) **Disciplinary action taken by SEBI / Stock Exchanges against the Mumbai Undivided Entities / business ventures of the Mumbai Undivided Entities**

To the best of our Promoter's knowledge there are none.

L) **Arrears on cumulative preference shares by Mumbai Undivided Entities and/or companies /firms promoted by the Mumbai Undivided Entities**

To the best of our Promoter's knowledge except as disclosed under section titled 'Our Promoters' in this Prospectus there are none.

M) **Pending Litigations of companies/firms/ventures with which Mumbai Undivided Entities were associated in the past in case their names continue to be associated with the particular litigations**

To the best of our Promoter's knowledge except as disclosed under this section titled "Outstanding Litigation' in this Prospectus there are none.

N) **Potential Litigation**

To the best of our Promoter's knowledge except as disclosed under this section titled "Outstanding Litigation' in this Prospectus there are none.

Against the Mumbai Undivided Entities

A) **Pending Arbitration Proceedings**

To the best of our promoters' knowledge except as disclosed under section titled "Outstanding Litigation' in this Prospectus there are none.

B) **Litigation Pending – FEMA**

To the best of our Promoter's knowledge there are none.

C) **Litigation Pending – Income Tax**

Assessment Year 1991-92.
Rendezvous Estates Pvt. Ltd.
In respect of the assessment for the aforesaid year, The **Assessing Officer** (AO)had made following additions : -

1. Interest of Rs.261,448/- was disallowed on the ground that the company had advanced interest free loan of Rs.1,800,000/- to M/s. Juhu Beach Resorts Pvt. Ltd.,
2. The AO had added a sum of Rs.807,890/- representing profit on sale of plot at Lonavala under the head 'business profit' even though the same was offered for taxation by the company under the head "long term capital gain'.

The company had appealed to the Income Tax Appellate tribunal (ITAT) against the aforesaid additions made by the AO which were sustained by the Commissioner of Income Tax (Appeals) in the appeal filed before him.

Both these additions were deleted by the Tribunal vide order dated October 25, 2002.

The Department has moved Notice of Motion No.1460 of 2003 dated April 30, 2003 before the High Court for condonation of delay in filing the appeal. The matter is pending before the High Court.

Assessment Year – 1999-00
Rendezvous Estates Pvt. Ltd.,
Notice under section 154 dated January 25, 2005 received indicating that there was an error in computing interest under section 234B of Rs.14,818/- and hence hearing for the same was fixed on February 3, 2005. On the date of hearing it was orally explained that there was no mistake in computing interest under section 234B. A letter to that effect has been filed on February 9, 2005.

Assessment Year:1997-1998
Dindoshilla Estate Developers Pvt.Ltd
The company was served a show cause notice under section 271. The firm has vide its letter has requested the department to drop penalty proceedings against the company for the reason stated in the said letter. These are penalty proceedings which may be time barred under section 275 of the I.T. Act.

Assessment Year 1998-99
Crown Enterprises
Penalty under section 271 B of Rs.23,908/- was raised. The company has filed a letter stating that this demand may please be adjusted against refund due for earlier years of Rs.27,384/-. No communication has been received thereafter.

Pursuant to order under section. 154 dated April 20, 2001 demand of Rs.580/- was raised – demand is still outstanding.

Assessment Year 1999-2000
K.Raheja Services Pvt.Ltd
The company 's return was processed under section. 143(1)(a) vide intimation dated September 29, 2000 and demand of Rs.1,971/- was raised since no credit for TDS was granted of Rs.34,227/- . letter seeking rectification was filed on February 5, 2001 however no communication is received from department.

Assessment Year – 1992-93 (Wealth-Tax)
Lachmandas Sevaram Family Trust
Notice of demand under section 30 of the Wealth Tax Act 1957 was received raising demand of Rs.29,170/- The trust vide letter dated April 26, 1995 sought for rectification and deletion of demand. There is no communication from the income tax department thereafter deleting the said demand.

Assessment Year – 1993-94
Lachmandas Sevaram Family Trust
Through letter dated September 20, 1994 income tax department intimated that demand of Rs.37,659/- is outstanding. The trust vide letter October 12, 1994 pointed out that the demand has arisen since no credit for pre paid taxes was granted. However, through order under section 154 dated September 30, 1994 income tax department has granted credit for prepaid taxes. In view of that it was stated that no demand was outstanding. However, there is no further communication from the income tax department thereafter.

Assessment Year – 1995-96
Lachmandas Sevaram Family Trust
Through intimation under section 143(1) (a) of the Income Tax Act a demand of Rs.29,113/- was raised. Trust vide letter dated May 6, 1996 has sought rectification for deletion of this demand. However, there is no further intimation from the income tax department.

Assessment Year – 1997-98
Lachmandas Sevaram Family Trust
Through intimation under section 143 (1) (a) of the Income Tax Act, a demand of Rs.126,321/- was raised. Trust vide letter dated January 15, 1998 had sought rectification for deletion of demand. Demand was raised, since credit for pre paid tax was not given. However, through letter dated February 10, 1999 the income tax department has intimated the trust that the same demand is outstanding. In reply to this letter, the trust vide letter February 15, 1999 once again pointed out that the matter is pending rectification and requested deletion of demand. There after there is no communication from the department.

Assessment Year – 1994-95
Springleaf Properties Pvt. Ltd.
The company is in receipt of letters dated June 19, 1998 and July 17, 1998 stating that income tax demand of Rs.8,867/- is outstanding for the aforesaid year. The company has replied vide letter dated July 09, 1998 filed on August 13, 1998 stating that the actual demand of Rs.8,995/- which was raised through order under section 154 dated May 15, 1997 was paid by the company on May 24, 1997 as per the copy of challan enclosed in the said letter. The company has stated that it appears that credit for the said tax paid is not given due to which the demand remains outstanding and hence to give credit for the same and to delete the demand. No order of rectification has been received cancelling the said demand.

Assessment Year – 1998-99
K. R. Finance
The firm has on April 20, 2005 received a letter dated April 1, 2005 from the Tax Recovery Officer raising a demand of Rs. 36,000/- on account of interest under section 220(2) of the I.T. Act., on account of delay in payment of tax. The amount of Rs. 36,000/- has been paid.

Assessment Year – 1990-91
K. R. Finance
The firm was in receipt of Notice of demand under section 156 dated March 16, 1993 for Rs.1,071/- pursuant to order under section 143 (3) of Income Tax Act. The company had filed an appeal before CIT (A) in respect of certain additions made by A.O. and the CIT (A) allowed the appeal in firm's favour. The firm has not received an order giving effect to CIT (A)'s order which it has sought vide its letter dated April 29, 1995 addressed to the Asst. Commissioner of income tax. And no intimation is received deleting the said demand.

Assessment Year – 1998-99
Honey Dew Corporation
Notice of demand dated September 25, 2001 under section 156 of the Income-tax Act was issued claiming a demand of Rs.30,775/- in pursuant to order passed under section 271 (1) (b) for levying penalty. The above demand is paid on October 4, 2001. Hence there is no potential litigation.

Assessment Year – 1985-86
K.R. Foundation
Notice of demand dated July 20, 1987 received raising demand of Rs.237,939/- Against the order of the assessment, appeal was preferred and appeal is fully allowed. However, no order giving effect to CIT(A)'s order is received deleting the demand. On receipt of order giving effect there will be no demand outstanding.

On completion of assessment, penalty proceedings initiated under section 273 (2) (b) and 271 (1) (a) vide notice dated July 20, 1987. No order is received cancelling the penalty.

The above penalty proceedings have become time barred in view of section 275.

Assessment Year 1991-92.
K. Raheja Financiers & Investors
Letter dated October 16, 2001 and letter received on October 3, 2002 from Assistant Commissioner of Income-tax, Circle 19 (1) intimating about tax arrears for assessment year 1991 – 92 of Rs.34,905/-.

The firm vide its letters dated April 30, 1996 and January 25, 2001 had pointed out the income tax department that no demand was outstanding. A tax working was attached with the letter indicating that all the taxes on the assessed income were already paid. However, the income tax department had not taken cognizance of the correspondence from the assessee. Hence as per department's record, tax of Rs.34,905/- was still pending which is evident from the last letter dated October 3, 2002. Thereafter, there is no further notice received from the department for the outstanding arrears.

Assessment Year 1995-96.
K. Raheja Financiers & Investors
Letter No.ACIT 19 (1)/rec/184 – 2002-03 and letter dated October 16, 2001 was received indicating demand of Rs.19,061/- as payable. This demand is arisen since no TDS certificate was attached with the return as the same was not received from the party. The TDS certificate is not available till date. Hence this demand is still outstanding.

Assessment Year 1997-98.
K. Raheja Financiers & Investors
Letter No.ACIT 19 (1)/rec/184 – 2002-03 and letter dated October 16, 2001 was received indicating demand of Rs. 1330/- as payable. This demand had arisen since there was an error in computing income through order under section.143(3). The firm has sought rectification through letter April 4, 2000. However, order rectifying the error was not passed hence the demand was still outstanding.

Assessment Year 1994-95.
Juhuchandra Agro Development Pvt. Ltd.
The company was assessed under section 143 (3) of the Income-tax Act, pursuant to which demand of Rs.3860/- was raised. The company vide its letter dated May 3, 1996 filed on May 10, 1996 stated that during the year, the company's income was assessed at loss of (-) Rs.5,560/-. Hence no tax was payable. Hence demand of Rs.3,860/- was raised incorrectly.

There was no communication thereafter from the department deleting the said demand.

Assessment Year – 1993-94.
Springleaf Properties Pvt. Ltd.,
Order under section 154 received raising demand of Rs.3,473/-. Company vide letter dated April 15, 1997 pointed out that the tax payable by the company of Rs.1,571/- as against Rs 3,473/-. Demand of Rs.1,571/- is still outstanding.

Assessment Year – 1982-83
K.L. Trust
Demand of Rs.62,326/- raised through notice of demand dated March 28, 1985. Assessee vide letter dated May 3, 1985 sought rectification and requested for deletion of the demand. order under section.154 was passed for rectifying the error However no notice of demand was issued deleting the demand. Through notice under section.221 (1) dated September 16, 1988 it was pointed out that the demand is still outstanding . The trust vide letter September 26, 1988 has pointed out that the rectification is already carried on and no demand is there for outstanding. The trust has not received any further communication from the department.

Assessment Year – 1986-87
K.L. Trust
Notice under section 221(1) dated February 24, 1992 was received indicating demand of Rs.2,794/- was pending. . The company filed a letter dated March 11, 1992 stating that the actual demand payable by the company is only Rs.552/- as per tax working enclosed. There is no further communication from the department reducing the demand and the demand is still outstanding.

Assessment Year – 1994-95
K.L. Trust
Demand of Rs.565/- was raised through intimation under section 143(3) dated March 2, 1995. The trust has filed letter dated October 31, 1996 stating that the demand had arisen on account of interest under section 234B wrongly charged. Hence request for deletion of demand was made. However, there is no communication from the department deleting the aforesaid demand.

Assessment Year 1999-2000
East Lawn Resorts Ltd
On completion of assessment under section 144 penalty under section 271(1)(c) was initiated vide notice dated March 14, 2002. In response to this notice a letter dated March 27, 2002 was filed requesting the assessing officer to drop the penalty proceedings. However, till date no communication is received from the department.

As per provision of section 275 this penalty proceedings has become time barred.

Assessment Year - 1983-84
Satguru Enterprises
On completion of assessment, penalty proceeding under section 271(1)(a) was initiated vide notice dated January 16, 1986. The firm vide its letter dated April 24, 1986 requested for canceling the penalty proceedings since the same were wrongly initiated. However, no intimation is received from the income tax department dropping the penalty proceedings till date.

The above penalty proceedings have become time barred in view of section 275.

Assessment Year - 1984-85
Satguru Enterprises
Demand of Rs.16,050/- was raised on completion of assessment under section 143 (3) vide notice of demand dated August 20, 1986. Out of this demand, the company paid an amount of Rs.4,115/- on March 24, 1990. For the balance demand of Rs.11,935/-, firm has sought waiver through letter dated August 19, 1988 and July 12, 1991. However, till date firm is not favoured with any rectification withdrawing the interest so charged of Rs.11,935/-.

Assessment Year 1992-93
M.R. Combine
A notice of demand dated May 25, 1993 was received under section 156 of the I.T. Act. Notice raised due to credit not being given for self assessment tax.

Assessment Year – 1989-90
Fems Estates (India) Pvt. Ltd.
Through intimation dated October 21, 1991 demand of Rs.379 was raised. Company vide its various letters dated May 14, 1992, July 15, 1998 pointed out that the demand was erroneously raised and needs to be deleted. However no intimation deleting the demand is received from the department till date.

Fems Estates (India) Pvt. Ltd.
Intimation received from income tax department for following pending demands. No further papers in record.

A.Y.	Order ref	Demand Payable
98-99	143(1)(a)	3,516/-
97-98	143(1)(a)	38,242/-

Since the G.L. Raheja group is filing returns independently after the Arrangement, the details of potential litigation and tax liabilities if any after that date is not within our Promoter's knowledge.

Assessment Year 1996-97
K.R.Developers Pvt.Ltd
The company's return was assessed under section 143(3) and demand of Rs. 68,535/- was raised the company vide letter dated February 2 , 1999 pointed out that there is an error in calculating of demand and actual tax payable as per assessee's tax working is Rs.48,974/- this amount is paid by the company on December 18, 1998 . However there is no communication from the department deleting the balance demand.

Assessment Year 1997-98
K. R. Developers Pvt. Ltd.
There is no demand outstanding since tax of Rs. 69,944/- is paid in pursuant to rectification order dated March 17,2004.

Assessment Year 1997-98
K. R. Developers Pvt. Ltd.
The company is in receipt of order dated September 23, 2002 raising a demand of Rs.100,000/- from the Assistant Commissioner of income tax under section 271B. In this respect the company has replied vide its letter dated August 12, 2003 stating that while computing the quantum of penalty under section 271 B, a mistake had occurred and the penalty works out to Rs.35,163/-. The company has paid the said sum of Rs.35,163/- as penalty. Order dated August 13, 2003 rectifying this error is received and penalty of Rs.35,171/- is levied . The company has paid demand of Rs. 35,163 /- on August 11, 2003.

Assessment Year 1999-2000
K.R.Developers Pvt. Ltd.
On completion of assessment under section 144 penalty of Rs.10,000/- under section 271(1)(b) was raised vide order dated September 23, 2002 The demand was paid on February 21, 2005 along with interest under Section 220(2) of the I.T. Act aggregating to Rs.13,175/-.

Assessment Year 1993-94
S. K. Estates Pvt. Ltd.
The company is in receipt of letter dated September 10, 2004 from the income tax officer stating that Rs.53,599/- is the amount of unpaid demand raised against the company. The company has vide its letter dated December 23, 2004 stated that as per the detailed tax workings enclosed therein, there is no tax liability outstanding for the aforesaid year and hence to delete the demand. No rectification order has been received cancelling the demand.

Assessment Year 1997-98
S. K. Estates Pvt. Ltd.
The company is in receipt of letter dated September 10, 2004 from the income tax officer stating that Rs.6880/- is the amount of unpaid demand raised against the company. The company has vide its letter dated December 23, 2004 stated that as per the detailed tax workings enclosed therein, there is no tax liability outstanding for the aforesaid year and hence to delete the demand. No rectification order has been received cancelling the said demand. An order under section 220(2) of the I.T.Act was received on February 16, 2005 raising a demand of Rs.6,880/- and the same has been paid on February 21, 2005.

Assessment Year 1991-92
Suruchi Trading Pvt. Ltd
The company 's income was assessed under section. 143(3) and notice of demand dated March 16,1996 determining tax demand of Rs. 108,380/- company vide letter dated March 30, 1994 pointed out that company is entitled for refund of same amount of Rs. 108,380/- and hence this error needs to be rectified however there is no communication from the department and refund is still pending.

Assessment Year 1999-2000
Suruchi Trading Pvt. Ltd.
The company is in receipt of letter dated September 15, 2004 from the income tax officer stating that tax demand of Rs.52,272/- and penalty under section 271A of Rs. 25,000 /- is the amount of unpaid demand raised against the company and to pay the same immediately failing which coercive measures would be taken against the company without further notice. The company had vide its letter dated July 29, 2002 stated that a refund of Rs 108380/- is due to the company for the Assessment Year 1991-92 which was determined on the basis of order under section 143(3) but the same is not granted. The said refund also qualifies for interest under section 244A and the company has sought the net amount as refund after adjustment of the aforesaid tax demand. No communication has been received adjusting the said tax demand against the refund due.

Assessment Year1992-93
Peninsular Housing Finance Pvt. Ltd.
Notice of demand under section. 221(1) dated September 30, 2004 has been issued by the Income tax officer stating that income tax demand of Rs 17,666/- is outstanding. In this respect the company has vide its letter dated September 14, 2004 addressed to the A.O. has stated that this demand along with interest is already adjusted against refund for A.Y 1991-92 and A.Y. 1994-95 and hence to delete the demand. No communication has been received deleting the said demand against the refund due.

Assessment Year 1985-86
Rendezvous Estates Pvt. Ltd.
Notice of demand dated February 5, 1990 under Section 30 of the Wealth Tax Act 1957 was issued raising a demand of Rs.26,900/-. The company has vide its letter dated May 16, 1990 sought rectification of the assessment order dated February 5, 1990 passed for the aforesaid assessment year. In the said letter the company has contended that the addition made by the Wealth Tax officer in respect of the value of land should be Rs.56,670/- only and not Rs.872,463/- as taken by the assessing officer and to rectify the said error and issue a revised notice of demand. The company has vide another letter dated May 17, 1990 has further requested that recovery of the demand raised on completion of the assessment be kept in abeyance till the aforesaid error is rectified and fresh demand notice issued.

Assessment Year 1986-87
Rendezvous Estates Pvt. Ltd.
Notice of demand dated December 12, 1990 under Section 30 of the Wealth Tax Act 1957 was issued raising a demand of Rs.38,492/-. The demand is raised on account of two additions, one of Rs. 6,66,000 and second of Rs.1,266,613/- to value of land declared through return. The company filed appeal to CIT (a) on April 9, 1991. Vide appeal No. CIT (A)/3/Wt/Cir.6/ 10/91-92 dated October 5, 1993 allowed relief in respect of additions of Rs.1,266,613/-. Through order giving effect to CWT (a)'s order passed on February 8, 1994 demand of Rs.21260/- is raised. Company has filed a letter dated March 16, 1994 filed on March 21,1994 has requested the department to rectify the error in computing the tax demand the actual demand payable by the company is Rs.13,656/- since no credit for self assessment tax of Rs. 14,704/- paid on October 7,1986 is granted. Thereafter there is no communication from the department and demand is still pending

Assessment Year 1987-88
Rendezvous Estates Pvt. Ltd.
Notice of demand dated December 12, 1990 under Section 30 of the Wealth Tax Act 1957 was issued raising a demand of Rs.39,151/- The demand is raised on account of two additions, one of Rs. 666,000/- and second of Rs.1,423,798/- to value of land declared through return. The company filed appeal to CIT (a) vide appeal No. CIT (A)/3/Wt/Cir.6/ 10/

91-92 dated October 13, 1993 allowed relief in respect of additions of Rs.1,423,798/.- Through order giving effect to CWT (a)'s order passed on February 8,1994 demand of Rs.17,457/- is raised. Company has filed a letter dated March 16, 1994 filed on March 21, 1994 has requested the department to rectify the error in computing the tax demand the actual demand payable by the company is Rs.11,241/- since no credit for self assessment tax of Rs.14,037/- paid on July 7,1987 is granted. Thereafter there is no communication from the department and demand is still pending.

Assessment Year 1988-89
Rendezvous Estates Pvt. Ltd.
Notice of demand dated December 17, 1991 under Section 30 of the Wealth Tax Act 1957 was issued raising a demand of Rs.46,887/-. The demand is raised on account of two additions, one of Rs.666,000/- and second of Rs.1,730,632/- to value of land declared through return. The company filed appeal to CIT (A) vide appeal No. CIT (A)/xv/6/wt/15/91-92 dated October 10, 1994 allowed relief in respect of additions of Rs.1,730,632/-. However no order giving effect is passed through letter filed on November 17,1994 company had made a request for order giving effect, it is further stated in the letter that after considering relief granted by CIT (A) the company will be liable to pay Rs.10,112/- thereafter there is no communication from the department.

Assessment Year 1994-95
Rendezvous Estates Pvt. Ltd.
Notice of demand dated March 31,1997 under Section 30 of the Wealth Tax Act 1957 was issued raising a demand of Rs.71,006/- on completion of assessment vide order dated March 31, 1997 The company has vide its letter dated May 22, 1997 sought rectification of the assessment order in respect of the valuation of the Lonavala plot as per the detailed working given therein interalia based on the ITAT order for assessment year 1991-92. The value of the said property as stated by the company in the said letter is Rs. 3,232,414/- and the company has sought rectification, substituting the above value for Rs.9,616,940/- adopted by the assessing officer. No order for rectification has been received to date.

Assessment Year 1999-2000
Rendezvous Estates Pvt. Ltd.
Notice of demand dated September 27, 2002 under section 156 of the Income Tax Act was issued raising a demand of Rs.10,000/- along with order under section 271(1)(b). Dated 27,2002- .The above demand is still outstanding.

Rendezvous Estates Pvt. Ltd.
Assessment year – 1999-00
Through letter dated July, 15 2004, Income tax department has intimated that demand of Rs.652186/- is pending. The demand was raised on completion of assessment under section 144. This demand along with interest, total aggregating to Rs.7,97,955/- was adjusted against refunds due for earlier years of Rs.11,73,552/-. Hence the company received refund order dated November, 9 2004 for Rs.3,75,597/- only against refund due for Rs. 1,173,552/-.

Assessment Year 1999-00
Nectar Properties Pvt. Ltd.
The company is in receipt of notice of demand dated February 4, 2003 stating that Rs.3,167,250/- are the tax arrears for assessment year 1999-00.

An order of attachment dated April 07, 2003 has been passed by Tax Recovery Officer attaching the property of the company being Flat no.603, Nectar 1, Nectar Co-operative Housing Society, Shirley Village, Bandra (West), Mumbai – 400 050. This property is to be auctioned as intimated by TRO –9(2) vide letter dated December 6, 2004. The auction was first held on December 21, 2004. However the same was adjourned since there was no bidder for the property. No fresh date of auction is announced.

Assessment Year 1999-00
Nectar Properties Pvt. Ltd.
The company is in receipt of notice of demand dated September 30, 2002 stating that a sum of Rs.25,000/- is payable. The said demand is in respect of penalty levied under section 271 A. The above demand is still outstanding.

Assessment Year 1990-91
K. R. Consultants Pvt. Ltd.
The notice of demand for Rs.19330/- was erroneously raised for A.Y. 1990-91 This demand pertains to A.Y. 1986-87 which was already deleted vide order dated August 18, 1998.

Assessment Year 1999-00
K. R. Consultants Pvt. Ltd.
The company is in receipt of notice of demand dated September 29, 2004 for Rs.25,000/- along with interest under section 220 (2). The company has vide its letter dated November 6, 2004 addressed to the income tax officer stated that the company is entitled for a refund of Rs.14,377/- for assessment year 1986-87 and refund of Rs.6,381/- for assessment year 1987-88 aggregating to Rs.20,758/-. The letter further states that interest on the aforesaid difference works out to Rs.43,288/- and hence to adjust the aggregate refund due of Rs.64,064/- against the aforesaid demand and issue refund order for the balance amount of Rs.39,046/-. Till date no order granting any refund has been received nor the demand for Rs.25,000/- cancelled on income tax department's records. For A.Y. 1986-87 demand of Rs. 14,377/- was wrongly raised and was adjusted against refund for A.Y. 1987-88. An application for deleting the demand and also for wrong adjustment against refund is pending.

Assessment Year 1985-86
K. R. Properties And Investments
The firm is in receipt of notice of demand dated March 31, 1987 and notice under section. 221(1) dated August 8, 1991 raising a demand of Rs.510/-. The firm has vide its letter dated August 14, 1991 addressed to the income tax officer stated that on the basis of assessment completed, the tax payable by the firm was Rs.71,614/- against which if advance tax paid Rs.46,350/-, self assessment tax paid Rs.13,454/- and TDS on interest Rs.11,610/- aggregating to Rs.71,610/- are set-off no tax is payable. No rectification order has been passed as yet canceling the said demand.

Assessment Year 1983-84
K. R. Properties And Investments
The firm is in receipt of notice of demand dated March 25, 1986 and notice under section. 221(1) dated September 14,1988 & Notice under section. 221(1) dated August 8, 1991 raising a demand of Rs.1,500/-. The firm in reply to all these notices has filed letters dated November 7, 1986, September 22, 1988 and August 14, 1991, through all these letters the firm has pointed out that demand has arisen since credit for TDS amounting to Rs.7,238/- is not granted. It is further stated that on granting credit, the firm will be entitled for refund of Rs.5,738/- . No rectification order has been passed as yet canceling the said demand and no refund is issued.

Assessment Year 1991-92
K.Raheja Investment & Finance
The firm was served a show cause notice under section 271 (1) (c). The firm has vide its letters has requested the department to drop penalty proceedings against the company for the reason stated in the said letters. These are penalty proceedings which may be time barred under section 275 of the I.T. Act.

Assessment Year 1997-98
K.Raheja Investment & Finance
Order under section 154 received on March 5, 2001 rectifying the error committed in order passed under section 143(3) dated March 6, 2003 along with challan of Rs.30,170/- Out of this demand the firm paid tax of Rs. 20,207/- and for balance tax rectification letter dated March 13, 2001 was filed asking for deletion of excess tax demanded .No order rectifying the above error and deleting the demand is passed till date.

Assessment Year 1985-86
Oystershell Estate Development Pvt. Ltd.
The company is in receipt of notice of demand under Section 30 of the Wealth Tax Act 1957 dated June 21, 1991 for Rs.9,176/-. The demand was raised on completion of wealth tax assessment under section. 16(3) company filed appeal before CIT(a) vide appeal no . CIT(a)/XV/Cir.6/Wt/8/91-92 and CIT(A) granted us relief vide order dated October 10, 1993. However order giving effect to CIT(a) 's order is yet to be passed company has filed a letter on November 17, 1994 asking for relief . As per the working mentioned in the letter the company is liable to pay Rs. 2548 /- as against Rs.9,176/- . Demand of Rs.2,548/- is still outstanding.

Assessment Year 1984-85 & 1996-97
Marina Corporation
1985-86 The firm is in receipt of letter No. 170/m/ac-27(1) dated July 3, 1992 & letter received dated July 8, 1993, & ACIT-19(1)/rec-265/2002-03 & JCSR-44/Recovery/807m/2001 dated November 20, 2000 intimating to us the demand pending of Rs. 1591/- . For A.Y. 1997-98 the assessee received less refund and on making verbal inquiry from the department the assessee was informed that the demand of Rs. 1551/- along with interest was adjusted against refund for A.Y. 1997-98

Although there is no potential demand there is no written intimation from the department for deletion of demand.

Assessment Year 1996-97
Marina Corporation
The firm is in receipt of notice of demand dated March 31,1998 raising a demand of Rs. 448 /- on completion of assessment under section. 143(3). Through letter dated July 8 ,1998 the firm sought rectification requested to delete the demand. However no rectification order was passed . Further letters dated letter No. ACIT-19(1)/rec-265/2002-03 & JCSR-44/Recovery/807m/2001 dated November 20, 2000 intimating to assessee the demand pending of Rs. 448/- were issued thereafter. For A.Y. 1997-98 the assessee received less refund and on making verbal inquiry from the department the assessee was informed that the demand of Rs. 448 /- was adjusted against refund for A.Y. 1997-98 . Letter intimating the department about the adjustment was filed on February 23, 2001.

Although there is no potential demand there is no written intimation from the department for deletion of demand.

Assessment Year 1999-00
Raheja Hotels Limited
The company was assessed under Section 144 of the Income tax Act pursuant to which demand of Rs.81,462/- was raised by notice dated March 28, 2002. The company vide its letter dated August 2, 2002 has written to the income tax officer stating that the company is entitled to a refund in an earlier year which can be adjusted against the outstanding tax. No order/intimation has been received from the income-tax department adjusting the demand outstanding against the said refund due.

Assessment Year 1999-00
Raheja Hotels Ltd.
An order dated September 27, 2002 levying penalty under Section 271 (1) (b) was passed against the company pursuant to which demand of Rs.10,000/- was raised by the income tax officer in his notice of the same date. The said demand is outstanding

Assessment Year 1993-94
Raheja Hotels Ltd.
Since the demand of Rs. 64,500 is already adjusted against refund of A.Y. 1996-97 which is apparent from 143(1)(a) dated March 3, 1997 there is no potential demand for this year - letter dated July 9,1998 is filed seeking refund of tax adjusted.

General Note :

In some of the cases department has raised demands on account of non granting of credit for prepaid taxes the assessee have requested the department through various letters to delete these demands by granting credit for taxes already paid. Thereafter the dept has not sent any further communication .

By way of illustration we set out below some such instances:

Name of Entity

		A.Y.	Amount
1.	Marina Corporation	1997-98	100,000/-
2.	Chandru Lachmandas HUF	1993-94	56,577/-
3.	Chandru Lachmandas HUF	1992-93	34,980/-

Assessment Year 1988-89
Dindoshila Estate Developers Pvt. Ltd.,
Through notice of demand under section 156 demand of Rs.1063/- was raised. Company vide letter dated May 10 1994, pointed out that this demand was raised erroneously and it was also stated in the letter that, while processing return for 1989-90 through intimation under section 143(1) (a) dated January 22 1990, refund of Rs.870/- was adjusted against demand of Rs.1063/-. Thereafter, there is no intimation from the department.

K.R. Foundation
Assessment Year – 1979-80
Vide notice dated July 17 1982, penalty proceedings under section 271 (1) (a) was initiated. The Trust, vide letter dated September 3 1982 & November 12 1982 requested for dropping the penalty proceedings. However, till date there is no communication from the department.

As per provisions of section 275, the penalty proceedings have become time barred.

Kenwood Enterprises
Assessment Year – 1980-81
On completion of assessment the firm was served with a notice under section 274 read with section 273 dated March 25 1983 initiating penalty proceedings under section 273B. In response to this notice firm filed a letter dated March 5, 1983 requesting the department to drop the penalty proceedings or keep the proceedings in abeyance till the disposal of the appeal filed before CIT(A) is decided. However, till date no communication is received from the department dropping the penalty proceedings.

As per provisions of section 275, the penalty proceedings have become time barred.

Debonair Estate Development Pvt. Ltd.
Assessment Year – 1985-86
Through notice under section 270 read with section 273 dated February 9, 1988, proceedings under section 271(1) (A) & 273 (1) (b) were initiated. Company vide letters dated both dated March, 18 1988, requested for dropping the penalty or keeping the penalty in abeyance till the decision of appeal filed before CIT (A). However, thereafter, there is no communication from the department either for dropping the penalty or otherwise.

As per provisions of section 275, the penalty proceedings have become time barred.

Debonair Estate Development Pvt. Ltd.
Assessment Year – 1996-97
Through letter dated November, 13 1998 penalty proceedings were initiated under section 271(1)(b) for non compliance to notice under section 143(2). The Company vide its letter dated 18th November,1998 clarified that the details called for by the assessing officer are submitted in time and hence penalty proceedings initiated are uncalled for and therefore needs to be dropped. However thereafter there is no communication from the assessing officer dropping the penalty proceedings.

As per provisions of section 275, the penalty proceedings have become time barred.

K.R. Consultants Pvt. Ltd.
Assessment Year – 1988-89
On completion of assessment for 1988-89 penalty proceedings under section 273(1)(b) were initiated. Company vide letter dated March 10, 1989, made a request to drop the penalty proceedings. However, till date there is no communication received for canceling the penalty proceedings.

As per provisions of section 275, the penalty proceedings have become time barred.

Rendezvous Estates Pvt. Ltd.
Assessment Year – 1989-90
On completion of assessment, penalty proceeding under section 271(1)(c) was initiated through notice dated 28 March, 1995. Company, vide letter dated April 26, 1995 requested to keep the penalty proceedings in abeyance till the disposal of appeal filed before CIT (A). However, thereafter there is no communication from the department dropping the penalty proceedings.

As per provisions of section 18(5), the penalty proceedings have become time barred.

Rendezvous Estates Pvt. Ltd.
Assessment Year – 1993-94
On completion of assessment, penalty proceeding under section 271(1)(c) was initiated through notice dated March, 15 1996. Company, vide letter filed on 28 March 1996 requested to keep the penalty proceedings in abeyance till the disposal of appeal filed before CIT (A). However, thereafter there is no communication from the department dropping the penalty proceedings.

As per provisions of section 18(5), the penalty proceedings have become time barred.

Rendezvous Estates Pvt. Ltd.
Assessment Year – 1986-87
On completion of wealth tax assessment, notice under section 15B(3) was issued for initiating penalty proceedings for non payment of tax on assessed wealth. The company vide letter dated April 19, 1991 pointed out that the tax on returned wealth was already paid and since there was an error in assessing the wealth, rectification was sought. However, till date no rectification order is received and the penalty proceedings initiated are pending for disposal.

Rendezvous Estates Pvt. Ltd.
Assessment Year – 1987-88
On completion of wealth tax assessment, notice under section 15B(3) was issued for initiating penalty proceedings for non payment of tax on assessed wealth. The company vide letter dated April 23, 1991 pointed out that the tax on returned wealth was already paid and since there was an error in assessing the wealth, rectification was sought. However, till date no rectification order is received and the penalty proceedings initiated are pending for disposal.

Rendezvous Estates Pvt. Ltd.
Assessment Year – 1988-89
On completion of wealth tax assessment, penalty proceedings under section.18(1)(c) was issued, The company vide letter dated May, 22 1995, requested for dropping penalty proceedings However, till date no communication from the department.

As per provisions of section 18(5), the penalty proceedings have become time barred.

D) **Litigation Pending - Sales Tax/ Luxury Tax**

To the best of our Promoter's knowledge there are none.

E) **Litigation Pending - Customs and Excise Gold Control Appellate Tribunal ('CEGAT')**

To the best of our Promoter's knowledge there are none.

F) **Litigation Pending - Money Recovery and Other Civil Suits**

Suit No. 3385 of 1986
Minocher Ebrahim Shirazi & others
V/s Suresh L. Raheja, Mrs. Pasha Begum Mohammed Jaffer Busheri & Others.
(Under the provisions of Shia Muslim Law and the Civil Procedure Code 1908)

This suit was filed on November 19, 1986 by Mr. Shirazi and others against Mr. S. L. Raheja and Others with regard to the consent terms dated November 22, 1985 signed in Suit No.1149 of 1975.

In this suit Mr.Shirazi and others, the plaintiffs seek from the High Court a declaration that inter-alia the plaintiffs are entitled to exercise right of preemption in respect of undivided half share of the said immovable property situated at junction of 16th Road and Turner Road, Bandra known as 'Busheri' plot which had been transferred under the consent terms by Mrs. Pasha Begum Mohammed Jaffer Busheri to Mr. S. L. Raheja in suit No.1149 of 1975 and that Mr. S. L. Raheja be ordered to convey to the plaintiffs the undivided half share in the property which he has acquired under the consent terms and that pending hearing and final disposal of the suit No.1149 of 1985 of the defendants, his servants, agents, representatives be restrained from selling, transferring, alienating or encumbering the possession of the undivided half share of the property, and a Court Receiver be appointed.

The matter is still pending.

High Court (OOCJ)
Suit No.3453 of 2000
Tropicana Properties Ltd V/S Nectar Properties Private Ltd., K.Raheja Private Ltd., ITC Agro-Tech Finance & Investment Ltd, and others
(Under the provisions of Indian Contract Act, 1887 and Transfer of Property Act, 1887)

The Plaintiff filed the above suit praying that the debt of Rs.73,000,000/- and Rs.35,000,000/- and interest thereon due by [defendant No 6] to [defendant Nos. 1 and 2] respectively stands assigned to the Plaintiff as these Defendants have no right title and interest therein and that these Defendants be injuncted from demanding the said sums from [defendant No.6.]

However the plaint and writ of summons have not been served on these defendants so far and although Mr.C.L. Raheja has been added as a party, no relief is claimed against him.

High Court OOCJ
Suit No 3710 of 2000
ITC Agro-Tech Finance and Investment Ltd V/S Nectar Properties Private Ltd., K.Raheja Private Ltd and others
The Plaintiff has filed the Suit praying that the Promissory Notes executed by the Plaintiff in favour defendant Nos. 1 and 2 for Rs. 6 Crore and Rs.3.50 Crores respectively be cancelled and pending hearing and final disposal of the suit defendant Nos. l and 2 be injuncted from acting upon these Promissory Notes etc. However, the plaint and writ of summons have not been served on K. Raheja Pvt. Ltd. and Mr. C.L. Raheja. This matter involves the provisions of the Transfer of Property Act 1887, the provisions of the Negotiable Instruments Act 1881, the Indian Contract Act of 1872 and the Code of Civil Procedure 1908.

Bombay City Civil Court
C.R.No. 7
L.C. Suit No.3552 of 1988
Somnath Residents Association & Others V/s. The Municipal Corporation for Greater Bombay, Suresh Lachmandas Raheja, Suruchi Trading Pvt. Ltd. & Others
Somnath Residents Association had filed the above suit against the defendants [including inter-alia the BMC. Mr.S. L. Raheja and Suruchi Trading Pvt. Ltd.,] inter-alia seeking pursuant to the provisions of Civil Procedure Code 1908 an injunction restraining the BMC from issuing occupation / completion certificates in respect of the building constructed by Suruchi Trading Pvt. Ltd. on a portion of the property bearing CTS No.46 and CTS 45-A (Part), CTS 44 and CTS 47, situated at 128, D'Mello Compound, Somnath Lane, Hill Road, Bandra and for egress and ingress through the gate of the said building.

In the interim notice taken out by the plaintiffs for restraining BMC from issuing completion certificate, the Court has granted an injunction against the BMC not to issue completion certificate. The trial of the above suit has commenced.

Bombay High Court
Suit No.2726 Of 1989
Clovis Siqueira Vaz (since deceased through his legal heirs and representatives Jeremia Dias Cloris Siqueira Vaz, Charles Clovis Siqueira Vaz, Lloyd Clovis Siqueira Vaz) v/sJoe alias Joseph Pimenta (since deceased through his legal heirs and representatives Authony Joseph Pimenta, Gina Salim Khan, Trevor Francis Pimenta) Mrs. Ruth Sequeira, Bindu Raheja, Suresh L. Raheja, Palm Beach Property Developers Private Limited, Shirin Framrose Faridoon alias Shirin Framroze Mazda of Calcutta, Alankar Enterprises

The suit relates to an immoveable property at Bandra known as 'God's Gift' which was originally owned by Shireen Framrose Fridoon and which was developed by Ms. Bindu Raheja, Mr. Suresh Raheja, Palm Beach Properties Pvt. Ltd., Alankar Enterprises.

The original plaintiff states that he was originally the tenant of the said property prior to its development and that he had merely permitted Mrs. Ruth Siquiera and Mr.Joe alias Joseph Pimenta (deceased) to occupy the said property while he was away in Goa.

The plaintiff in the above suit sought inter alia, a declaration from the Court that the defendants (Mr.Joe alias Joseph Pimenta now represented by his legal heirs) and Mrs. Ruth Siqueira use and/or hold the flats on 1st and 5th floor of Anna Risa Apartments, De Monte Park Road, Bandra for and on behalf of and in trust for the original plaintiff (now represented by his legal heirs) and that defendants (Mrs. Bindu Raheja, Mr. Suresh Raheja, Palm Beach Properties Pvt. Ltd. and Alankar Enterprises) put the original plaintiff in possession of flats 103, 601 and 602 of 'Gods Gift' building, that the consent terms and consent decree dated October 25, 1983 and November 25, 1983 are liable to be set aside and cancelled by the Court.

In the alternate the Court order the defendants to pay to the plaintiffs Rs.4,150,000/- (with interest thereon at 18% per annum from the date of the plaint) as damages. The plaintiffs has also sought for the defendants (Mrs. B. Raheja, Mr.S.Raheja, Palm Beach Properties Private Limited and Alankar Enterprises) be restrained by an interim injunction from proceeding with registration of the consent decree.

The plaintiff also sought inter alia from the Court the appointment of a receiver pending hearing and final disposal of the suit.

Mr. Clovis Siqueira Vaz (deceased) alleged that the above persons had taken alternate accommodation from the developers of the said property in breach of trust and in collusion with the other defendants.

Prior to the filing of the suit Mrs. Bindu Raheja had filed S.C. Suit No.1677 of 1979 against Mrs. Shirin Framroze Mazda seeking specific performance of agreement dated February 20, 1978 executed with respect to the said immovable property.

In the said suit consent terms were signed on October 25, 1983 and a consent decree passed on November 25, 1983.

Prior to filing of the above suit, the plaintiff had also filed a criminal complaint before the Additional Chief Metropolitan Magistrate, Mumbai being Case No.100/S/1986 against the defendants Nos. 1, 3, 4 and 6 (accused) who are respectively Mr. Joseph Pimenta (deceased and as represented by his legal heirs), Ms. Bindu Raheja, Mr. Suresh Raheja and Ms. Shirin Framrose Fridoon under Sections 420, 406 read with 109, 114 of the I.P.C. Pending hearing and final disposal of the said criminal complaint, defendant No.1 died on September 1, 1997 and the plaintiff died on November 23, 1998. However, plaintiff's wife pursued the said complaint.

The said criminal complaint was fully heard and decided and the accused nos. 2, 3 and 4 who are respectively Ms.Shrin Framroze Fridoon, Mr. Suresh L. Raheja and Ms. Bindu K. Raheja were discharged and acquitted from the charges by an order dated November 18, 2000.

Mr.Joseph Pimenta died on August 22, 1997 and the original plaintiff Mr. Clovis Siqueira also died on September 23, 1998. Legal heirs of the plaintiff Mr.Clovis Siqueira and the defendant Joe alias Joseph Pimenta have been brought on record. The suit is still pending. The suit is filed under the provisions of the Code of Civil Procedure 1908

G) Economic / criminal / civil offences by Promoters, companies and firms promoted by the Promoters and past cases in which penalties were imposed by the concerned authorities

To the best of our Promoter's knowledge there are none except as disclosed in this section titled Outstanding Litigations of this Prospectus.

H) Litigation Pending – Labour, Employees and Trade Unions

To the best of our Promoter's knowledge there are none .

I) Bank / Financial Institution Defaults

To the best of our Promoter's knowledge there are none except as disclosed under section titled Litigation Pending By/ Against the Southern Undivided Entities in this Prospectus.

J) Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits

To the best of our Promoter's knowledge there are none except as disclosed under this sections titled Outstanding Litigation in this Prospectus.

K) Disciplinary action taken by SEBI / Stock Exchanges against the Promoters/ business ventures of the Promoters

To the best of our Promoter's knowledge there are none except as disclosed in this section.

L) Arrears on cumulative preference shares by Promoters and/or companies /firms promoted by the Promoters

To the best of our Promoter's knowledge except as disclosed under section titled 'Our Promoters-Mumbai Undivided Entities in this Prospectus there are none.

M) Pending Litigations of companies/firms/ventures with which Promoters were associated in the past in case their names continue to be associated with the particular litigations

To the best of our Promoter's knowledge except as disclosed under this section of this Prospectus there are none.

N) Potential Litigation

- As on the date of this Prospectus, certain immoveable properties and entities which are jointly owned and controlled by both the families are not distributed. There have been various outstanding issues/allegations between the G.L. Raheja Group and the C.L. Raheja Group and also correspondence has ensured between the two groups from time to time in respect of ownership / control / possession of various immovable properties which are disputed. Some such properties include the Tulsi Kunj property under Fems Estates (India) Pvt. Ltd., Unique Centre property and Girnara property and may give rise to prospective litigation.

- The G. L. Raheja family and the C. L. Raheja family have separately in their possession various documents, papers, records, assets, etc. of Mumbai Undivided Properties and Entities which has made finalisation of accounts, audit, filing of various returns and forms with different authorities and various other statutory compliances difficult and has resulted in the same not having being completed for several years. Several filings and compliances have not been made due to the said disputes. In respect of some of the Mumbai Undivided Properties and Entities where the returns of income-

tax (under the Income Tax Act) were filed for some of the years after the Arrangement, the tax and penalty demands and tax refunds have been disclosed elsewhere in this Prospectus. However, due to the said non-filings and non-compliances as on the date of this Prospectus, our Promoters are unable to state with certainty about any liability or contingent liability in respect thereof.

- The inter se disputes and contentions between the C.L. Raheja group and the G.L. Raheja group as mentioned at pages 105 to 109 of the RHP under the heading 'Other Entities Promoted By The promoters May Result in Potential Litigations.

- **Potential litigation- G. L. Raheja group / family**

Subsequent to the draft RHP, there has been exchange of some correspondence between the G.L. Raheja Group and the C.L. Raheja Group which may potentially result in litigation. G.L. Raheja by his letters dated September 10, 2004 and September 30, 2004 has made a number of allegations against our Promoters and/or in respect of Mumbai Undivided Entities and Properties. Further by letters of December 8, December 14, and December 18, 2004 certain additional allegations have also been made against our Promoters and/or in respect of Mumbai Undivided Entities and Properties. The aforesaid allegations and the clarifications of our Promoters thereto include the following which are set out below:-

Allegation:

Challenging the inability of our Promoters to disclose information relating to the Mumbai Undivided Entities, absence of material disclosure on matters relating to matter of fact having serious impact on management, directorship, finance, etc in relation to the matters concerning the Promoters and their Companies, certain purported illustrations seem to have been provided by G.L. Raheja group in this regard. The G.L. Raheja group has also alleged that Promoters intend to dupe innocent and gullible investors.

Clarification:

Our Promoters deny the allegations. It may be noted that our Promoters had expressed their inability to provide such information as they alone cannot be said to be in control of the Mumbai Undivided Entities, which are jointly owned and controlled by the G.L. Raheja family and the C.L. Raheja family. Admittedly both the families have separately in their possession various documents, papers, records, assets, etc. of the said Mumbai Undivided Entities and Properties. Therefore, our Promoters do not have complete and accurate information and hence were not in a position to expressly assure the completeness and accuracy of such information. Our Promoters have clarified to the G.L. Raheja group that in view of the aforesaid, the said purported illustrations does not mean that the information available with our Promoters (in respect of the Mumbai Undivided Entities and Properties) is complete and accurate for the purposes of disclosure, as required under the SEBI Guidelines. Further, our Promoters have cited various instances of joint actions taken by both the G.L. Raheja family and the C.L. Raheja family as well as unilateral actions taken by G.L. Raheja family, inter-alia in furtherance of our Promoters contention that the said Mumbai Undivided Entities are jointly owned and controlled. However our Promoters have undertaken to SEBI and our Promoters have further now provided information to the extent it is available with them in relation to the Mumbai Undivided Entities, in accordance with SEBI Guidelines. In view of the disputes between our Promoters and the G.L. Raheja family in respect of the Mumbai Undivided Entities and that they are jointly controlled by the G.L. Raheja family and the C.L. Raheja family, our Promoters believe that there is a possibility that the information provided by our Promoters in relation to the Mumbai Undivided Entities may be disputed by the G.L. Raheja family.

Allegation:

By reason of certain of the Mumbai Undivided Entities being public limited companies and that these companies not having filed annual returns and annual accounts with the ROC, our Promoters may be disqualified as directors.

Clarification:

Our Promoters have obtained legal opinions in the matter from two retired Chief Justices of India and two senior Counsel that they are not so disqualified. Further, a supplemental opinion has also been obtained provides that holding out as directors after cessation of directorship would not make a difference to this position.

Allegation:

The net asset value of Promoter Companies K. Raheja Corp. Companies and entities the Southern Undivided Companies and Entities and Residual Entities is not disclosed in the RHP.

Clarification:

Our Promoters clarify that the net asset value (NAV) has been defined in the draft RHP and the same criteria is used to calculate the NAV of the Promoter companies, K Raheja Corp Group Companies and Entities, the Southern Undivided Companies and Entities and Residual Entities and as specified by Clause No.6.18.8(f)(iii) and Clause 1.2 xixa of the SEBI (Disclosure and Investor Protection) Guidelines and in consonance with market practice.

Allegation:

Our Company used to avail supply of products from K.R. Trends (a division of Nectar Properties Pvt. Ltd., one of the Mumbai Undivided Entities) Our Company also availed of supply of products from K.R. Trends (a division of Upasana

Trading Ltd. which is now our subsidiary). Certain allegations have been raised by the G.L. Raheja group on the fiduciary duty of our Promoters towards Nectar Properties Pvt. Ltd.

Clarification:

Our Promoters deny the said allegations and have clarified that the Company is free to deal with any supplier of their choice.

Allegation:

The G.L. Raheja group has also alleged that information relating to Mass Traders Private Limited (a Southern Undivided Entity, which classification is itself questioned by the G.L. Raheja group) is available with the Promoters and has cited a number of purported reasons as to why it believes such information is available.

Clarification:

While denying the allegation, like in the case of the Mumbai Undivided Entities, our Promoters have provided information to the extent available with them in relation to the said Mass Traders Private Limited in accordance with SEBI Guidelines.

Allegation:

As regards Wiseman Finance Private Limited (Wiseman), the G.L. Raheja group has denied that it is professionally managed.

Clarification:

Since Wiseman has a Managing Director our Promoters have denied with the said allegation. Further, our Promoters believe that in respect of Wiseman from the time of the Arrangement the G.L. Raheja group may dispute the finalisation and audit of accounts, filings, compliances and board and shareholders meetings.

Allegation:

G.L. Raheja group has also alleged that the Promoters have issued shares to themselves at a lesser premium resulting in a shortfall of Rs.61.48 crores to the Company.

Clarification:

Our Promoters deny the said allegations since there is no such alleged issue of shares to our Promoters.

Allegation:

The G.L. Raheja group has also claimed that it has the right to unilaterally use a certain property held by a company forming part of the Mumbai Undivided Entities and Properties. Under one of the aforesaid letters, the G.L. Raheja group has further claimed that since the year 1997 they are maintaining the books of account and have been filing income-tax returns in respect of the said Mumbai Undivided Entity.

Clarification:

Our Promoters while denying the said claim regarding the right to unilaterally use the said property are also disputing the said books of account and the said income tax returns.

Our Promoters by their reply dated October 25, 2004 to G. L. Raheja group have responded to the aforesaid allegations (and other allegations which are contained in the letters dated September 10, 2004 and September 30, 2004) and have denied the said allegations and have also provided clarifications wherever applicable. Further, our Promoters have also responded to the aforesaid remaining letters dated December 8, 2004, December 14, 2004 and December 18, 2004 from G. L. Raheja group by their letter dated March 8, 2005 denying all the allegations and providing clarifications, wherever applicable while reserving their rights to deal with Mr. G.L. Raheja's allegations before the appropriate forum.

Subsequently our Promoters by their letter dated March 11, 2005, forwarded the draft pages of the RHP inter alia relating to the Mumbai Undivided Entities, requesting Mr. G.L. Raheja for comments on or before March 18, 2005.

Mr. G.L. Raheja has alleged in his letter dated March 28, 2005 that the disclosures contained in the draft pages of the RHP forwarded to him were incorrect and incomplete and that he would place the same on record shortly. The C.L. Raheja Group vide their letter dated April 04, 2005 informed Mr. G.L. Raheja that given the circumstances the Promoters have disclosed information to the extent available with them in relation to the Mumbai Undivided Entities which information/disclosure may not be complete and accurate.

There is a possibility that the aforesaid would result in further correspondence, allegations by Mr. G.L. Raheja and litigations between the G.L. Raheja group and our Promoters and our Company may also be involved in the same.

- **Letter dated February, 28, 2005 addressed by Mr.G.L. Raheja to SEBI:**

SEBI has forwarded a letter dated February 28, 2005 received by SEBI from Mr.G.L. Raheja to BRLMs who in turn have forwarded the same to our Promoters, for their comments. The said letter questions the basis on which SEBI has given their approval to the proposed IPO. The said letter also raises issues relating to (a) the non-disclosures in the draft RHP in respect of the Mumbai Undivided Entities and certain legal proceedings instituted in the Bombay High Court where

the Mumbai Undivided Entities and the Promoters are parties; (b) the alleged disqualification of our Promoters to act as directors of our Company; and (c) the pending contempt and perjury proceedings against our Promoter directors before the Company Law Board. Our Promoters have forwarded their response to BRLMs in this regard vide their letter dated March 11, 2005 and have clarified matters and have also denied allegations made in the said letter.

- **Plot No.59. TPS-III, 23rd and 29th Road, Bandra - Carlton Trading Pvt. Ltd.**

A notice dated 31st December, 2004 is issued by Society of St. Paul in respect of the above property calling upon Carlton Trading Pvt. Ltd. to vacate the plot at No.59. Town Planning Scheme-III, 23rd and 29th Road, Bandra immediately and remove all security guards or any materials placed in the above plot. It is alleged that under Lease Agreement dated 15th June, 1995 between the St. Paul Society and Carlton Trading Pvt. Ltd., the said plot was leased for a period of three years from the date of execution and the lease has lapsed by efflux of time. A reply dated March 1, 2005 has been sent by the advocates on behalf of Carlton Trading Private Limited in response denying all allegations raised by the Society of St. Paul with regard to the abovestated immovable property.

- **Potential Litigation as regards Nectar Properties, the Company and its subsidiary Upasna Trading**

Subsequent to the filing of the Draft Red Herring Prospectus, there has been some correspondence and allegations made by the G.L. Raheja family against our Promoters. The same has been dealt with elsewhere in this chapter. One of the issues raised in such correspondence relates to the supply of goods by Upasna Trading Limited, through its division, K.R Trends. The G.L. Raheja Group has contended that our Promoters are in breach of their fiduciary duty as directors. In the event any litigation is filed in the said matter against our Promoters, it is possible that our Company and our subsidiary, Upasna Trading Limited may be made parties to the same.

VII. LITIGATION BY AND/ OR AGAINST RESIDUAL ENTITIES (THE OTHER VENTURES IN WHICH K RAHEJA CORP GROUP(C. L. RAHEJA GROUP) HOLDS IN EXCESS OF 10% OF THE EQUITY SHARE CAPITAL/ INTEREST)

Apart from the companies and/or entities belonging to the K Raheja Corp Group /Mumbai Undivided Entities/ the Southern Entities, as on the date of this Prospectus, our Promoters also have equity share capital and other interests (exceeding 10 %) in certain other companies, partnership firms and other entities (the 'Residual Entities') However as our Promoters are not involved in the day to day management of these Residual Entities, neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to these Residual Entities made in this Prospectus which disclosures are based on information ordinarily made available to our Promoters as shareholders and/or directors and/or partners and/or made available to our Promoters on request by the management and representatives of the respective entities and relying upon the information so provided to be correct, for the purpose of this Prospectus, by the other ventures in which K Raheja Corp Group (C. L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest.

Consequently, neither we nor our Promoters can, as on the date of this Prospectus ascertain the accuracy or the completeness of the disclosures relating to the Residual Entities as made in this Prospectus.

By Residual Entities

A) **Pending Arbitration Proceedings**

There are none

B) **Litigation Pending – FEMA**

There are none

C) **Litigation Pending – Income Tax**

Juhu Beach Resorts Ltd

Assessment Year 1998-1999

The company's return of income for Assessment Year 1998-1999 was assessed under section 143(3) of the Income Tax Act, 1961 disallowing certain expenses which were capitalised amounting to Rs. 4,990,000/-. The company filed an appeal with the CIT(A) against the said disallowance. The CIT(A) dismissed the appeal. The company has filed an appeal to ITAT which is pending.

Juhu Beach Resorts Ltd

Assessment Year 2000-2001

The company's return of income for Assessment Year 2000-2001 was assessed under section 143(3) of the Income Tax Act, 1961 disallowing certain expenses certain expenses which were capitalised amounting to Rs.3,371,550/- and taxing of interest earned Rs. 384893/- as income from other sources instead of reducing the same from the interest payable and charging the net balance to work iIn progress. The company filed an appeal with the CIT(A) against the said disallowance and addition of interest to the income. The CIT(A) dismissed the appeal. The company has filed an appeal to ITAT which is pending.

Juhu Beach Resorts Ltd.
Assessment Year 2001-2002

The company's return of income for Assessment Year 2001-2002 was assessed under section 143(3) of the Income Tax Act, 1961 taxing interest earned Rs. 384,893/- as Income from other sources instead of reducing the same from the interest payable and charging the net balance to Work In progress. The company has filed an appeal with the CIT(A) against the said disallowance. The same is pending.

Bombay High Court
Jewel of India
Assessment Year 1997-98

Jewel of India has filed an appeal before the High Court vide income tax appeal no.194 of 2003, ITA No.1638/M/02. The Court has admitted the said appeal vide its order dated December 02, 2004 which states that the following substantial questions of law arise in the said appeal i.e. whether on the facts and in circumstances of the case and in law the ITAT was justified in upholding the order of CIT in exercising revision power vested in him under section 263 whereby the CIT set aside the assessment order passed by the assessing officer and whether ITAT was justified in its view that the payment made by the assessee to M/s. Nehru Centre entitled goodwill was capital in nature.

Nandjyot Properties & Hotels Pvt. Ltd.
Assessment Year 1989-90

A demand of Rs. 187,624/- was raised by the income-tax department for the aforesaid year as per notice under section 156. An Appeal was filed before the CIT(A) against the order under section 143(3) which was allowed deleting the addition made by the A.O. in his order under section 143(3). However, order giving effect to CIT(A)'S order and fresh notice of demand consequent thereto has not been received.

D) **Litigation pending – Sales Tax /Luxury Tax**

There are none

E) **Litigation pending –Customs and Excise Gold Control Appellate Tribunal ('CEGAT') among other things**

There are none

F) **Litigation pending-Money Recovery and other Civil Suits**

In the Court of Metropolitan Magistrate , 33rd Court, Ballard Estate , Mumbai
Suit No. 1966/SS/ 2004
Knight Frank (India) Pvt Ltd. v/s S. Govindar Singh

One cheque of Rs.500,000/- given by Mr. Govindar Singh was dishonoured. The company had filed the above case under section 138 of the Negotiable Instruments Act 1881 for the recovery of that sum. The case is coming up for hearing on September 12, 2005.

Bombay High Court
Suit No.5507 of 1998
Western Estate Corporation v/s. Deepak M. Gupta & Others

The plaintiffs Western Estate Corporation ('WEC') had filed the above suit against the defendants who are the co-owners of an immovable property being leasehold plot bearing C.S. Survey No.229, Hissa No.17, 18, 28 and 29 abutting L. B. S. Marg of Village Bhandup. The co-owners by their agreement (in letter form) dated May 10, 1995 addressed to WEC inter-alia recorded their agreement with WEC for sale of their respective 1/6th undivided share in the said property to WEC for consideration specified therein. WEC confirmed the said terms by endorsing their confirmation on the said letter/ agreement dated May 10, 1995. WEC also deposited option/earnest money deposit of Rs.2,000,000/- with the advocates M/s. Malvi Ranchoddas & Co.. [By their letter dated May 24, 1995 addressed to the defendant's advocates WEC expressly exercised their option to purchase the said property and expressed their willingness to execute a formal agreement in accordance with the said agreement dated May 10, 1995.] Thereafter the co-owners advocates by their letter dated July 6, 1995 addressed to the plaintiffs advocates sent the original indenture of lease dated December 21, 1958 as the document of title to the said property. WEC have requested the owners to complete the sale. However, the co-owners have not completed the same.

By way of a retirement cum partnership deed dated September 1, 2004, Capstan Trading Pvt. Ltd. and Raghukool Estate Development Pvt. Ltd. have retired as partners of the firm, WEC and are no longer liable for this matter as per the terms of the retirement cum partnership deed.

Employee Insurance Court, Mumbai
Jewel of India v/s. Regional Director for ESI Corporation
The Regional Director of the ESI corporation on October 13, 1999 vide an order passed under section 45-A of the Employee State Insurance Act 1948 , determined an amount of Rs. 601,996 towards contribution during the period December 1986- to October 1987 and an amount of Rs. 578,659/- towards interest up to September 30, 1999 and issued a recovery certificate dated October 28, 1999 directing the recovering officer to recover an amount of Rs. 1,107,585/- plus interest @ 15%per annum for each day of further default from October 1, 1999 till the date of payment

Jewel of India has made an appeal to the Employee Insurance Court bearing application No38 dated November 15, 1999 against this demand , the appeal has not come up for hearing , however a stay order against the above stated order has been granted.

High Court of Bombay
Suit No 2841 of 1987
Juhu Beach Resorts Ltd. v/s. Hotel Empire Pvt. Ltd.
(Under the provisions of the Indian Contract Act 1872 and Transfer of Property Act, 1887)
An indenture of lease dated February 24, 1972 made between His Highness Maharaja Shree Gaj Singhji Sahib of Jodhpur as the lessor and Hotel Empire Pvt. Ltd., a company registered under the Companies Act as the lessee to have and hold the demised premises, for a term of 999 years on a nominal rent of Re. 1 for the first two years of the demises and thereafter on a yearly rent of Rs150,000/ to be paid on a quarterly basis on the date as mentioned in the said indenture of lease.

On January 16, 1974 Hotel Empire entered into an agreement for assignment with Juhu Beach Resorts Pvt. Ltd. to sell and assign the land hereditaments and premises situate at Juhu. However on September 6, 1984 Juhu Beach Resorts entered into an agreement with Maharaja Gaj Singh and Jaswant Singh as trustees of the Bandan Kanwar Medical Trust to buy their reversionary interest in the property. The trustees of the Bandan Kanwar Medical Trust did not complete the assignment against which the Juhu beach Resort filed a suit bearing no 1965 of 1985 at the High Court of Judicature of Mumbai, and obtained a consent degree in its favour.

Juhu Beach Resort has filed a suit bearing no 284 of 1987 against Hotel Empire for a declaration that the Agreement dated January 16, 1974 between Hotel Empire and Juhu Beach Resorts is valid and binding and for the assignment and transfer of their leasehold interest in the said property (being property bearing survey no. 33, Hissa No. 1& 2, CTS No. 867)free from encumbrances. No interim proceeding has been taken out in this suit and no orders have been passed.-

Small Cause Court
Stamp No.670 of 2003
Juhu Beach Resorts Pvt. Ltd. – Vs Municipal Corporation of Greater Mumbai
New building was assessed with effect from January 18, 2002 fixing the rateable value at Rs.41,422,145/-

A protest letter dated April 2, 2002 was filed with the Assessor and Collector against the fixation of rateable value. The said complaint was disposed off on March 12, 2003 by the Investigating Office revising the rateable value at Rs.31,708,240/- w.e.f. January 18, 2002.

The demand raised by the Municipal Corporation and the payments made is as under.

Sr.No.	Period	Total Taxes Payable	On Account Payment Made	Balance Amount Payable
1	January 18,2002 – March 31, 2002	72,87,782/-	52543/- (Adjusted against LUC payment) 65,00,000/-	7,35,239/-
2	April 1, 2002 – September 30, 2002	1,78,35,885/-	1,55,00,000/-	23,35,885/-
3	October 1,2002 – March 31, 2003	1,78,35,885/-	1,23,15,000/-	55,20,885/-
4	April 1, 2003 – September 30, 2003	1,78,35,885/-	1,42,68,000/-	35,67,885/-
5	October 1,2003 – March 31, 2004	1,78,35,885/-	1,40,00,000/-	38,35,885/-
6	April 1, 2004 – September 30, 2004	1,78,35,885/-	1,40,00,000/-	38,35,885/-
7	October 1,2004 – March 31, 2005	1,78,35,885/-	1,00,00,000/-+ 4,300,000/-	3,535,885/-
	TOTAL	11,43,03,092/-	90,935,543/-	23,367,549/-

Against the above order an appeal pursuant to the provisions of the BMC Act 1988 was filed on March 27, 2003 being Municipal Appeal Stamp No.M/670 of 2003. The said appeal is pending.

G) **Economic / criminal / civil offences by Promoters, companies and firms promoted by the Promoters and past cases in which penalties were imposed by the concerned authorities**

Metropolitan Magistrate, Mumbai
CC No 123/SS of 2004
Knight Frank (India) Pvt. Ltd. Vs Rajdhani Restaurants India (Pvt) Ltd and another

A bill was raised bearing KF /3008 –C /2002-03 dated September 30, 2003 for Rs.1,091,475/- by Knight Frank (India) Pvt. Ltd. on Rajdhani Restaurants, being fees for finalising commercial deal of 8000 Sq ft at Crystal Plaza , Andheri Link Road, Andheri (West), Mumbai for them. Against that bill, Knight Frank (India) Pvt. Ltd. received Rs. 2 00,000/- and 4 post dated cheques for the remaining amount(net of TDS)which have since bounced. This case pertains to the bouncing of a cheque of Rs. 200,000/- against the payment due.

Notices were served and a suit was filed under section 138 read with section 142 of the Negotiable Instruments Act, 1881.The case was posted for hearing on June 4, 2004 but the same was adjourned to September 29, 2004. The parties have entered into an agreement dated August 31, 2004. An application for withdrawal was filed before the Court and the Court has vide its order delivered on November 1, 2004 granted permission to withdraw the case and the accused have been acquitted.

Metropolitan Magistrate,Mumbai
CC No 124/SS of 2004
Knight Frank (India) Pvt. Ltd. Vs Rajdhani Restaurants India (Pvt) Ltd and another

A bill was raised bearing KF /3008 –C /2002-03 dated September 30, 2003 for Rs.1,091,475/- by Knight Frank (India) Pvt. Ltd. on Rajdhani Restaurants, being fees for finalising commercial deal of 8000 Sq ft at Crystal Plaza , Andheri Link Road , Andheri (West), Mumbai for them. Against that bill, Knight Frank (India) Pvt. Ltd. received Rs.200,000/- and 4 post dated cheques for the remaining amount(net of TDS)which have since bounced. This case pertains to the bouncing of a Cheque of Rs. 100,000/- against the payment due.

Notices were served and a suit was filed under section 138 read with section 142 of the Negotiable Instruments Act, 1881. The case was posted for hearing on June 4, 2004 but the same was adjourned to September 29, 2004.

The parties have entered into an agreement dated August 31, 2004. An application for withdrawal was filed before the Court and the Court has vide its order delivered on November 1, 2004 granted permission to withdraw the case and the accused have been acquitted.

Metropolitan Magistrate,Mumbai
CC No 125/SS of 2004
Knight Frank (India) Pvt. Ltd. Vs Rajdhani Restaurants India (Pvt) Ltd and another

A bill was raised bearing KF /3008 –C /2002-03 dated September 30, 2003 for Rs.1,091,475 by Knight Frank (India) Pvt. Ltd. on Rajdhani Restaurants, being fees for finalising commercial deal of 8000 Sq ft at Crystal Plaza , Andheri Link Road , Andheri (West), Mumbai for them. Against that bill, Knight Frank (India) Pvt. Ltd. received Rs. 2 00,000/- and 4 post dated cheques for the remaining amount(net of TDS)which have since bounced. This case pertains to the bouncing of Cheque of Rs.100,000/- against the payment due.

Notices were served and a suit was filed under section 138 read with section 142 of the Negotiable Instruments Act, 1881. The case was posted for hearing on June 4, 2004 but the same was adjourned to September 29, 2004.

The parties have entered into an agreement dated August 31, 2004. An application for withdrawal was filed before the Court and the Court has vide its order delivered on November 1, 2004 granted permission to withdraw the case and the accused have been acquitted.

Metropolitan Magistrate,Mumbai
CC No 716/SS of 2004
Knight Frank (India) Pvt. Ltd. Vs Rajdhani Restaurants India (Pvt) Ltd and another

A bill was raised bearing KF /3008 –C /2002-03 dated September 30, 2003 for Rs.1,091,475/- by Knight Frank (India) Pvt. Ltd. on Rajdhani Restaurants, being fees for finalising commercial deal of 8000 Sq ft at Crystal Plaza , Andheri Link Road , Andheri (West), Mumbai for them. Against that bill, Knight Frank (India) Pvt. Ltd. received Rs.200,000/- and 4 post dated cheques for the remaining amount(net of TDS) which have since bounced. This case pertains to the bouncing of a Cheque of Rs.334,172/- against the payment due.

Notices were served and a suit was filed under section 138 read with section 142 of the Negotiable Instruments Act, 1881.The case is posted for hearing on September 3, 2004.

The parties have entered into an agreement dated August 31, 2004. An application for withdrawal was filed before the Court and the Court had vide its order delivered on November 1, 2004 granted permission to withdraw the case and the accused have been acquitted.

In the Court of Metropolitan Magistrate , Mumbai
J W Marriott Hotel(Prop. Juhu Beach Resorts Ltd) V/s Peter Majtan
Final Report Form – Charge Sheet dated December 20, 2002
FIR No.469 of November 25, 2002

A charge sheet has been filed by the Assistant Commissioner of Police and the Senior Inspector of the Santacruz Police Station in the 21st Court of Metropolitan Magistrate, Mumbai under Section 173 of the Criminal Procedure Code in respect of FIR No.469 of November 25, 2002, against Mr. Peter Majtan, a foreign national for defrauding the J W Marriott Hotel to the tune of Rs.741,770/- , being the unpaid bill amount for his stay in the J W Marriott hotel and also for giving a false cheque of Rs.50,000/- even though there was inadequate balance in the Account for the cheque drawn. The matter is pending in the Court of Metropolitan Magistrate, Mumbai

H) **Litigation Pending – Labour, Employees and Trade Unions**

There are none disclosed to our Company

I) **Bank / Financial Institution Defaults**

There are none disclosed to our Company

J) **Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits**

There are none disclosed to our Company

K) **Disciplinary action taken by SEBI / Stock Exchanges against the other ventures in which K Raheja Corp Group (C. L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest.**

There are none disclosed to our Company.

L) **Arrears on cumulative preference shares by the other ventures in which K Raheja Corp Group (C, L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest**

There are none disclosed to our Company

M) **Pending Litigations of companies/firms/ventures with which the other ventures in which K Raheja Corp Group (C, L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest.**

There are none disclosed to our Company

N) **Potential Litigation**

There are none disclosed to our Company

Against the Residual Entities /other ventures in which K Raheja Corp Group(C. L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest.

A) **Pending Arbitration Proceedings**

There are none disclosed to our Company

B) **Litigation pending – FEMA**

Orders issued by the Enforcement Directorate, Government of India, Ministry of Finance to Juhu Beach Resorts Pvt. Ltd.

(Under the provisions of the Foreign Exchange Management Act, 1999 read with Section 133 A of the Income-Tax Act)

The company is in receipt of the two orders No. T-3/D2403-B/FEMA/BE/AD/III/GPS and No. T-3/D2404-B/FEMA/BE/AD/III/GPS both dated "30/X/02" from the Enforcement Directorate, Government of India, Ministry of Finance, Department of Revenue. The aforesaid orders state that the Enforcement Directorate has initiated investigations against the company in respect of its failure to submit the copies of bills of entry to the authorised dealer in respect of the five remittances (IN USD) for imports (as mentioned therein) effected by the authorised dealer, Global Trust Bank Ltd respectively for amounts of Rs. 701,096/-; Rs. 2,462,217/-; Rs. 246,051/=-; Rs. 399,245/- and Rs. 634,047/- in calendar years 2000 and 2001. The orders further require the company to furnish the documents / information showing import of goods relating to all the remittances made (as mentioned therein) alongwith copies of bills of entry or a certificate from the company's bankers to the effect that the company has already submitted the bills of entry to the authorized dealers or to intimate the reasons for not furnishing the same. The information / documents was (as per the orders) to have reached the office of the Enforcement Directorate within 7 days from receipt of the orders.

C) **Litigation Pending – Income Tax**

Jewel of India
Assessment Year – 1997-98
(Income Tax)

Assistant Commissioner of Income Tax has filed an appeal before the Income Tax Appellate Tribunal vide appeal No.2027/MUM/2004 against the order of Commissioner of Income Tax (Appeals). The grounds of appeal state that the Commissioner of Income Tax (Appeals) has erred in holding that the amount of Rs. 3,750,000/- out of compensation paid by the assessee to Nehru Centre for use of premises for conducting business is revenue expenditure instead of capital expenditure as held by the assessing officer and that the order of CIT (A) on the above grounds be set aside and that of the assessing officer be restored.

Jewel of India
Assessment Year – 1998-99
(Income Tax)

Assistant Commissioner of Income Tax has filed an appeal before the Income Tax Appellate Tribunal vide appeal No.ITA 800/M/04 The grounds of appeal state that the Commissioner of Income Tax (Appeals) has erred in deleting the amount of Rs.368,834/- being the employer and employees contribution added to the total income, holding that the said payments were made within the grace period even though there is no specific provisions as far as the grace period is concerned and that the order of CIT (A) on the above grounds be set aside and that of the assessing officer be restored.

Jewel of India
Assessment Year – 1999-00
(Income Tax)

Assistant Commissioner of Income Tax has filed an appeal before the Income Tax Appellate Tribunal vide appeal No.ITR/ 13188/M/04 The grounds of appeal state that the Commissioner of Income Tax (Appeals) has erred in deleting the addition amounting to Rs.118,648/- on account of PF and ESIC under section 43 B ignoring the fact the assessee has failed to pay the statutory dues within the stipulated period as prescribed and deleting the addition of Rs.75,00,000/- on account of goodwill on amount paid to Nehru Centre for the use of premises for conducting business is revenue expenditure instead of capital expenditure as held by the assessing officer and that the order of CIT (A) on the above grounds be set aside and that of the assessing officer be restored.

Jewel of India
Assessment Year – 2001-02
(Income Tax)

The income tax officer has filed an appeal before the Income Tax Appellate Tribunal vide appeal ITA 5551/M/04 The grounds of appeal state that the Commissioner of Income Tax (Appeals) has erred in holding that addition of Rs.81,161/- under section 43 B on account of employers contribution to provident fund and Rs.76,735/- under section 36 (1) (va) on account of employees contribution to the fund paid after due date and Rs.7,968,750/- out of compensation paid by the assessee to Nehru Centre for using the premises for conducting business is revenue expenditure instead of capital expenditure. The appeal is pending.

Assessment Year 1995-96
Vijay & Neel Enterprises
(Income Tax)

Through an intimation under section 143 (1)(a) dated August 27, 1996 a demand of Rs. 205/- was raised by the A.O. This demand was raised on account of interest under section 234C overcharged. A rectification letter dated April 24, 1997 was filed requesting to delete the said demand.

Assessment Year 1995-96
A.R. Enterprises
(Income Tax)

On completion of assessment penalty under section 271 (B) was levied through an assessment order under section 143 (3) dated January 28, 1998. Firm vide its letter dated March 19, 1998 made a request to drop the penalty proceedings. However till date there is no communication received for canceling the penalty proceedings.

D) **Litigation pending – Sales Tax/ Luxury tax**

Euroweave Exports Pvt. Ltd. v/Sathe Sales Tax Officer

Demands aggregating to Rs. 332,342/- have been raised by the Sales Tax Department for the years 1992–1993, 1993-1994 and 1994-1995. The disputed matter is in appeal pending disposal.

Thereafter the company is in receipt of orders dated December 14, 2004 issued under the Amnesty Scheme 2004 pursuant to the Bombay Sales Tax Act 1959 for the periods April 1, 1992 to March 31, 1993, April 1, 1993 to March 31, 1994 and April 1, 1994 to March 31, 1995 and payments respectively of Rs. 16363/-, Rs. 12562/- and Rs. 29726/- have been made and the orders respectively waive amounts Rs. 69940/-, Rs. 45491/- and Rs. 147694/-.

E) **Litigation pending –Customs and Excise Gold Control Appellate Tribunal ('CEGAT')**

Terraco India Pvt. Ltd.

Show cause Notice bearing F. No. V(32) 15-5/Adj/2002 dated March 20, 2002 issued by the Joint Commissioner of Central Excise in respect of

Assessment Year 2000-01

Our Promoter Group company Terraco India Pvt. Ltd. having central excise registration No AAA CT 010 QM 001 has been issued a notice to show cause cum demand as to why M/S Terraco India Pvt. Ltd and Pagel Concrete Technologies Pvt. Ltd. should not be treated as related person and Central Excise duty of Rs.263,426/- for the period April 2000 to March 2001 should not be recovered from them . The company has responded to the show cause notice vide letter dated July 6, 2002 and the matter is pending.

An appeal was filed pursuant to the provisions of the Central Excise Act 1944 and the appeal has been disposed off in favour of Terraco India Pvt. Ltd by the Commissioner(Appeals), vide his order dated November 25, 2004 . The order is set aside except the confirmation of an amount of Rs.3,241/- and Rs.31,927/- being the duty involved on raw materials and finished goods respectively found short confirmed in the 0I0 No.5/2002 passed by Additional Commissioner , Central Excise and Customs, Nasik.

Terraco India Pvt. Ltd.

Show cause Notice bearing F. No. Vch 32 (15) 19/TER/Adj/02/2061 dated April 1, 2002 issued by the Dy. Commissioner of Central Excise in respect of

Assessment Year 2001-02

Our Promoter Group company Terraco India Pvt. Ltd. having central excise registration No AAA CT 010 QM 001 has been issued a notice to show cause cum demand as to why M/S Terraco India Pvt. Ltd and Pagel Concrete Technologies Pvt. Ltd. should not be treated as related person pursuant to the provisions of the Central Excise Act 1944 and Central Excise duty of Rs.305,061/- for the period April 2001 to March 2002 should not be recovered from them . The company has responded to the show cause notice vide letter dated July 6, 2002 and the matter is pending.

Terraco India Pvt. Ltd.

Show cause Notice bearing F. No. V(32) 15 279/Adj/01/PT.1 dated March 10, 2002 issued by the Dy. Commissioner of Central Excise in respect of

Assessment Year 2002-03

Our Promoter Group company Terraco India Pvt. Ltd. having Central Excise Registration No AAA CT 010 QM 001 has been issued a notice to show cause cum demand as to why M/S Terraco India Pvt. Ltd and Pagel Concrete Technologies Pvt. Ltd. should not be treated as related person pursuant to the provisions of the Central Excise Act 1944 and central Excise duty of Rs.41,393/- for the period February 10, 2002 to August 31, 2002 should not be recovered from them. The company has responded to the show cause notice vide letter dated April 19, 2003 and the matter is pending.

Terraco India Pvt. Ltd.

Demand Notice bearing F. No. V(32) 15-279/Adj/2001 dated March 25, 2002 issued by the Additional Commissioner of Central Excise in respect of

Assessment Years 1996-97 to 1999-2000

Terraco India Pvt. .Ltd. having Central Excise Registration No AAA CT 010 9 QXM QM 001 was issued aforesaid notice to show cause cum demand as to why M/S Terraco India Pvt. Ltd and Pagel Concrete Technologies Pvt. Ltd. should not be treated as related person and central excise duty of Rs. 1,414,075/- in aggregate for the Assessment Years 1996-97 to 1999-2000 and a penalty of Rs 1,149,031/- under Section 11AC of the Central Excise Act. The company filed an appeal pursuant to the provisions of the Central Excise Act 1944 before the Customs , Excise & Service Tax Appellate Tribunal against the said order interalia stating that the said demands were barred by limitation. The tribunal vide their order dated August 19, 2004remanded the appeals to the Commissioner(Appeals) with a direction to consider the modification application and pass a fresh order. The appeal has been disposed off in favour of Terraco India Pvt. Ltd by the Commissioner(Appeals), vide his order dated November 25, 2004 . The order is set aside except the confirmation of an amount of Rs.3,241/- and Rs.31,927/- being the duty involved on raw materials and finished goods respectively found short confirmed in the 0I0 No.5/2002 passed by Additional Commissioner , Central Excise and Customs, Nasik.

F) **Litigation Pending- Money Recovery and other Civil Suits**

BCCC Suit No. 8324 of 1992

K.K. Hamza v/s. Messers Raheja Builders & Anr.

(Under the provisions of Specific Relief Act, 1963 and the Civil Procedure Code, 1908)

The plaintiff claims to be in use and occupation of shed/structure adm 15'x 15' on the piece of land being part of Survey No. 33 situated near Rajawadi compound, Juhu Beach, Bombay, which he is using partly for residence and partly for his business of selling coconut and the cold drinks. The suit is filed inter alia for permanent injunction restraining the defendants from disturbing the plaintiff's possession of the said land and the structure without the due process of law.

Since no further papers are available the present status of the matter cannot be ascertained. This matter relates to the property of Juhu Beach Resorts Limited.

High Court of Bombay
Suit No 3085 of 1985
Hotel Empire Ltd. vs.Juhu Beach Resorts Pvt. Ltd.
(Under the provisions of Contract Act, 1872 and Transfer of Property Act 1882 and Civil Procedure Code, 1908)

Hotel Empire Pvt. Ltd. on December 3, 1985 filed a suit bearing No 3085 of 1985 against Juhu Beach resort Pvt.Ltd at the High Court of Judicature, Mumbai for a declaration that Juhu Beach Resorts Pvt.Ltd was in wrongful possession

and occupation of the property and for a declaration that the consent decree of suit No 1965 of 1985 is void. The suit is currently pending hearing. Juhu Beach Resort has filed a suit bearing no 284 of 1987 against Hotel Empire for a declaration that the Agreement dated January 16, 1974 between Hotel Empire and Juhu Beach Resorts is valid and binding. No interim proceeding has been taken out in this suit .

G) **Economic / criminal / civil offences against the other ventures in which K Raheja Corp Group (C. L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest.**

District Consumer Redressal Forum
Complaint No 157 of 2003
Mr. Krishna Kumar Agarwal v/sJ.W. Marriott Hotel

The Complainant filed a case before the District Consumer Redressal Forum at Bandra, Mumbai against the J.W. Marriott Hotel owned by Juhu Beach Resorts Pvt. Ltd. claiming Rs.610,000/- as damages on account of deficiency of services, reimbursement of expenses and compensation/ damages for mental agony and injury. The J.W. Marriott hotel has filed an affidavit in reply to which the complainant has filed a sur -rejoinder. The matter is pending before the Forum.

District Consumer Redressal Forum
Complaint No 158 of 2003
Mr. Rajesh Rajgodia, Preeti Rajgodia v/sJ.W. Marriott Hotel

The Complainant filed a case before the District Consumer Redressal Forum at Bandra, Mumbai against the J.W. Marriott Hotel owned by Juhu Beach Resorts Pvt. Ltd. claiming Rs.610,000/- as damages on account of deficiency of services, reimbursement of expenses and compensation/ damages for mental agony and injury. The J.W. Marriott hotel has filed an affidavit in reply to which the complainant has filed a sur rejoinder. The matter is pending before the Forum.

Further in this regard one of the complainant's Preeti Rajgodia has filed an FIR with the Santa Cruz West Police Station against JW Mariott Hotel.

C.A Suit No 3 of 2000 in C.P. No 191 of 1997
CRB Capital Markets Limited/Official Liquidator v/s Knight Frank (India)Pvt. Ltd.

The company has received Letter bearing No. CO.IQN.(476) – 6/CRB/1461 dated January 25, 2000 from the office of the Official Liquidator, High Court of New Delhi. seeking refund of brokerage amount of Rs.500,000/- which Dr. H K Sinha has paid to the company in respect of brokerage services rendered by the company to him in respect of Flat No. 21 and 22 (A)/1 in the building known as Great Eastern Royal, Mumbai against its bill of Rs.750,000/- issued to Dr. H K Sinha in respect thereof. The company has replied to the said letter of Official Liquidator vide its Advocates letter dated January 18, 2000 stating that no sum is recoverable from them by the Official Liquidator for the reasons stated therein and further that a sum of Rs.250,000/- remains outstanding to be recovered by Knight Frank (India)Pvt. Ltd. from Dr. H K Sinha for the services rendered. The hearing is scheduled for May 23, 2005.

H) **Litigation Pending- Labour, Employee and Trade Unions**

Terraco India Pvt. Ltd.
Industrial Court, Mumbai
Complaint (ULP)No 1137 of 1999
Mrs. Manisha Manoj Padhye v/s. Terraco India Pvt. Ltd.

An ex employee of the company Mrs. Manisha Manoj Padhye has filed a Complaint bearing No 1137 of 1999 at the Industrial Court of Maharashtra complaining of unfair labour practices under section 28(1) read with items 3,9 and 10 of Schedule IV of M.R.T.U. and P.U.L.P. Act, 1971 in respect of termination of her service.

The suit is still pending at the Industrial Court and the matter has been part heard and the next date of hearing is June 20, 2005.

In the Court of District Judge, Delhi
Suit No 155 of 2004
S. Govindar Singh v/s Knight Frank (India) Pvt Ltd.
(under the provisions of the Negotiable Instruments Act 1882)

Mr. Govindar Singh an employee of the company, has filed a suit against the company in Delhi Court. He had stated in his claim that the company owes him over Rs.2,000,000/-. He was asked to tender his resignation and asked to indemnify and compensate the company for his financial and other irregularities. He had issued four post dated cheques of Rs. 500,000/- each aggregating to Rs.2,000,000/-. Out of these, three cheques were enchased by the company and the fourth cheque was dishonored. He claimed that these cheques were only given as a security for a possible claim by a third party and not as compensation. The company is refuting his claim and the hearing was completed on April 12, 2005. The matter was adjourned to May 2, 2005 for orders. The matter was not taken up May 2, 2005 and has been adjourned.

I) **Banks and Financial Institution Defaults**

There are none disclosed.

J) **Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits**

There are none disclosed.

K) **Disciplinary action taken by SEBI / Stock Exchanges against the other ventures in which K Raheja Corp Group (C. L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest.**

There are none disclosed.

L) **Arrears on cumulative preference shares by the other ventures in which K Raheja Corp Group(C. L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest.**

There are none disclosed.

M) **Pending Litigations of companies/firms/ventures with which the other ventures in which K Raheja Corp Group (C. L. Raheja Group) holds in excess of 10% of the Equity Share Capital/ Interest.**

There are none disclosed.

N) **Potential Litigation**

Letter From Commissioner Of Central Excise (Mumbai V)To Juhu Beach Resorts Limited ("JBR")

The company has received a letter No. F.No. V /PI/Enq/12A-24/Gr-D/2004/MV /Pt. /1531/ Mumbai dated September 28, 2004 from the Office of Commissioner of Central Excise, Mumbai V stating that their office is investigating an issue of involvement of duty on account of expenditure on the furniture by the company and that inspectors shall visit the hotel for conducting further enquiry. In response to the said enquiry statement of chief financial officer of JBR has been recorded on behalf of JBR before the Commissioner Of Central Excise and copies of relevant documents in relation to items of furniture and fixtures have been furnished to them and certain other details have been sought by them. The matter is pending.

- **Juhu Beach Resorts-- Land admeasuring about 1882.89 sq. mtrs bearing Survey No.73B (pt) corresponding CTS No.561/11 of village Juhu situated (adjacent to private land bearing S.No.33 Hissa No.1 & 2 corresponding CTS No.867), (Under the provisions of Maharashtra Land Revenue Code, 1966)**

- Land admeasuring about 1882.89 sq. mtrs bearing Survey No.73B (pt) corresponding CTS No.561/11 of village Juhu situated (adjacent to private land bearing S.No.33 Hissa No.1 & 2 corresponding CTS No.867), was originally granted on lease for 50 years which expired on November 11, 1992 which was renewed for the period upto December 12, 1998 and for further period of 30 years from January 1, 1999 i.e. upto December 31, 2028. An order dated May 14, 2004 bearing No.11-3D/L-208 is issued by the Collector, Mumbai Suburban District. In the said order it is inter alia stated that as per the valuation report from the Town Planning & Valuation Department, the lease rent is levied for the period from August 1, 1992 to December 12, 1998 amounting Rs.1,295,814/-. Provisional lease rent of Rs.2,499,440/- is fixed for the period from January 1, 1999 to December 3, 2003 i.e. total amounting to Rs.3,795,254/-. The said amount of Rs.3,795,254/- is to be paid to Tahasildar, Andheri within 10 days of the receipt of the order. It is further stated that in case the Lessee exercised option to take over the land on Occupancy Basis as per provisions of the GR dated 05/10/1999 then the provisional occupancy price of the land as on January 1, 2003 would be Rs.90,971,830/-.Aforesaid lease rent is arrived at as provisional rate and the value of the land would be as per final valuation report, accordingly differential amount along with interest thereon would be payable to the Government. As the lease rent was on the higher side a representation to the Collector to reduce the same was made. Therefore initially 50% payment i.e. Rs.1,900,000/- was made on June 16, 2004 and the balance is to be paid after the matter about reduction in rate, if any, is decided.

- **Juhu Beach Resorts ('JBR')**

The shareholding of JBR is as under:

Chandru Raheja Group	– 16.68%
Gopal Raheja Group	–16.68%
Vijay Raheja Group	–17.53%
Rajan Raheja Group	–15.79%
Aasia Properties Development Ltd. ("APDL")	– 33.32%

APDL does not have representation on the Board of Directors of JBR.

In the last few years APDL has corresponded with JBR, requesting for inspection of statutory records of JBR including minutes of general meetings and also board meetings, attendance registers, forms and returns pertaining to issue and allotment of shares and debentures, documents relating to creation of charges and satisfaction/ modification thereof, Register of Directors, Register of Members and Debentureholders and other statutory registers and records. In its correspondence APDL has also insisted for a seat on the board on the grounds that it is the single largest shareholder of JBR. JBR has given inspection of documents, registers, forms, returns and records to which APDL is entitled as a shareholder. In certain cases, copies of the same have also been furnished for its record. However, information and documents which fall strictly in the domain of the management of JBR and not required to be provided to persons in their capacity as shareholders have not been furnished.

In the circumstances, APDL has made allegations of alleged oppression in its correspondence and may adopt proceedings against the other shareholders of JBR.

By its letter dated April 27, 2005 addressed to the company secretary of JBR, APDL has challenged the appointment of Mr. Vijay B. Raheja and Mr. Chandru L. Raheja as the joint managing directors of JBR upon the terms set out in its said letter. By its said letter, APDL has called upon the company secretary to respond to APDL's letter and to keep the said appointment in abeyance in the meantime.

VIII. LITIGATION PENDING BY AND/OR AGAINST OUR SUBSIDIARIES

BY THE SUBSIDIARIES

A) **Pending Arbitration Proceedings**

There are none

B) **Litigation Pending – FEMA**

There are none

C) Litigation Pending – Income Tax

There are none

D) **Litigation Pending - Sales Tax/ Luxury Tax**
Assessment Year 2000-01
KR Trends
Karnataka

M/s KR Trends (Division of Upasna Trading Ltd) was provisionally assessed for the assessment year 2000-01 by the Deputy Commissioner of Commercial Tax (vig)(DCCT), Bangalore under section 28(6) of the Karnataka Sales Tax Act 1957. The DCCT passed a Provisional Assessment order dated June 3, 2003 and raised a demand of Rs. 12,056,335/- on account of disallowance of Stock transfer. An appeal was filed on June18, 2003, with the Joint Commissioner of Commercial Taxes (Appeals)Bangalore Division, Karnataka. The appeal filed against the provisional order was heard by the Joint Commissioner Of Commercial Taxes (Appeals), Bangalore Division, Karnataka and the order was passed by him on February 28, 2004, whereby the case was remanded back to jurisdictional assessing authority for assessment as per the directions given in the order by Joint Commissioner of Commercial Taxes (Appeals), Bangalore Division, Karnataka

Assessment Year 2001-02
M/s KR Trends (Division of Upasna Trading Ltd) was provisionally assessed for the assessment year 2001-02 by the Deputy Commissioner of Commercial Tax (vig)(DCCT), Bangalore under section 28(6) of the Karnataka Sales Tax Act 1957. The DCCT passed a Provisional Assessment order dated June 3, 2003 and raised a demand of Rs.10,735,709/- on account of disallowance of stock transfer . An appeal was filed on June 18, 2003, with the Joint Commissioner of Commercial Taxes (Appeals)Bangalore Division, Karnataka. The appeal filed against the provisional order was heard by the Joint Commissioner Of Commercial Taxes (Appeals), Bangalore Division, Karnataka and the order was passed by him on February 28, 2004 whereby the case was remanded back to jurisdictional assessing authority for assessment as per the directions given in the order by Joint Commissioner of Commercial Taxes (Appeals), Bangalore Division, Karnataka

Assessment Year 2002-03
M/s KR Trends (Division of Upasna Trading Ltd) was provisionally assessed for the assessment year 2002-03 by the Deputy Commissioner of Commercial Tax (vig)(DCCT), Bangalore under section 28(6) of the Karnataka Sales Tax Act 1957. The DCCT passed a provisional assessment order dated June 3, 2003 and raised a demand Rs.3,200,744/- on account of disallowance of stock transfer. An appeal was filed on June 18, 2003 with the Joint Commissioner of Commercial Taxes (Appeals)Bangalore Division, Karnataka. The appeal filed against the provisional order was heard by the Joint Commissioner Of Commercial Taxes (Appeals), Bangalore Division, Karnataka and the order was passed by him on February 28, 2004 whereby the case was remanded back to jurisdictional assessing authority for assessment as per the directions given in the order by Joint Commissioner of Commercial Taxes (Appeals), Bangalore Division, Karnataka

The total demand of Rs.25,992,788/- was raised for the above three year against which we have deposited Rs. 24,496,395/- and provided a bank guarantee of Rs. 1,496,393/-.

Assessment Year 2000-01(local)
K.R Trends sales tax return for the assessment year 2000-01 was assessed by the assistant commissioner of commercial tax (ACCT) under section 12 of the Karnataka Sales Tax Act 1957. The ACCT revised the taxable turnover and worked out the tax payable to be Rs.162,350/-. An appeal was filed on January 14, 2004 stating that the annual return was not accepted as refund claims amounting to Rs.2,600,000/- differed from the monthly returns and the annual returns. Also this amount of Rs.162,350/- has been paid under protest.

CHENNAI
Assessment Year 2001-02(Local)
M/s K R Trends-Chennai was assessed for Local Sale Tax Assessment (TNGST) for the year 2001-02. The Assessing Authority calculated Sales Tax liability on gross Sales instead of net sales & disallowed Sales Return leading to Sales Tax demand of Rs.6,606,934/-, including penalty of Rs.2,877,902/-. The company further filed an appeal on January 12,2004 against the demand and deposited Rs. 932,258/- against the stay. The case was heard before the Appellate Assistant Commissioner of Commercial Taxes, Chennai, and he passed the order dated July 21, 2004, whereby the appeal has been allowed partly and partly remanded back with clear directions in company's favor, to the Jurisdictional Assessing Authority for Assessment.

Assessment Year 2001-02(Central)
M/s K R Trends-Chennai was assessed for Central Sales Tax Assessment for the year 2001-02. The Assessing Authority calculated Sales Tax liability by disallowing Stock Transfer made out of Chennai leading to Sales Tax Demand of

Rs. 4,417,890/- including penalty of Rs.2,650,734/-. The company further filed an appeal on January 12,2004 against the demand and deposited Rs.441,790/- against the stay. The case was heard before the Appellate Assistant Commissioner of Commercial Taxes, Chennai and he passed the order dated July 21, 2004, whereby the case has been remanded back with clear directions in company's favor, to the Jurisdictional Assessing Authority for Assessment.

Assessment Year 2002-03(Local)
M/s K R Trends-Chennai was assessed for Local Sale Tax Assessment (TNGST) for the year 2002-03. The Assessing Authority calculated Sales Tax liability on gross Sales instead of net sales & disallowed Sales Return leading to Sales Tax demand of Rs.3,523,860/-including penalty of Rs.1,761,930/-. The company further filed an appeal on May 31, 2004 against the demand and deposited Rs.470,000/- against the stay. Currently the matter is in appeal with Appellate Assistant Commissioner of Commercial Taxes, Chennai.

Assessment Year 2002-03. (Central)
M/s K R Trends-Chennai was assessed for Central Sales Tax Assessment for the year 2002-03. The Assessing Authority calculated Sales Tax liability by disallowing Stock Transfer made out of Chennai leading to Sales Tax Demand of Rs. 4,243,372/- including penalty of Rs.2,546,023/-. The company further filed an appeal on June 30, 2004 against the demand and deposited Rs.551,639/- against the stay. Currently the matter is in appeal with Appellate Assistant Commissioner of Commercial Taxes, Chennai

E) **Litigation Pending - Customs and Excise Gold Control Appellate Tribunal ('CEGAT')**

There are none

F) **Litigation Pending - Money Recovery and Other Civil Suits**

Summary Suit No. 289 of 2005
High Court, Mumbai
(under the provisions of the Code of Civil Procedure 1908)

Crossword had taken a certain premises on Business Centre basis from Minicomp Limited and in respect of the same had deposited an amount of Rs.1,764,400/- as security deposit. Being unable to recover the said security deposit pursuant to the lapse of the term of the underlying agreement, Crossword filed a Summary Suit under Order XXXVII of the Code of Civil Procedure, 1908 against Minicomp Limited on January 25, 2005 seeking to recover the liquidated demand in money of Rs.2,959,954/- (being the principal amount together with the contracted rate of interest at the rate of 18% p.a. till payment and/or realization, calculated as on January 24, 2005.)

G) **Economic / criminal / civil offences by Promoters, companies and firms promoted by the Promoters and past cases in which penalties were imposed by the concerned authorities**

There are none

H) **Litigation Pending – Labour, Employees and Trade Unions**

There are none

I) **Bank / Financial Institution Defaults**

There are none

J) **Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits**

There are none

K) **Disciplinary action taken by SEBI / Stock Exchanges against the Promoters/ business ventures of the Promoters**

There are none

L) **Arrears on cumulative preference shares by Promoters and/or companies /firms promoted by the Promoters**

There are none

M) **Pending Litigations of companies/firms/ventures with which Promoters were associated in the past in case their names continue to be associated with the particular litigations**

There are none except as disclosed in this section of the Prospectus.

N) **Economic / criminal / civil offences by Promoters, companies and firms promoted by the Promoters and past cases in which penalties were imposed by the concerned authorities**

There are none except as disclosed in this section of in the Prospectus.

O) **Potential Litigation**

- Upasna Trading Ltd has filed a notice of opposition No. DEL – 156900 to Application No. 752330 in class 3 filed by Fendi Profumi SPA, Italy for registration of trademark "LIFE ESSENCE". This may give rise to prospective litigation.

- Upasna Trading Ltd has filed a notice of opposition No. DEL – 156920 to Application No. 778999 in class 3 filed by Zino Davidoff SA, Switzerland for registration of trademark "DAVIDOFF GOOD LIFE". This may give rise to prospective litigation.

Against the Subsidiaries

A) **Pending Arbitration Proceedings**

There are none

B) **Litigation Pending – FEMA**

There are none

C) Litigation Pending – Income Tax

There are none

D) **Litigation Pending - Sales Tax/ Luxury Tax**

There are none

E) **Litigation Pending - Customs and Excise Gold Control Appellate Tribunal ('CEGAT')**

There are none

F) **Litigation Pending - Money Recovery and Other Civil Suits**

There are none

G) **Economic / criminal / civil offences by Promoters, companies and firms promoted by the Promoters and past cases in which penalties were imposed by the concerned authorities**

There are none

H) **Litigation Pending – Labour, Employees and Trade Unions**

There are none

I) **Bank / Financial Institution Defaults**

There are none

J) **Non Payment of Statutory Dues and/or dues towards instrument holders such as debenture holders, fixed deposits**

There are none

K) **Disciplinary action taken by SEBI / Stock Exchanges against the Promoters/ business ventures of the Promoters**

There are none

L) **Arrears on cumulative preference shares by Promoters and/or companies /firms promoted by the Promoters**

There are none

M) **Pending Litigations of companies/firms/ventures with which Promoters were associated in the past in case their names continue to be associated with the particular litigations**

N) **Economic / criminal / civil offences by Promoters, companies and firms promoted by the Promoters and past cases in which penalties were imposed by the concerned authorities**

There are none

O) **Potential Litigation**

- **Potential Litigation as regards the Company and its subsidiary Upasna Trading**

Subsequent to the filing of the Red Herring Prospectus, there has been some correspondence and allegations made by the G.L. Raheja family against our Promoters. The same has been dealt with elsewhere in this chapter. One of the issues raised in such correspondence relates to the supply of goods by Upasna Trading Limited, through its division, K.R Trends. The G.L. Raheja Group has contended that our Promoters are in breach of their fiduciary duty as directors. In the event any litigation is filed in the said matter against our Promoters, it is possible that our Company and our subsidiary, Upasna Trading Limited may be made parties to the same.

- The inter se disputes and contentions between the C.L. Raheja group and the G.L. Raheja group as mentioned at pages 105 to 109 of the RHP may result in potential litigations for our subsidiary Upasna.

IX. Outstanding due to Small Scale Industries and other creditors

Sundry Creditors as on March 31, 2004 includes Rs.23,555/- thousands payable to small scale industrial undertakings. The name of small scale industrial undertakings with whom company has outstanding for more than 30 days on as March 31, 2004 are:

Affair – The Boutique Aggarwal Fashion, Alka's Garments, Anukool Apparels, argus, Baggit, Basics Bestever Toys, Campbell Knitwear, Chailenge Enterprises, Chirala Handloom, Chrishiv, Creative Factory, Essentials, Ethnic Heart, Expozay, F.C. International, Fashion Link, Genesis Overseas, Gitane Exports, GIVO Limited, Kokaldas Intimatewear Pvt. Ltd., Gold Coin Fashion, H-Fashion Clothing Co., Hindustan Impex, Image Clothing Co., K.G. Enterprise, K.S. Clothing Co., Kam Garments Pvt. Ltd., Karan Enterprise, Kay Klassic Knitwears, Krishiv inc., Krislon Synthetics Pvt. Ltd., Lareine Fashions, L'effet, Lovable Lingerie, Maheshwari Enterprises, Maheshwari Sales, Maral Fashions, Maxwell Industries Ltd., Nija Crafts, Nova Leather Fashins, Opus Fashions, Oswal Knit India, Oswal Woolen Mills, Page Apparel Mfg, Pooja Industries, Poonam Enterprises, Prem Swiss Txt P, Priyanka Bapna, R.K. Garments, Shrenik Export, South Handlooms, Sundri Apparels, Tantra Special Project, Tie Knots International, Touchwood International, Unistyle Images, Venus Knit Wears, Yetticate Market, Yogi Toys, Zonac Knitting Machines Pvt. Ltd.

GOVERNMENT APPROVALS

In view of the approvals listed below our Company can undertake this Issue and its current business activities. No further material approvals are required from any government authorities (including the FIPB and/or the RBI) for the Issue or for us to continue our current business activities.

APPROVALS MATERIAL TO THIS ISSUE

We have received the following material approvals relating to the Issue :

1. Our Board of Directors have approved the Issue and have authorised a committee to deal with all matters connected to the Issue by way of resolutions passed at the Board of Directors meetings held on January 24, 2004, March 29, 2004 and July 24, 2004.
2. Our members have approved the Issue by way of a special resolution passed at an extraordinary general meeting held on March 31,2004 and an annual general meeting held on July 30, 2004.
3. Letter No. NSE/LIST/6217-W dated September 23, 2004 has been issued by the NSE informing our Company that we may use the name of the Stock Exchange in this Prospectus / Prospectus;
4. Letter No. DCS/SG/SM/2004 dated September 13, 2004 has been issued by the BSE informing our Company that we may use the name of the Stock Exchange in this Prospectus / Prospectus;
5. Letters No. NSE/LIST/6217-W dated September 23, 2004; No. NSE/LIST/11572-7 dated March 18, 2005 and No. NSE/ LIST 11865-Y dated March 29, 2005 have been issued by the NSE giving our Company in principle approval for the listing of our Equity Shares;
6. Letter No. DCS/SG/SM/2004 dated September 13, 2004 issued by the BSE grants our Company an in principle approval for our Equity Shares to be dealt with in /on the Stock Exchange ;

APPROVALS OBTAINED FOR BUSINESS ACTIVITIES OF NEW STORES WHICH WILL BE FUNDED FROM THE ISSUE PROCEEDS

We have obtained a few of the required approvals for one of our new stores which has opened in Karnataka – Bangalore, the details of which are set out below. The process of obtaining the remaining approvals, to the extent applicable is ongoing. In this regard please also see section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed - Government Approvals' on page 409 of this Prospectus.

a. Shops and Establishment license

This license is required to be obtained by each of our new stores pursuant to local statutes in force in the respective states in which new stores will be /are located. This license has been obtained for our new store in Karnataka , Bangalore - Mantri and is valid till December 31, 2008.

For the other new stores that will be opened these approvals will be obtained by our Company as and when required by such new stores.

In this regard please see section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed - Government Approvals' in this Prospectus.

b. Licenses for Glow Sign / Sign Boards / Illuminated Sky Sign Board / Show Cases/ Illuminated Totem Pole Signs [including local language]

(i) Karnataka-Bangalore – Licence dated October 19, 2004 issued by Bangalore, Mahagara Palike for 3 glow signs valid till September 30, 2005.

For the other new stores that will be opened these approvals will be obtained by our Company as and when required by such new stores . In this regard please see section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed - Government Approvals' in this Prospectus.

c License for Storage of Yarn/Inflammable Goods

For the new stores that will be opened these approvals will be obtained by our Company as and if required by the new stores that are opened. In this regard please see section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed - Government Approvals' in this Prospectus.

d. Operating Store for 365 days

For the new stores that will be opened these approvals will be obtained by our Company as and when required by the new stores that are opened. In this regard please see section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed - Government Approvals' in this Prospectus.

e. Extended working hours license

For the new stores that will be opened these approvals will be obtained by our Company as and when required by the new stores that are opened. In this regard please see section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed - Government Approvals' in this Prospectus.

f. Miscellaneous License /permission for fire/fire prevention measures/lifts /land and building related/certain electricity related

Permissions / approvals for fire/fire prevention measures and related plans and arrangements, depending on laws in force in a State may be required and/or which will be usually obtained by the builder/developer or landlord from whose premises we will operate our new store (s) pursuant to contractual arrangements entered into between us and the concerned builder/developer/landlord as the case may be.

Other than the above there are also several other licenses/registrations /consents which will be usually obtained by the builders /developers/ landlords from whose premises we will operate our new store (s) including such as licenses/ registrations/permission/consents required for lifts, escalators, excess electricity requirements, building and land related licenses/registrations/permission/consents amongst others. In addition we may also have to obtain certain other permissions and licenses relating to

(a) the contract labour we hire from outside contractors for services such as alteration, valet parking, security, housekeeping, maintenance, gift wrapping;

(b) restaurants, cafeteria, video arcades

in such of our new store(s) as will actually provide these amenities to customers.

APPROVALS MATERIAL TO OUR CURRENT BUSINESS ACTIVITIES

Approvals

We have obtained the following material approvals relating to our current business activities -

1. Regulatory

Our Company currently has 16 department stores in various cities in India. For these department stores, pursuant to various laws in force in the States in which our stores are situated, the following registrations / licenses/ consents / permissions, have been obtained which are material for the operation of our stores and therefore for our Company's current business activities.

a. Shops and Establishments License

b. Licenses for Glow Signs/Sign Boards/Illuminated Sky Sign Board / Show Cases// Illuminated Totem Pole Signs Boards (including local language)

c. License for Storage of Yarn/ Inflammable Goods

d. License for Operating Stores 365 days

e. License for Extended Working Hours

f. Miscellaneous license /permission for fire/fire prevention measures/lifts /land and building related/certain electricity related etc

Brief details of the material licenses for each of our 16 department stores are set out below.

a. Shops and Establishment License

This license is required to be obtained by each of our stores pursuant to the local statutes in force in the respective States in which our store are located. Brief details are set out below.

S. No	Details of Store	Registration No.	Date of Validity /Renewal
1.	Maharashtra-Mumbai - Andheri	KW I 10319	Annual renewal (renewed upto 2005)
2.	Karnataka-Bangalore-Magarath Road	61/S/113	Valid till December 31,2008
3.	Andhra Pradesh-Hyderabad	ACL2/HYD/9/2002	Valid till December 31,2005
4.	Rajasthan- Jaipur	SH/1246/R7-III/P157/2000	Valid until surrendered.
5.	Delhi	Not required *	Not required *
6.	Tamil Nadu-Chennai	K078045582	Valid till March 31, 2006.
7.	Maharashtra- Mumbai-Chembur	MW-II/003340	Annual renewal (renewed for 2005)
8.	Maharashtra- Pune	I/6002	Annual renewal (renewed for 2006)
9.	Maharashtra- Mumbai-Bandra	HW-I/009176	Annual renewal (renewed upto December 31, 2006)
10.	Haryana-Gurgaon	GGN/2002/417	This approval has recently become due for renewal. Please refer to the section titled 'Approvals Material to Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received-Government Approvals' in this Prospectus.

S. No	Details of Store	Registration No.	Date of Validity /Renewal
11.	Maharashtra- Mumbai – Kandivili	RS-I/010713	Annual renewal (renewed upto 2007)
12.	West Bengal- Kolkata – Elgin Road	0/47022200543	Valid till July 23, 2005
13.	Maharashtra- Mumbai – Mulund	T-1/00559	Renewed upto 2005
14.	Maharashtra- Mumbai – Malad	PS-1/008663	Renewed upto 2007
15.	West Bengal- Kolkata – Salt Lake City	N24PG3/Bidhanagar (N)/P-1/56196	May 28,2005

*The renewal of registration has been kept in abeyance, while the local State Government at Delhi seeks an amendment to the Delhi Shops and Establishments Act 1954 to do away with registration requirements altogether.

b. Licenses for Glow Sign / Sign Boards / Illuminated Sky Sign Board / Show Cases/ Illuminated Totem Pole Signs [including local language]

(i) Maharashtra-Mumbai - Andheri - License dated October 1,2002 issued by BMC for a glow sign valid till September 2005;

(ii) Maharashtra-Mumbai- Andheri- License dated March 11,1992 issued by BMC to IPHL for two neon sign boards and two show cases valid till September 2005;

(iii) Maharashtra-Mumbai - Andheri- License dated December 12,1992 issued by BMC for illium show cases valid till October 2005;

(iv) Maharashtra-Mumbai - Andheri- License dated February 7,1995 issued by BMC to IPHL for illium sky sign and six sign boards valid till May 2005;

(v) Maharashtra-Mumbai- Andheri-License dated June 2, 1995 issued by BMC to IPHL for non illium sky sign and sign board valid till April 2005;

(vi) Maharashtra-Mumbai - Andheri-License dated June 17,2000 issued by BMC for a glow sign valid till March 2005.This approval has recently become due for renewal. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed' in this Prospectus;

(vii) Maharashtra-Mumbai- Andheri-License dated March 20, 2001 issued by BMC for a neon sign valid till January 2006;

(viii) Maharashtra-Mumbai- Chembur-License dated July 30, 2001 issued by BMC for three show cases valid till December 2005;

(ix) Maharashtra-Mumbai - Chembur-License dated July 30,2001 issued by BMC for two illuminated neon sign boards valid till December 2005;

(x) Maharashtra-Mumbai- Kandivili-License dated February 25, 2003 issued by BMC for three neon sign boards valid till July 31, 2005;

(xi) Rajasthan-Jaipur - License for a sign board valid till March 31, 2005. This approval has recently become due for renewal. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed' in this Prospectus

(xii) Rajasthan-Jaipur - License for [4] glow sign valid till March 31, 2005. This approval has recently become due for renewal. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed' in this Prospectus

(xiii) Tamil Nadu-Chennai – Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed' in this Prospectus. However the Company has paid inspection fees with regard to neon signs to the Electrical Inspector, Chennai for inspection of the neon signs at the Chennai store.

(xiv) Andhra Pradesh-Hyderabad – renewed for the year 2004 -2005. This approval has recently become due for renewal. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed' in this Prospectus

(xv) National Capital Territory of Delhi- No License is required.

(xvi) Maharashtra-Pune- License dated June 5,2002 issued by Pune Mahanagarpalika for sign boards valid for year 2004-2005. This approval has recently become due for renewal. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed' in this Prospectus;

(xvii) Haryana-Gurgaon –In process. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus.

(xviii) Maharashtra-Mumbai-Mulund – License dated April 3,2003 issued by BMC for illuminated neon signs boards and valid till March 2005. This approval has recently become due for renewal. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed' in this Prospectus;

(xix) Maharashtra-Mumbai- Bandra-License dated October 22, 2002 issued by BMC for two illuminated neon sign boards and four back lights valid till May 2005;

(xx) Karnataka-Bangalore– Magarath Road Licence dated June 1, 2004 issued by Bangalore, Mahagara Palike for six glow signs and two neon signs valid for the year 2004-2005. This approval has recently become due for renewal. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed' in this Prospectus

(xxi) West Bengal-Kolkata- Elgin Road - License dated July 12,2003 issued by Kolkata Municipal Corporation for a glow sign board valid till April 30, 2005

(xxii) Maharashtra-Mumbai- Malad –License N034459 dated June 7, 2004 issued by BMC for a show case valid till May 30, 2005.

(xxiii) Maharashtra-Mumbai- Malad –License issued by BMC for an illuminated sign board valid till January 2006.

(xxiv) Maharashtra-Mumbai- Malad –License issued by BMC for five show cases valid till 2006.

(xxv) Kolkata-Salt Lake City- License not required as per letter dated August 5, 2004.

c. License for Storage of Yarn/Inflammable Goods

Please see section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed - Government Approvals' in this Prospectus.

d. Operating Store for 365 days

S. No	Details of Store	Date of Expiry
1.	Maharashtra-Mumbai - Andheri	Valid until further notice
2.	Karnataka-Bangalore- Magarath Road	Valid until November 16, 2006
3.	Andhra Pradesh-Hyderabad	Valid until notification withdrawn
4.	Rajasthan – Jaipur	Valid until notification withdrawn
5.	National Capital Territory of Delhi-Delhi	Valid until notification withdrawn
6.	Tamil Nadu- Chennai	In process. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus.
7.	Maharashtra-Mumbai – Chembur	Approval received as per letter dated August 9, 2004 valid for six months.Application in process. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus.
8.	Maharashtra-Pune	Approval received as per letter dated August 9, 2004 valid for six months.Application in process. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus.
9.	Maharashtra-Mumbai –Bandra	Approval received as per letter dated August 9, 2004valid for six months.Application in process. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus.

S. No	Details of Store	Date of Expiry
10.	Haryana- Gurgaon	Approval received by letter dated September 3, 2004 and notification dated August 24, 2004 valid till March 31, 2005. This approval has recently become due for renewal. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed' in this Prospectus
11.	Maharashtra-Mumbai –Kandivili	Approval received as per letter dated August 9, 2004valid for six months.Application in process. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus.
12.	West Bengal-Kolkata – Elgin Road	Permission granted by order dated December 18, 2003
13.	Maharashtra-Mumbai –Mulund	Approval received as per letter dated August 9, 2004valid for six months.Application in process. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus.
14.	Maharashtra-Mumbai –Malad	Approval received as per letter dated August 9, 2004valid for six months.Application in process. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus.
15.	Kolkata – Salt Lake City	Exemption granted by letter dated July 8, 2004.

e. Extended working hours license

The working hours of each of our stores vary from State to State. Depending on the local State laws in force in a particular State, our stores are required to obtain a license for extended working hours. The usual daily working hours extend from 10:30 a.m. to 8: 30 p.m. Set out below are details of the stores that are open for a longer time and have extended working hours. The other stores which work within their usual daily working hours require no extended working hours license.

(i) Maharashtra-Mumbai – Andheri - Letter dated November 26, 1994 issued by Shops and Establishment Department, BMC permitting our Company's store in Mumbai - Andheri to be kept open upto 10:30 p.m. all seven days of the week;

(ii) Karnataka- Bangalore – Magarath Road - Please see section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed - Government Approvals' in this Prospectus.

(iii) Andhra Pradesh- Hyderabad- Application dated August 5, 2004 made. Approval refused.

(iv) Rajasthan - Jaipur – approval received by letter dated October 30, 2002

(v) National Capital Territory of Delhi- Notification No.F.1[19]/96-CIS/398 dated September 18, 2000 issued by Labour Department, Government of National Capital Territory of Delhi permitting our department store in Delhi to be kept open upto 10:30 p.m.

(vi) Tamil Nadu- Chennai –Application made. Approval yet to be received. Please see section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus.

(vii) Haryana- Gurgaon – approval received by letter dated September 3, 2004 and notification dated August 24, 2004 valid till March 31, 2005. This approval has recently become due for renewal. Please refer to the section titled 'Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed' in this Prospectus

(viii) West Bengal- Kolkata Elgin Road - Notification No.2031.IR dated February 1,2003 issued by Labour Department, Government of West Bengal permitting our department store in Kolkata to be kept open upto 9:30 p.m

(ix) Andhra Pradesh-Hyderabad- The store at Hyderabad has not been granted permission to remain open after 8:30 pm in terms of Notification No. 56 dated October 29, 1999 issued by Labour Employment Training and Factories (LAB.II) Department, Government of Andhra Pradesh. - Application made. Approval received on June 20, 2004.

(x) Kolkata - Salt Lake City - Approval received by letter dated July 8, 2004.

f. Miscellaneous License /permission for fire/fire prevention measures/lifts /land and building related/certain electricity related

Permissions / approvals for fire/fire prevention measures and related plans and arrangements are usually obtained by the builder/developer or landlord from whose premises we operate our stores pursuant to contractual arrangements entered into between us and the concerned builder/developer/landlord as the case may be.

Other than the above there are several other licenses/registrations /consents obtained by the builders /developers/ landlords from whose premises we operate our stores including such as licenses/registrations/permission/consents required for lifts, escalators, excess electricity requirements, building and land related licenses/registrations/permission/ consents amongst others. In addition we also have obtained certain other permissions and licenses relating to

(a) the contract labour we hire from outside contractors for alteration, valet parking, security, housekeeping, maintenance, gift wrapping;

(b) restaurants, cafeteria, video arcades

in such of our stores as actually provide these amenities to our customers and where we have not entered into concessionaire agreements with third party hospitality or eatery service providers.

Other than the material licenses /permissions/consents set out in this section each of our stores have also obtained and renew as and when required licenses for publicly playing music / sound recordings at each store from Phonographic Performance Limited and/or licenses for the public performance of musical works under the Copyright Act 1957, as applicable .

Other than the above material licenses/ permissions/ consents obtained by our stores the following electricity and pollution control related licenses have also been obtained by our Company.

a. Letter dated June 13 2003 issued by the Office of Electrical Inspector, LE & LL Department, Mumbai registering the diesel generating set installed in the Service Office premises in accordance with the B.E.D Rules 1962.

b. NOC dated May 2, 2003 from MSEB for the above diesel generating set

16. Intellectual Property Registrations

Out of the various trademarks under which we presently market our in-house products, 10 are registered in the name of our Company. For the rest, 217 applications for the registration of these trademarks in the name of our Company have been submitted to the relevant trademark authorities as on the date of this Prospectus and are still pending with them, including 3 trademarks registered in the name of Ivory Properties & Hotels Limited which have been assigned to our Company but applications for the registration of which are yet to be made. Please see the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus

17. Corporate

Department of Company Affairs, Ministry of Finance and Company Affairs letter dated July 15, 2003 granting to our Company approval under section 269 of the Companies Act for the payment of remuneration to our CEO & Managing Director.

18. Taxes

a. Sales Tax

S. No	Details	Registration No.	Validity	Registration No CST	Validity
1.	Maharashtra-Mumbai – Registered Office - Bandra	400064 IS-10380	w.e.f August 11, 2004 till cancelled	400064/C-9370	w.e.f August 11, 2004 till cancelled
2.	Maharashtra-Mumbai – Distribution Centre – Malad (additional place of business certified)	400064 IS-10380	w.e.f August 11, 2004 till cancelled	400064/C-9370	w.e.f August 11, 2004 till cancelled
3.	Maharashtra-Mumbai – Services Office – Malad (additional place of business certified)	400064 IS-10380	w.e.f August 11, 2004 till cancelled	400064/C-9370	w.e.f August 11, 2004 till cancelled
4.	Karnataka-Bangalore-Distribution Centre (additional place of business certified)	00510804	w.e.f December 1, 1997 till cancelled	00560807	w.e.f December 1, 1997 till cancelled
5.	National Capital Territory of Delhi – Delhi –Distribution Centre (additional place of business certified)	LC/094/ 07740223165/ 1099	w.e.f January 24, 2000, till cancelled	LC/094/ 07740223165/ 1099	w.e.f January 24, 2000. till cancelled
6.	West Bengal- Kolkata Distribution Centre- (additional place of business certified)	AW/1979 (19200278165)	w.e.f October 6, 2002 till cancelled	1979(AW)C (19200278262)	w.e.f October 6, 2002 till cancelled

S. No	Details of Stores	Registration No.	Validity	Registration No CST	Validity
1.	Maharashtra – Mumbai – Andheri (additional place of business certified)	400064IS-10380	w.e.f August 11, 2004 till cancelled	400064/C-9370	w.e.f August 11, 2004 till cancelled
2.	Karnataka-Bangalore	00510804	w.e.f December 1, 1997 till cancelled	00560807	w.e.f December 1, 1997 till cancelled
3.	Andhra Pradesh-Hyderabad	BGT/03/1/3176/ 98-99	w.e.f January 1, 2005 till cancelled	BGT / 03 / 01 / 2569 / 98-99	w.e.f January 1, 2005 till cancelled
4.	Rajasthan – Jaipur	1420 / 05116	w.e.f July 26, 1999 till cancelled	1420 / 05116	w.e.f July 26, 1999 till cancelled
5.	National Capital Territory of Delhi – Delhi	LC/094/ 07740223165/1099	w.e.f January 24, 2000. till cancelled	LC/094/ 07740223165/1099	w.e.f January 24, 2000, till cancelled
6.	Tamil Nadu-Chennai	1501782/2000-2001	w.e.f June 22, 2000 till cancelled	773759	w.e.f June 22, 2000 till cancelled
7.	Maharashtra-Mumbai-Chembur(additional place of business certified)	400064IS-10380	w.e.f August 11, 2004 till cancelled	400064/C- 9370	w.e.f August 11, 2004 till cancelled
8.	Maharashtra – Pune	400064IS-10380	w.e.f August 11, 2004 till cancelled	400064/C- 9370	w.e.f August 11, 2004 till cancelled
9.	Maharashtra –Mumbai – Bandra(additional place of business certified)	400064IS-10380	w.e.f August 11, 2004 till cancelled	400064/C- 9370	w.e.f August 11, 2004 till cancelled
10.	Haryana-Gurgaon	GRE-22999	w.e.f August 29, 2002 till cancelled	GRE 22999	w.e.f August 29, 2002 till cancelled
11.	Maharashtra-Mumbai-Kandivili(additional place of business certified)	400064IS-10380	w.e.f August 11, 2004 till cancelled	400064/C- 9370	w.e.f August 11, 2004 till cancelled
12.	West Bengal- Kolkata – Elgin Road	AW/1979 (19200278165)*	w.e.f October 6, 2002 till cancelled	1979(AW)C 19200278262	w.e.f October 6, 2002 till cancelled
13.	Maharashtra- Mumbai - Mulund (additional place of business certified)	400064IS-10380	w.e.f August 11, 2004 till cancelled	400064/C- 9370	w.e.f August 11, 2004 till cancelled
14.	Maharashtra –Mumbai-Malad (additional place of business certified)	400064IS-10380	w.e.f August 11, 2004 till cancelled	400064/C- 9370	w.e.f August 11, 2004 till cancelled
15.	West Bengal – Salt Lake City	AW/1979 (19200278165)	w.e.f October 6, 2002 till cancelled	1979(AW)C 19200278262	w.e.f October 6, 2002 till cancelled

Luxury Tax

S. No	Details of Stores	Registration No.	Validity
1.	Maharashtra - Mumbai - Andheri	400064/L(C.T.)/IP-0010	w.e.f August 11, 2004
2.	Maharashtra-Mumbai-Distribution Centre	400064/L(C.T.)/IP-0010	w.e.f August 11, 2004
3.	Tamil Nadu-Chennai	03756/2003-2004	w.e.f June 13, 2003 till cancelled
4.	Tamil Nadu-Chennai-Distribution Centre	03756/2003-2004	w.e.f June 13, 2003 till cancelled
5.	Maharashtra-Mumbai-Chembur (additional place of business certified)	400064/L(C.T.)/IP-0010	w.e.f August 11, 2004
6.	Maharashtra – Pune	400064/L(C.T.)/IP-0010	w.e.f August 11, 2004
7.	Maharashtra –Mumbai – Bandra (additional place of business certified)	400064/L(C.T.)/IP-0010	w.e.f August 11, 2004
8.	Maharashtra-Mumbai-Kandivili (additional place of business certified)	400064/L(C.T.)/IP-0010	w.e.f August 11, 2004

S. No	Details of Stores	Registration No.	Validity
9.	West Bengal- Kolkata – Elgin Road	BH/39/LT/2003	w.e.f February 24, 2003
10.	West Bengal- Kolkata - Distribution Centre	BH/39/LT/2003	w.e.f February 24, 2003
11.	Maharashtra- Mumbai-Mulund (additional place of business certified)	400064/L(C.T.)/IP-0010	w.e.f August 11, 2004
12.	Maharashtra –Mumbai-Malad (additional place of business certified)	400064/L(C.T.)/IP-0010	w.e.f August 11, 2004
13	West Bengal – Kolkata – Salt Lake City	BH/39/LT/1/2003	w.e.f. February 24, 2003

* VAT number for Kolkata is 19200278068

19. Licenses and /or Approvals relating to FEMA- FIPB/RBI

Letter dated June 19, 2004 issued by the Reserve Bank of India permitting the transfer of shares of our Company from Burgundy Investment Limited to nine Promoters.

Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received

1. **Trade Mark related** – Out of the various trademarks under which we presently market our in-house products, 10 are registered in the name of our Company. For the rest, 217 applications for the registration of these trademarks in the name of our Company have been submitted to the relevant trademark authorities as on the date of this Prospectus and are still pending with them. For details relating to our trademarks for which applications have been made but registration is pending please see the section titled 'Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received- Government Approvals' in this Prospectus
2. Haryana, Gurgaon – application dated May 12, 2004 has been made to the Commissioner, Municipal Corporation, Gurgaon seeking a license for the neon sign and glow sign at our store in Gurgaon.
3. Haryana, Gurgaon – application dated November 14, 2002 has been made to the Commissioner, Municipal Corporation, Gurgaon seeking a license for the neon sign and glow sign at our store in Gurgaon
4. Andhra Pradesh, Hyderabad – an application dated June 20, 2004 was made to the Commissioner of Labour, Hyderabad seeking permission for extended working hours for the store at Hyderabad. A second application dated October 11, 2004 has been made to Principal Secretary, (Labour employment, Training & Factories Dept) seeking permission for extended working hours.
5. Andhra Pradesh, Hyderabad- an application dated August 3, 2004 has been made for seeking permission for inflammable goods
6. Tamil Nadu – Chennai- application dated July 30, 2004 has been made to the Commissioner of Labour, Chennai and the Secretary, Labour and Employment Department seeking permission for opening the store 365 days and extended working hours.
7. Maharashtra-Mumbai: Bandra, Kandivali, Malad, Mulund, Chembur; and Pune – application dated February 4, 2005 has been made to renew the exemption for keeping the stores open for 365 days and extended working hours.
8. Haryana – Gurgaon – We have made an application dated March 1, 2005 to the Secretary (Labour), Government of Haryana, Chandigarh seeking extension of the exemption granted from the provisions of the Punjab Shops Commercial Establishment Act, 1958 and the rules framed thereunder.
9. Maharashtra - Mumbai - Chembur - an application no. 2270 has been made seeking permission for installation of 1 neon sign on the canopy at the entrance of the store at Chembur (date of actual display being April 5, 2005).

Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed

1. Mumbai - Malad– as this is a new store launched last year by our Company the process of obtaining approvals relating to this store is ongoing.
2. West Bengal- Kolkata– Salt Lake City – as this is a new store launched last year by our Company the process of obtaining approvals relating to this store is ongoing.
3. Tamil Nadu-Chennai – permission for the sign board at the Chennai store to be obtained.
4. Licenses for Storage of Yarn/Inflammable Goods at each of our stores to the extent applicable /required under local state laws

5. Karnataka-Bangalore-Mantri- Although we have obtained a few of the required approvals for this new store the process of obtaining the remaining approvals, to the extent applicable is ongoing.

6. Karnataka- Bangalore – Magarath Road- an application dated August 5, 2004 seeking permission for extended working hours from the labour commissioner. Permission refused by letter dated October 20, 2004.

7. For all the new stores that will be opened by our Company all the relevant approvals will be obtained by our Company as and when required by the new stores that are opened.

8. Licenses for Glow Sign / Sign Boards / Illuminated Sky Sign Board / Show Cases/ Illuminated Totem Pole Signs [including local language] – This license is due for renewal for the following stores :

   a. Maharashtra-Mumbai - Andheri-License dated June 17,2000 issued by BMC for a glow sign valid till March 2005.This approval has recently become due for renewal.

   b. Rajasthan-Jaipur - License for a sign board valid till March 31, 2005. This approval has recently become due for renewal.

   c. Rajasthan-Jaipur - License for [4] glow sign valid till March 31, 2005. This approval has recently become due for renewal.

   d. Andhra Pradesh-Hyderabad – renewed for the year 2004 -2005. This approval has recently become due for renewal.

   e. Maharashtra-Pune- License dated June 5,2002 issued by Pune Mahanagarpalika for sign boards valid for year 2004-2005. This approval has recently become due for renewal.

   f. Maharashtra-Mumbai-Mulund – License dated April 3,2003 issued by BMC for illuminated neon signs boards and valid till March 2005. This approval has recently become due for renewal.

   g. Karnataka-Bangalore– Magarath Road Licence dated June 1, 2004 issued by Bangalore, Mahagara Palike for six glow signs and two neon signs valid for the year 2004-2005. This approval has recently become due for renewal.

9. **Operating Store for 365 days – This license is due for renewal for our store at** Haryana- Gurgaon- Approval received by letter dated September 3, 2004 and notification dated August 24, 2004 valid till March 31, 2005. This approval has recently become due for renewal.

10. **Extended Working Hours License- This license is due for renewal for our store at** Haryana- Gurgaon – approval received by letter dated September 3, 2004 and notification dated August 24, 2004 valid till March 31, 2005. This approval has recently become due for renewal.

OUR SUBSIDIARIES

We have not received as yet the following material approvals relating to the current business activities of our subsidiaries-

Approvals Material To Our Current Business Activities For Which Applications Have Been Made But Approvals Are Yet To Be Received

There are none

Approvals Material To Our Current Business Activities For Which Approvals Have Not Yet Been Obtained/Renewed

There are 13 applications for the registration of trademarks in the name of our subsidiary Crossword that have been submitted to the relevant trademark authorities as on the date of this Prospectus and are still pending with them. There is one trademark registered in the name of our subsidiary Crossword and one trademark registered in the name of our subsidiary Upasna.

SECTION VII: STATUTORY AND OTHER INFORMATION

STATUTORY AND OTHER INFORMATION

Consents

Consents in writing of: (a) the Directors, the Company Secretary, the Auditors, Legal Advisors to the Issue, Legal Advisors to the Company, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue, Escrow Collection Bankers and Registrars to the Issue, to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus / Prospectus with the Registrar of Companies, Maharashtra at Mumbai as required under Section 60 and Section 60 B of the Companies Act and such consents have not been withdrawn up to the time of filing of the Prospectus with RoC.

Deloitte Haskins & Sells, Chartered Accountants and our statutory auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Prospectus for registration with the Registrar of Companies, Maharashtra at Mumbai.

Deloitte Haskins & Sells, Chartered Accountants, have given their consent to the tax benefits accruing to us and our members in the form and context in which it appears in the Prospectus and has not withdrawn the same up to the time of delivery of the Prospectus for registration with the Registrar of Companies, Maharashtra at Mumbai.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Net Offer to the Public including devolvement of Underwriters, if any, within 60 days from the Bid/ Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, our Company shall pay interest as per section 73 of the Companies Act. Hence if the company does not receive the minimum subscription of 90% of the Net Offer to the Public including devolvement of Underwriters, if any, within 60 days from the Bid/ Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, our Company shall pay interest as per section 73 of the Companies Act.

Further, our Issue is subject to the fulfillment of the condition required by the SCRR, Rule 19(2)(b) that the:

The size of the Net Offer to Public, which is the Issue Price multiplied by the number of equity shares offered to the public, is a minimum of Rs.1,000 Million.

Expert Opinion

Save as stated elsewhere in the Prospectus, we have not obtained any expert opinions.

Changes in Auditors during the last three financial years and reasons thereof

Name of the Auditors	Resignation date /	Appointment date	Audited for the Financial Year ended	Reasons for Change
Deloitte Haskins & Sells		May 20,2002	March 31, 2003 and 2004	Appointed by a ordinary resolution passed in AGM held on May 20, 2002
Arthur Andersen & Associates	April 27, 2002		March 31 2002	Ceased operations

Procedure and Time Schedule for Allotment of Equity Shares

We reserve at our sole, absolute and uncontrolled discretion and without assigning any reason thereof, the right to accept or reject any Bid in whole or in part. In case a Bid is rejected in full, the whole of the Bid Amount will be refunded to the Bidder within 15 days of the Bid Closing Date. In case a Bid is rejected in part, the excess Bid Amount will be refunded to the Bidder within 15 days of the Bid Closing Date. We will allot the Equity Shares within 15 days from the Bid Closing Date, and shall pay interest at the rate of 15% per annum (for any delay beyond the periods as mentioned above), if allotment is not made within 15 days of Bid Closing Date, or if refund orders are not dispatched and/ or demat credits are not made to investors within two working days from the date of allotment.

Utilisation of Issue Proceeds

Pending any use as described above, we intend to invest the proceeds of this Issue in high quality, interest / dividend bearing short term / long term liquid instruments including deposits with banks for the necessary duration. We may also deploy the proceeds of the issue to temporarily reduce our working capital borrowings from banks and financial institutions, and our commercial paper. These investments would be authorised by our Board or a duly authorised committee thereof.

Disposal of Applications and Applications Money

We shall dispatch allotment advice, refund orders and credit Equity Shares to the Beneficiary Account with Depository Participants and submit the allotment and listing documents to the Stock Exchanges within two working days of finalisation of the basis of allotment. We shall dispatch refund orders, if any, of value up to Rs.1,500, by “Under certificate of posting”, and shall dispatch refund orders above Rs.1,500, if any, by Registered Post or Speed Post at the sole or first Bidder’s sole risk.

The BRLMs/ Co-BRM shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the Stock Exchange requirements and SEBI Guidelines, we further undertake that:

- allotment of Equity Shares shall be made only in dematerialised form within 15 days from the Bid Closing Date;
- dispatch of refund orders shall be made within 15 days from the Bid Closing Date; and
- interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), shall be paid if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 days time prescribed above.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker and payable at par at places where bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

No receipt will be issued for the Bid Amount received by us. However, the Bankers to the Issue and Syndicate Members receiving the Bid Forms will acknowledge receipt by stamping and returning the acknowledgement slip at the bottom of each form.

Interest on refund of excess bid amount

We shall pay interest at the rate of 15% per annum on the excess bid amount received by us if refund orders are not dispatched within 15 days from the Bid Closing Date as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter no. F-8/6/SE/79 dated July 21, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Basis of Allotment

(A) For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allotment to Non-Institutional Bidders and QIBs shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 25% of the Net Offer to the Public, Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 25% of the Net Offer to the Public, Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis upto a minimum of 25 Equity Shares and in multiples of 25 Equity Shares. For the method of proportionate basis of allotment, refer below.

(B) For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allotment to Retail Individual Bidders and QIBs shall be available for allocation to Non-institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 15% of the Net Offer to the Public, Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 15% of the Net Offer to the Public, Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis upto a minimum of 25 Equity Shares and in multiples of 25 Equity Shares. For the method of proportionate basis of allotment refer below.

(C) For QIB Bidders

- Bids received from QIBs at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful QIBs will be made at the Issue Price.
- 60% of the Net Offer to the Public shall be available for allotment to QIBs who have bid in the Issue which is equal to or greater than the Issue Price.

- The allocation would be decided by us in consultation with BRLMs and Co-BRM and would be at our sole discretion, based on various factors, such as quality of the Bidder, size, price and date of the Bid.

The aggregate allocation to QIB Bidders shall not be less than 60% of the Net Offer to the Public.

(D) For Employees

- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 200,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 200,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis upto a minimum of 25 Equity Shares and in multiples of 25 Equity Shares. For the method of proportionate basis of allocation, please see below.

The Company, in consultation with the BRLMs and Co-BRM, would have the discretion for any allotment. Under subscription, if any, in Non Institutional and Retail Individual Bidder categories would be allowed to be met with the spill over from any of the other categories, at our sole discretion and in consultation with the BRLMs and Co-BRM.

The Designated Stock Exchange shall be The Stock Exchange, Mumbai.

Method of Proportionate Basis of Allocation

In the event the Issue is over-subscribed, the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders shall be finalised by us in consultation with the BRLMs/ Co-BRM and Designated Stock Exchange. The Executive Director or any other senior official of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalised in a fair and proper manner.

The allocation shall be made on a proportionate basis as explained below:

(a) Bidders will be categorised according to the number of Equity Shares applied for.

(b) The total number of Equity Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of shares applied for) multiplied by the inverse of the over-subscription ratio.

(c) Number of Equity Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis which is number of shares to be allocated to each category multiplied by the number of shares applied for by the Bidders divided by the number of shares applied for all the successful Bidders in that category.

(d) In all Bids where the proportionate allocation is less than 25 Equity Shares per Bidder, the allocation shall be made as follows:

- Each successful Bidder shall be allocated a minimum of 25 Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allocated in that category is equal to the number of Equity Shares calculated in accordance with (b) above

(e) If the proportionate allocation to a Bidder works out to a number that is more than 25 but is not a multiple of 1 (which is the market lot), the decimal would be rounded off to a whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allocated Equity Shares arrived at after such rounding off.

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allocated to the Bidders in that category, the remaining Equity Shares available for allocation/ shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allocation to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Expenses of the Issue

The expenses of the Issue payable by us inclusive of brokerage, fees payable to the BRLMs/ Co-BRM, Syndicate Members, fees of Legal Advisors, stamp duty, printing, publication, advertising and distribution expenses, bank charges, fees payable to the Registrars to the Issue, listing fees and other miscellaneous expenses is estimated to be approximately 4.84% of the Issue size,

Particulars	Amount (Rs. Million)
Management Fees, Underwriting Commission and Brokerage	30.00
Marketing and Advertising Expenses, Stationery and Printing	38.40
Others (Registrar Expenses, Legal fees, listing fees etc.)	11.60
Total estimated Issue expenses	**80.00**

Fees Payable to the Book Running Lead Managers

The total fees payable to the Book Running Lead Managers will be as per the Memorandum of Understanding dated August 14, 2004, executed between the Book Running Lead Managers and the Company, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding dated August 6, 2004, executed between the Registrar to the Issue and the Company, a copy of which is available for inspection at our Registered Office.

The Registrar will be reimbursed for all relevant out-of-pocket expenses including such as cost of stationery, postage, and stamp duty, communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allocation advice by registered post/ Speed Post. Refund Orders up to Rs.1,500 would be send under certificate of posting.

Underwriting Commission and Selling Commission

The selling commission for the Issue is as set out in the Syndicate Agreement executed between BRLMs/ Co-BRM ,Syndicate Members and us.

The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue Price and amount underwritten in the manner mentioned in the chapter titled "General Information" appearing in this Prospectus.

Commission and Brokerage on Previous Issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since its inception.

Previous Rights and Public Issues

We have not made any rights or public issue since our inception.

Outstanding Debenture or Bond Issues

As of date, we do not have any outstanding Debenture or Bond Issue.

Outstanding Preference Shares

As of date, we do not have any outstanding preference shares.

Capitalisation of Reserves or Profits

We have not capitalised our reserves or profits at any time since our inception.

Issues otherwise than for Cash

We have not issued any Equity Shares for a consideration otherwise than for cash.

Option to Subscribe

Except as stated in the section titled "Capital Structure" for ESOPs as mentioned in the Prospectus, we have not given any options for any of our Equity Shares in the Issue .

Application in the Issue

Equity Shares being issued through this Prospectus can be applied for in the dematerialized form only.

Purchase/ of Property

NEW STORES

Sr. No	Property	a) The names addresses, descriptions and occupations of the vendors	b)The amount paid or payable in cash, shares or debentures to the vendor and, where there is more than one separate vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill (Rs in Millions)	c)The nature of the title or interest in such property acquired or to be acquired by the company	d) Short particulars of every transaction relating to the property completed within two preceding years, in which any vendor of the property to the company or any person who is, or was at the time of the transaction, a promoter, or a director or proposed director of the company had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and slating the amount payable by or to such vendor, promoter director or proposed director in respect of the transaction
1	Bangalore (2)	Abhishek Developers, Partnership firm, No. 1/110 Madhavan Park Circle, 3rd Block Jayanagar Bangalore 560011	Bank Guarantee of Rs. 23.78	Lease	Nil
2	Mumbai (7)	Y. J. Realty Limited, Conwood House, Gen. A.K. Vaidya Marg Yashodham, Goregaon(E) Mumbai	-	Lease	Nil
3	Pune (2)	One Stop Shop India Pvt Ltd, Deccan Court, S. V Road Bandra (W), Mumbai	15.53	Lease	Nil
4	Ghaziabad	Shipra Motels and Restaurant Ltd, 48 B, Race Course Dehra Dun	-	Lease	Nil
5	Pune (3)	Kakade Contructions Company Private Limited – Plot no. 67-68 Sanmitra Bungalow, Opp Telephone Exchange, Abhinav lane, Erandwane, Pune 411004	7.45	Lease	Nil

6	Delhi (2)	M/s MGF Developments Ltd 17-B, AsafAli Road, New Delhi 110002 M/s Sareen Estate Pvt Ltd 75E Himalaya House, 23, K. G Marg, New Delhi 110001. M/s Moonlight Continental Pvt Ltd 75E Himalaya House, 23, K. G Marg, New Delhi 110001.	33.43	Lease	Nil
7	Bangalore (3)	Euroamer Garuda Resorts (India) Pvt Ltd, 78/1, New K. R. Road Basavangudi, Bangalore, 560004	17.00	Lease	Nil
8	Noida	International Recreational Parks Pvt Ltd, Unitech Signature Towers, ground floor, South City 1, NH, 8.Gurgaon 122001.	16.67	Lease	Nil
9	Bangalore (4)	Mantri Developers Pvt Ltd, Mantri House, 41, Vittal Malya Road, Bangalore - 560001	20.62	Lease	Nil
10	Hyderabad (2)	GVK eCity Pvt Ltd. Paigah House, 156-159, Sardar Patel Road, Secunderabad 500003	14.35	Lease	Nil
11	Bangalore (5)	Mantri Developers Pvt Ltd, Mantri House, 41, Vittal Malya Road, Bangalore - 560001	32.25	Lease	Nil

Except as stated in section titled "Objects of the Issue" and "Related Party Transactions", as the case may be, in this Prospectus and save in respect of the property purchased or acquired or to be purchased or acquired in connection with the business or activities contemplated by the Objects of the Issue, there is no property which we have purchased or acquired or propose to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Prospectus, other than property in respect of which:

- the contracts for the purchase or acquisition were entered into in the ordinary course of the business, and the contracts were not entered into in contemplation of the Issue nor is the Issue contemplated in consequence of the contracts; or
- the amount of the purchase money is not material.

Except as stated in this Prospectus in the section titled "Related Party Transactions" pertaining to properties on lease / conducting arrangement / leave and licence/contractual arrangement, we have not purchased any property in which any of our promoters and/or Directors, have any direct or indirect interest in any payment made thereof. In addition, our Promoters has an option to purchase from the existing owner (HDFC) the premises in which the store at Pune is situated. Pursuant to the exercise to his option, we will enter into contract with our Promoters for the aforesaid property.

Revaluation of Assets

We have not revalued any of our assets since our inception.

Classes of Shares

Our Authorised Share capital is Rs.400,000,000(Four Hundred million) divided into 40,000,000 (Forty Million) Equity Shares of Rs.10/- each

Payment or Benefit to Promoters or Whole Time Directors of the Company

Except as stated otherwise in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our promoters or officers except the normal remuneration for services rendered as directors, officers or employees.

Remuneration of Managing Director Mr. B. S. Nagesh, CCA & Managing Director & CEO

Mr. B. S. Nagesh is entitled to receive compensation for his services as the Managing Director & CEO of our Company. The present terms of employment of Mr. B. S. Nagesh with effect from April 1, 2000 until March 31, 2005 have been fixed pursuant to the provisions of the Companies Act. For the FY ending March 31, 2004, the material terms of remuneration and perquisites payable to Mr. B.S. Nagesh are as under:

I. Salary and Special Allowance: Rs. 509,000/- per month

II. Perquisites: In addition to salary, Mr. B. S. Nagesh shall be entitled to the following perquisites and other allowances-

a) Contribution to provident and other funds;

b) Gratuity at a rate not exceeding half a month's salary for each completed year of service, payable at the end of tenure or resignation/retirement;

c) Encashment of leave, bonus and allowances as per Company policy and rules;

d) Medical reimbursement as per Company policy and rules;

e) Leave travel concession for self and family as per Company policy and rules;

f) Medical insurance premium;

g) Membership fees for club(s), as per the rules of he Company, subject to a maximum of two clubs.

h) Use of Company's car for official purposes, telephone at residence, charges for personal long distance calls being recoverable at actuals;

i) Furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water and furnishings as and when made applicable to Mr. B. S. Nagesh at the discretion of the Board of Directors;

j) Performance linked incentive upto 35% of annual salary as may be determined by the Board or any Committee thereof;

k) Employees Stock Option Scheme: Participation in the Employees Stock Option Scheme(s) as may framed by the Company from time to time.

The valuation of perquisites shall be as per the Income Tax Rules and wherever no method of valuation is prescribed therein, the same shall be valued at cost to the Company. Where in any financial year the Company has no profits or profits are inadequate, the remuneration payable as above will be paid as minimum remuneration in accordance with the provisions of Schedule XIII as may be amended from time to time.

We have no wholetime directors other than Managing Director.

Remuneration of Other Directors

Other than Managing Director ,**none of the other Directors are entitled to any remuneration except for sitting fees of Rs.5000/- in cash or kind, for every meeting of the Board they attend. In addition the Directors are entitled to employee stock options under our ESOP Schemes.**

Qualification Shares

In terms of our Articles, our Directors are not required to hold any shares as qualification shares.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

VARIATION OF RIGHTS

25. If at any time the share capital of the Company, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be five Persons at least holding or representing by proxy one-third of the issued shares of the class in question.

    If at any time the share capital of the Company, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be five Persons at least holding or representing by proxy one-third of the issued shares of the class in question.

COMPANY'S LIEN ON SHARE/DEBENTURES:

26. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/ debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect, and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

27. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made (i) unless a sum in respect of which the lien exists is presently payable, or (ii) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the Person entitled thereto by reason of his death or insolvency.

28. To give effect to any such sale, the Board may authorise some Person to transfer the shares sold to the purchaser thereof and cause the purchaser's name to be entered in the register in respect of the shares sold. In such case, the purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale and after his name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached for any reason, and the remedy of any Person aggrieved by the sale shall be in damages only and exclusively against the Company.

29. Upon any such sale as aforesaid the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser.

30. The net proceeds of the aforementioned sale shall be received by the Company and after payment of the costs of such sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and / or the debts, liabilities or engagements of such Member to the Company. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the Person entitled to the shares by transmission or otherwise to the shares so sold at the date of the sale.

FORFEITURE OF SHARES

41. If a Member fails to pay the whole or any part of any call, or installment of a call, or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Board may, at any time thereafter during such time as the call or installment or any part thereof or other moneys remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the Person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest at the rate of 18 % p.a. compounded annually that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment. Such notice shall:-

    (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made;

(b) name a place or places on or before and at which the money is to be paid; and

(c) state that, in the event of non-payment of such money on or before the day so named and at the place appointed, the shares in respect of which the call was made will be liable to be forfeited.

42. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, but before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared, interest or other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. No unclaimed or unpaid dividend shall be forfeited by the Board.

43. The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share.

44. Every share so forfeited shall be deemed to be the property of the Company and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

45. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, cancel or annul the forfeiture thereof on such terms as it thinks fit.

46. A Person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. The liability of such Person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

47. When any share is so forfeited, notice of the forfeiture shall be given to the holder of the share, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of the Members, but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

48. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the share.

49. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the Person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share.

50. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

JUDGMENT, DECREE OR PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

51. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as herein provided.

52. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

If a Member fails to pay the whole or any part of any call, or installment of a call, or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Board may, at any time thereafter during such time as the call or installment or any part thereof or other moneys remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the Person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest at the rate of 18 % p.a. compounded annually that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment. Such notice shall:-

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made;

(b) name a place or places on or before and at which the money is to be paid; and

(c) state that, in the event of non-payment of such money on or before the day so named and at the place appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, but before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared, interest or other moneys

payable in respect of the forfeited shares and not actually paid before the forfeiture. No unclaimed or unpaid dividend shall be forfeited by the Board.

The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share.

Every share so forfeited shall be deemed to be the property of the Company and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, cancel or annul the forfeiture thereof on such terms as it thinks fit.

A Person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. The liability of such Person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

When any share is so forfeited, notice of the forfeiture shall be given to the holder of the share, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of the Members, but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the share.

The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the Person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share.

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Judgment, decree or partial payment not to preclude forfeiture

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as herein provided.

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

Transfer

53. The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof.

54. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the Transferee and the Transferee provides its no objection to the transfer within two weeks from the receipt of the notice. In the event of no communication from the Transferee it shall be deemed that the Transferee has provided its no objection. For the purpose of this Article notice to the Transferee shall be deemed to have been duly given if it is dispatched to the address of the Transferee given in the instrument of transfer, in the same manner and shall be deemed to have been duly delivered as is provided in the case of notices to Members under the Act.

55. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

56. The Board may, subject to the provisions of the Act and subject to the other provisions of these Articles, decline to register any transfer of shares on which Company has a lien.

57. The Company shall not be bound to recognize any Hindu Undivided Family (HUF) as a Member and in the event of any shares are to be held by an HUF, the same would have to be held in the name of the Karta / a coparcener of the HUF and the Company would recognize such karta / coparcener as the Member of the Company.

The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof.

Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the Transferee and the Transferee provides its no objection to the transfer within two weeks from the receipt of the notice. In the event of no communication from the Transferee it shall be deemed

that the Transferee has provided its no objection. For the purpose of this Article notice to the Transferee shall be deemed to have been duly given if it is dispatched to the address of the Transferee given in the instrument of transfer, in the same manner and shall be deemed to have been duly delivered as is provided in the case of notices to Members under the Act.

No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

The Board may, subject to the provisions of the Act and subject to the other provisions of these Articles, decline to register any transfer of shares on which Company has a lien.

The Company shall not be bound to recognize any Hindu Undivided Family (HUF) as a Member and in the event of any shares are to be held by an HUF, the same would have to be held in the name of the Karta / a coparcener of the HUF and the Company would recognize such karta / coparcener as the Member of the Company.

Board may refuse to register transfer:

58. Subject to the provisions of Section 111A of the Act or any statutory modification of the said provisions for the time being in force, the Board may, at its own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a Member of the Company but in such cases, the Board shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

Subject to the provisions of Section 111A of the Act or any statutory modification of the said provisions for the time being in force, the Board may, at its own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a Member of the Company but in such cases, the Board shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

Transmission

59. On the death of a Member, the survivor or survivors where the Member was a joint holder, the executor or administrator of a deceased Member or a holder of a Succession Certificate in respect of shares of a deceased Member where he was the sole or only surviving holder shall be the only Persons recognised by the Company as having any title to his interest in the shares and the Company shall not be bound to recognise such executor or administrator unless such executor or administrator shall have first obtained Probate or Letters of Administration or other legal representation as the case may be from a duly constituted court in India. Provided that in any case where the Board in their absolute discretion think fit, the Board may dispense with the production of Probate or Letters of Administration or Succession Certificates upon such terms as to indemnity, affidavit or otherwise as the Board may deem fit and register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Member as a Member. Nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other Persons.

60. Any Person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

    (i) to be registered himself as holder of the share; or

    (ii) to make such transfer of the share as the deceased or insolvent Member could have made.

61. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.

62. If the Person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

63. If the Person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

64. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

65. Subject to the other provisions of these Articles, in the event of law permitting the recognition of nominations made for the transmission of shares in the event of death of a shareholder, the Company shall recognise the same in accordance with the applicable provisions of law.

66. In the event of there being a specific procedure for transmission of dematerialised shares in the applicable rules, bye-laws and regulations, the said procedure shall apply.

On the death of a Member, the survivor or survivors where the Member was a joint holder, the executor or administrator of a deceased Member or a holder of a Succession Certificate in respect of shares of a deceased Member where he was the sole or only surviving holder shall be the only Persons recognised by the Company as having any title to his interest in the shares and the Company shall not be bound to recognise such executor or administrator unless such executor or administrator shall have first obtained Probate or Letters of Administration or other legal representation as the case may be from a duly constituted court in India. Provided that in any case where the Board in their absolute discretion think fit, the Board may dispense with the production of Probate or Letters of Administration or Succession Certificates upon such terms as to indemnity, affidavit or otherwise as the Board may deem fit and register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Member as a Member. Nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any share, which had been jointly held by him with other Persons.

Any Person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

(iii) to be registered himself as holder of the share; or

(iv) to make such transfer of the share as the deceased or insolvent Member could have made.

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.

If the Person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

If the Person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Subject to the other provisions of these Articles, in the event of law permitting the recognition of nominations made for the transmission of shares in the event of death of a shareholder, the Company shall recognise the same in accordance with the applicable provisions of law.

In the event of there being a specific procedure for transmission of dematerialised shares in the applicable rules, bye-laws and regulations, the said procedure shall apply.

Refusal to register nominee

67. The Board shall have the same right to refuse to register a Person entitled by transmission to any shares or his nominee as it would have had as if such Person or nominee were a transferee named in an ordinary transfer for registration. The Company shall not be bound to register a transmission unless the intimation of such transmission has been delivered to the Company under a proper transmission form duly executed by the Person entitled by transmission and specifying the name, address and occupation, if any, of such Person along with the relative share certificates or the letters of allotment, as the case may be. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and registration of transfers of shares shall be applicable to any such intimation of transmission or any notice of transfer as if the circumstances entitling such Person to the shares by transmission had not occurred and as if the Person entitled by transmission or his nominee were the transferee named in an ordinary transfer presented for registration.

The Board shall have the same right to refuse to register a Person entitled by transmission to any shares or his nominee as it would have had as if such Person or nominee were a transferee named in an ordinary transfer for registration. The Company shall not be bound to register a transmission unless the intimation of such transmission has been delivered to the Company under a proper transmission form duly executed by the Person entitled by transmission and specifying the name, address and occupation, if any, of such Person along with the relative share certificates or the letters of allotment, as the case may be. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and registration of transfers of shares shall be applicable to any such intimation of transmission or any notice of transfer as if the circumstances entitling such Person to the shares by transmission had not occurred and as if the Person entitled by transmission or his nominee were the transferee named in an ordinary transfer presented for registration.

Board may require evidence of transmission

68. Every transmission of a share shall be verified in such manner as the Board may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Board at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Board to accept any indemnity.

Every transmission of a share shall be verified in such manner as the Board may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Board at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Board to accept any indemnity.

Rights of persons entitled to shares otherwise than by way of transfer

69. A Person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles, shall be entitled to the same dividends, or interest and other benefits to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as a Member in respect of the share be entitled in respect of such share to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may at any time give notice requiring any such Person to elect either to be registered himself or transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the compliance of the requirements of the notice to the satisfaction of the Board.

A Person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of any M ember or by any lawful means other than by a transfer in accordance with these Articles, shall be entitled to the same dividends, or interest and other benefits to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as a Member in respect of the share be entitled in respect of such share to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may at any time give notice requiring any such Person to elect either to be registered himself or transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the compliance of the requirements of the notice to the satisfaction of the Board.

Notice of Proposed Transfer

70. Before registering any transfer tendered for registration, the Board may, in cases where it think fits, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that unless objection is taken the transfer will be registered and if such registered holder fails to lodge an objection in writing at the Registered Office of the Company within ten days from the posting of such notice to him, he shall be deemed to have accepted the validity of the said transfer.

Before registering any transfer tendered for registration, the Board may, in cases where it think fits, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that unless objection is taken the transfer will be registered and if such registered holder fails to lodge an objection in writing at the Registered Office of the Company within ten days from the posting of such notice to him, he shall be deemed to have accepted the validity of the said transfer.

Company not liable for disregard of a notice prohibiting registration of transfer

71. Neither the Company nor any of its Directors shall incur any liability or responsibility whatever in consequence of their registering, giving effect to, or acting upon any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appering in Register of Members), to the prejudice to the Person having or claiming any equitable or other right, title or interest to or in the same shares although the same may by reason of any fraud or other cause not known to the Company or any of its Directors, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred and although the transfer may as between the transferor and the transferee, be liable to be set aside and notwithstanding that the Company may have had notice:- (i) that the instrument of the transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred or otherwise in a defective manner; or (ii) of any equitable or other right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company; and the Company and/or any of its Directors shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable or other right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some books of the Company; the notice and give effect thereto if the Board shall so think fit. In every such transfer, the Person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder thereof and so far as the Company is concerned, the entire and complete title shall be deemed to have been validly transferred to such transferee.

Neither the Company nor any of its Directors shall incur any liability or responsibility whatever in consequence of their registering, giving effect to, or acting upon any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in Register of Members), to the prejudice to the Person having or claiming any equitable or other right, title or interest to or in the same shares although the same may by reason of any fraud or other cause not known to the Company or any of its Directors, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred and although the transfer may as between the transferor and the transferee, be liable to be set aside and notwithstanding that the Company may have had notice:- (i) that the instrument of the transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred or otherwise in a defective manner; or (ii) of any equitable or other right, title or

interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company; and the Company and/or any of its Directors shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable or other right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some books of the Company; the notice and give effect thereto if the Board shall so think fit. In every such transfer, the Person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder thereof and so far as the Company is concerned, the entire and complete title shall be deemed to have been validly transferred to such transferee.

Joint Holders

72. Where two or more Persons are registered as the holders of any share they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship subject to the followings and other provisions contained in these Articles:-

(a) The Company shall not be bound to register more than three Persons as the holders of any share.

(b) The joint holders of any share shall be liable severally as well as jointly for and in respect of all installments, calls, other payments which ought to be made in respect of such share.

(c) On the death of any of such joint holders, the survivor or survivors shall be the only Person or Persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other Person.

(d) Any one of such joint holders may give effectual receipts of any dividends or interest or other moneys payable in respect of such share.

(e) Only the Person whose name stands first in the Register of Members or in the records of the Depository as one of the joint holders of any share unless otherwise directed by all of them in writing shall be entitled to delivery of certificate relating to such share from the Company and/or any document served on or sent to such Person shall be deemed service on all the joint holders.

(f) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by attorney or by proxy then that one of such Persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in their register in respect of such shares Several executors or Administrators of a deceased Member in whose (deceased Member's) sole name any share stands shall for the purpose of this sub-clause be deemed joint holders.

Where two or more Persons are registered as the holders of any share they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship subject to the followings and other provisions contained in these Articles:-

(g) The Company shall not be bound to register more than three Persons as the holders of any share.

(h) The joint holders of any share shall be liable severally as well as jointly for and in respect of all installments, calls, other payments that ought to be made in respect of such share.

(i) On the death of any of such joint holders, the survivor or survivors shall be the only Person or Persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other Person.

(j) Any one of such joint holders may give effectual receipts of any dividends or interest or other moneys payable in respect of such share.

(k) Only the Person whose name stands first in the Register of Members or in the records of the Depository as one of the joint holders of any share unless otherwise directed by all of them in writing shall be entitled to delivery of certificate relating to such share from the Company and/or any document served on or sent to such Person shall be deemed service on all the joint holders.

(l) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by attorney or by proxy then that one of such Persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder

present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in their register in respect of such shares Several executors or Administrators of a deceased Member in whose (deceased Member's) sole name any share stands shall for the purpose of this sub-clause be deemed joint holders.

Surrender of Shares

73. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms as the Board may think fit.

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms as the Board may think fit.

BORROWING POWERS

75. Subject to the provisions of Section 292 and 293 of the Act and of these Articles, the Board may from time to time by a resolution passed at a Meeting of the Board, accept deposits from Members, either in advance of calls or otherwise and may generally raise or borrow or secure the payment of any sum or sums of money for the Company. The payment or repayment of moneys so borrowed may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at the meeting of the Board (and not by circular resolution) including by the issue of debentures or debenture stock and other securities may be made assignable free from any equities between the Company and the Person to whom the same may be issued charged upon all or any part of the undertakings or property of the Company (both present and future) and its uncalled share capital for the time being pursuant to a resolution.

Subject to the provisions of Section 292 and 293 of the Act and of these Articles, the Board may from time to time by a resolution passed at a Meeting of the Board, accept deposits from Members, either in advance of calls or otherwise and may generally raise or borrow or secure the payment of any sum or sums of money for the Company. The payment or repayment of moneys so borrowed may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at the meeting of the Board (and not by circular resolution) including by the issue of debentures or debenture stock and other securities may be made assignable free from any equities between the Company and the Person to whom the same may be issued charged upon all or any part of the undertakings or property of the Company (both present and future) and its uncalled share capital for the time being pursuant to a resolution.

ALTERATION OF CAPITAL

81. The Company may from time to time, by ordinary resolution:-

(a) increase its share capital by such amount as it thinks expedient by issuing new shares;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up equity shares into any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, subject, nevertheless, to the provisions of clause (d) of sub-section (1) of Section 94 of the Act;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its shares capital by the amount of the shares so cancelled.

82. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law.-

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

The Company may from time to time, by ordinary resolution:-

(a) increase its share capital by such amount as it thinks expedient by issuing new shares;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up equity shares into any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, subject, nevertheless, to the provisions of clause (d) of sub-section (1) of Section 94 of the Act;

(e) cancel any shares, which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its shares capital by the amount of the shares so cancelled.

The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law.-

(a) its share capital.;

(b) any capital redemption reserve account; or

(c) any share premium account.

GENERAL MEETINGS

83. The term "general meetings" shall include both annual general meetings and extraordinary general meetings.

84. Notice may be given to Members by advertisement in a newspaper in accordance with the provisions of the Act. If notice is given to the Members by advertisement in a newspaper, it will be advertised in atleast one leading Mumbai daily newspaper.

85. The accidental omission or the non receipt of any notice by any Member or other Person entitled to receive the same, shall not invalidate the proceedings of the Company.

86. The Board may, whenever it thinks fit, call an extraordinary general meeting.

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The accidental omission or the non-receipt of any notice by any Member or other Person entitled to receive the same, shall not invalidate the proceedings of the Company.

The Board may, whenever it thinks fit, call an extraordinary general meeting.

PROCEEDINGS AT GENERAL MEETINGS

87. If at any time there are not within India directors capable of acting who are sufficient in number to form a quorum, any director of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

88. No general meeting, annual and extra- ordinary shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it was convened.

89. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, five Members present in person shall be a quorum.

90. The chairman, if any, of the Board shall preside as chairman at every general meeting of the Company. No business shall be discussed at any General Meeting, except the election of a Chairman, whilst the Chair is vacant.

91. If there is no such chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the general meeting, the directors appointed by the Promoters present shall elect one of their number to be chairman of the general meeting.

92. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be chairman of the meeting.

93. The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

94. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

95. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a Member.

96. Any business, other than that upon which a poll has been demanded, may be proceeded with pending the taking of the poll.

97. At any General meeting a resolution put to vote of the meeting shall unless a poll is demanded, be decided on a show of hands. A declaration by the Chairman that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the Minutes of the proceedings of the Company, shall be evidence of the fact and, subject to the provisions of law, proof of the number or proportion of the votes cast in favour of or against such resolution would not be required.

If at any time there are not within India directors capable of acting who are sufficient in number to form a quorum, any director of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

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The chairman, if any, of the Board shall preside as chairman at every general meeting of the Company. No business shall be discussed at any General Meeting, except the election of a Chairman, whilst the Chair is vacant.

If there is no such chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the general meeting, the directors appointed by the Promoters present shall elect one of their number to be chairman of the general meeting.

If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be chairman of the meeting.

The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a Member.

Any business, other than that upon which a poll has been demanded, may be proceeded with pending the taking of the poll.

At any General meeting a resolution put to vote of the meeting shall unless a poll is demanded, be decided on a show of hands. A declaration by the Chairman that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the Minutes of the proceedings of the Company, shall be evidence of the fact and, subject to the provisions of law, proof of the number or proportion of the votes cast in favour of or against such resolution would not be required.

VOTES OF MEMBERS

98. Subject to the provisions of the Act, and subject to the terms of the issue, and subject to any rights or restrictions for the time being attached to any class or classes of shares:-

    (i) on a show of hands, every Member (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act) present in person and entitled to vote shall have one vote; and

    (ii) on a poll, every Member (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act) entitled to vote and present in person or by attorney or by proxy shall be entitled to vote in accordance with Section 87 of the Act.

99. In the case of joint holders, the vote of the First Holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, the First Holder shall be determined by the order in which the names stand in the Register of Members.

100. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any Member be a minor, the vote in respect of his guardians, if more than one, to be elected in case of dispute by the Chairman of the meeting.

101. No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

102. Subject to the provisions of the Act and these Articles, no objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

103. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. Subject as aforesaid Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

104. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act.

105. Subject to the provisions of the Act and other provisions of these Articles, any Person entitled to transmit any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least forty-eight hours before the time of holding of the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transmission of such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

106. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote, or in the case of a poll, not less than 48 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

107. An attorney shall not be entitled to vote unless the power of attorney or other instrument has been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the Member or the attorney require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty eight hours before the time fixed for the meeting or within 24 hours of the receipt of the notice by the Member or attorney (whichever is later) the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

108. Every instrument of a proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit be in any of forms set out in Schedule IX of the Act.

109. An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting of the Company, or of every adjournment of any such meeting.

110. If any such instrument of appointment be confined to the object of appointing an attorney or proxy, it shall remain permanently, or for such time as the Directors may determine, in the custody of the Company; and if embracing other objects, a copy thereof which has been examined by the Company with the original shall be delivered to the Company to remain in its custody.

111. A vote given in accordance with the terms of an instrument of proxy or by an attorney shall be valid, notwithstanding the previous death of the principal or revocation of the proxy or power of attorney as the case may be or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Company's office before the meeting at which the proxy is used.

112. In the event of a corporation, whether a company within the meaning of the Act, or not which is a Member of this Company authorising any of its officials or any other Person to act as its representative at any meeting of this Company, the production of a copy of such resolution certified by one Director or the Secretary of such corporation or company shall be accepted by this Company as sufficient evidence of the validity of the said representative's appointment and his right to vote provided always that the corporation or company which he represents has a right to vote.

Subject to the provisions of the Act, and subject to the terms of the issue, and subject to any rights or restrictions for the time being attached to any class or classes of shares:-

(iii) on a show of hands, every Member (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act) present in person and entitled to vote shall have one vote; and

(iv) on a poll, every Member (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act) entitled to vote and present in person or by attorney or by proxy shall be entitled to vote in accordance with Section 87 of the Act.

In the case of joint holders, the vote of the First Holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, the First Holder shall be determined by the order in which the names stand in the Register of Members.

A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any Member be a minor, the vote in respect of his guardians, if more than one, to be elected in case of dispute by the Chairman of the meeting.

No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Subject to the provisions of the Act and these Articles, no objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. Subject as aforesaid Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act.

Subject to the provisions of the Act and other provisions of these Articles, any Person entitled to transmit any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least forty-eight hours before the time of holding of the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transmission of such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote, or in the case of a poll, not less than 48 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

An attorney shall not be entitled to vote unless the power of attorney or other instrument has been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the Member or the attorney require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty eight hours before the time fixed for the meeting or within 24 hours of the receipt of the notice by the Member or attorney (whichever is later) the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

Every instrument of a proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit be in any of forms set out in Schedule IX of the Act.

An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting of the Company, or of every adjournment of any such meeting.

If any such instrument of appointment be confined to the object of appointing an attorney or proxy, it shall remain permanently, or for such time as the Directors may determine, in the custody of the Company; and if embracing other objects, a copy thereof which has been examined by the Company with the original shall be delivered to the Company to remain in its custody.

A vote given in accordance with the terms of an instrument of proxy or by an attorney shall be valid, notwithstanding the previous death of the principal or revocation of the proxy or power of attorney as the case may be or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Company's office before the meeting at which the proxy is used.

In the event of a corporation, whether a company within the meaning of the Act, or not which is a Member of this Company authorising any of its officials or any other Person to act as its representative at any meeting of this Company, the production of a copy of such resolution certified by one Director or the Secretary of such corporation or company shall be accepted by this Company as sufficient evidence of the validity of the said representative's appointment and his right to vote provided always that the corporation or company which he represents has a right to vote.

DIVIDENDS AND RESERVES

151. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

152. The Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

153. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

154. The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

155. Subject to the rights of Persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

156. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these Articles as paid on the share.

157. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

158. The Board may deduct from any dividend payable to any Member all sums of money if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

159. Unless otherwise directed by the Member any dividend may be paid by cheque or warrant sent through the post/courier or in such other manner permitted under the law directed to the registered address of the Member or Person entitled or in case of joint holders to that one of them first named in the register in respect of the joint holding. Every such cheque shall be made payable to the order of the Person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission, or for any dividend lost to the Member or Person entitled thereto, by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.

160. Notice of any dividend that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act.

161. No dividend shall bear interest against the Company.

162. Subject to the provisions of the Act, the Board may from time to time pay to the Members on account of the next forthcoming dividend such interim dividends as it may deem fit.

163. Subject to the provisions of the Act and the Articles, the Board may retain the dividends payable upon shares in respect of which any Person is under Articles entitled to become a Member or which any Person under that Article is entitled to transfer until such shares are duly transferred or until such Person shall have become a Member in respect of such shares.

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

The Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

The Board may also carry forward any profits, which it may think prudent not to divide, without setting them aside as a reserve.

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Subject to the provisions of the Act, the Board may from time to time pay to the Members on account of the next forthcoming dividend such interim dividends as it may deem fit.

Subject to the provisions of the Act and the Articles, the Board may retain the dividends payable upon shares in respect of which any Person is under Articles entitled to become a Member or which any Person under that Article is entitled to transfer until such shares are duly transferred or until such Person shall have become a Member in respect of such shares.

Unpaid or unclaimed dividend:

164. Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of Shopper's Stop Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

    Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund.

    No unclaimed or unpaid dividend shall be forfeited by the Board.

165. Any General Meeting declaring a dividend may make a call on the Members for such amount as the meeting fixes but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and that the dividend may if so arranged between the Company and the Members be set off against the calls.

166. Any General Meeting may, subject to the provisions of the Act resolve that any profits or surplus moneys arising from the realisation and when permitted by law and appreciation in value of the capital assets of the Company be utilised wholly or in part by the distribution or specific assets and in particular of paid up shares, debentures or debenture-stock of the Company or of any other company or by the paying up any amount for the time being unpaid on any shares of the company or in any one or more of such ways and the Board shall give effect to such direction and where any difficulty arises in regard to the distribution they may settle the same as they think expedient and in particular, may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such assets in trustees upon trust for the Persons entitled thereto as may seem expedient to the Board. Where required, the Board shall comply with Section 75 of the Act and the Board may appoint any Person to sign such contract on behalf of the Persons entitled and such appointment shall be effective.

Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of Shopper's Stop Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

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Members Not Entitled To Information

188. No Member shall be entitled to visit or inspect any premises of the Company without the permission of the Managing Director or the Board or to require discovery of or any information relating to the Company's business, trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board shall be inexpedient in the interest of the Members of the Company to communicate to the public.

    No Member shall be entitled to visit or inspect any premises of the Company without the permission of the Managing Director or the Board or to require discovery of or any information relating to the Company's business, trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board shall be inexpedient in the interest of the Members of the Company to communicate to the public.

MATERIAL DEVELOPMENTS

To the knowledge of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances that materially or 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.

RECENT DEVELOPMENTS

From the date of filing of the Prospectus with the Registrar of Companies, Maharashtra at Mumbai on April 15, 2005, the following material developments have taken place. These developments relate to the release of the audited Profit and Loss A/c of the Company on a standalone and consolidated basis, for the year ended March 31, 2005. These developments were disclosed by way of a Public Announcement on April 20, 2005.

Shopper's Stop Limited (on stand alone basis)

AUDITED FINANCIALS RESULTS FOR THE YEAR ENDED 31ST MARCH 2005

(Rupees in millions)

	Year ended March 31, 2005	Year ended March 31, 2004
INCOME		
Gross Retail Turnover	**5,111.59**	**4,044.26**
Gross Retail Sales		
-Own Merchandise(including concession sales)	3,948.39	3,000.73
-Consignment Merchandise	1,084.47	952.53
Gross Retail Sales	**5,032.86**	**3,953.26**
Less:Cost of Consignment Merchandise	797.50	708.23
	4,235.35	3,245.03
Other Retail Operating Income	70.55	73.37
Other Income	8.19	17.63
	4,314.08	**3,336.03**
EXPENDITURE		
Cost of Goods Sold (for own merchandise including concession sales)	2,616.50	2,003.99
Staff Costs	288.28	223.98
Operating & Administration Expenses	1,073.26	863.16
Depreciation	89.82	74.70
Interest and Finance Charges	38.86	39.90
	4,106.72	**3,205.73**
Net Profit/(Loss) before Tax	207.37	130.30
Taxation - Current	16.32	10.08
Taxation - Deferred	0.73	—
Net Profit/(Loss) after Tax as per Audited Accounts	**190.32**	**120.21**
Shareholders' Funds:		
Share Capital	274.22	274.22
Reserves	673.24	571.81
Less Profit and Loss Account Debit Balance	—	(61.18)
	947.46	**784.84**

Notes :- 1 The above audited financials results have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 16th April 2005

2 The Board of Direcotrs has proposed a dividend @ 10% on the equity capital

Shopper's Stop Limited (Consolidated with its subsidiaries)

AUDITED FINANCIALS RESULTS FOR THE YEAR ENDED 31ST MARCH 2005

(Rupees in millions)

	Year ended March 31, 2005	Year ended March 31, 2004
INCOME		
Gross Retail Turnover	**5,442.08**	**4,257.86**
Gross Retail Sales		
-Own Merchandise(including concession sales)	4,125.00	3,090.19
-Franchisee	144.89	113.57
-Consignment Merchandise	1,084.47	952.53
Gross Retail Sales	**5,354.36**	**4,156.29**
Less:Cost of Consignment Merchandise	797.50	708.23
	4,556.86	3,448.06
Other Retail Operating Income	76.01	80.37
Other Income	11.70	21.20
	4,644.57	**3,549.63**
EXPENDITURE		
Cost of Goods Sold (for own merchandise including concession sales)	2,813.36	2136.02
Staff Costs	311.24	241.58
Operating & Administrative Expenses	1164.46	914.56
Depreciation	111.87	94.93
Interest and Finance Charges	39.71	40.86
	4,440.64	**3,427.95**
Net Profit/(Loss) before Tax	203.93	121.68
Taxation-Current	16.47	10.10
Taxation-Deferred	0.73	—
Net Profit/(Loss) after Tax as per Audited Accounts	**186.73**	**111.58**
Minority Interest (In Crossword)	(2.62)	(6.18)
Net Profit for the year	189.35	117.76
Impact on consolidation resulting from additional investment in subsidiary	13.62	—
Balance brought forward from previous year	(115.38)	(233.13)
Amount available for appropriation	87.59	—
Shareholders' Funds:		
Share Capital	274.22	274.22
Reserves	631.69	572.88
	905.91	**847.10**

Note :- The above audited financials results have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 16th April 2005

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTIONS

The following contracts (not being contracts entered into in the ordinary course of business carried on by us or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or to be entered into by us. These contracts, copies of which have been attached to the copy of this Prospectus have been delivered to the Registrar of Companies, Maharashtra at Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at our registered office located at "Eureka Towers", 9th Floor, 'B' Wing, Plot No. 504, Mindspace, Link Road, Malad (West), Mumbai - 400 064. (India), from 10.00 a.m. to 4.00 p.m. on any working days from the date of this Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Memorandum of Understanding between Shopper's Stop Limited and BRLMs, dated August 14, 2004.
2. Letter dated August 14, 2004 from us appointing Enam Financial Consultants Pvt. Ltd, JM Morgan Stanley Private Limited, Kotak Mahindra Capital Company Limited and their acceptance thereto.
3. Inter-se allocation of responsibilities between the BRLMs and Co-BRM.
4. Letter from Shopper's stop Limited dated April 13, 2004 appointing Karvy Computershare Private Limited as Registrar to the Issue and letter dated August 5, 2004 from the Registrar offering their services to act as Registrar to the issue.
5. Memorandum of Understanding between Shopper's Stop Limited and Karvy Computershare Private Limited, registrar dated August 4, 2004
6. Letter dated August 9, 2004 from us appointing Crawford Bayley as the Legal Advisors to the Issue and their acceptance thereto.
7. Escrow Agreement executed between Shopper's Stop Limited, BRLMs, Co-BRM, Syndicate Members, Escrow Collection Banks dated April 21, 2005.
8. Underwriting Agreement executed between Shopper's Stop Limited and the Members of the Syndicate dated May 6, 2005.
9. Syndicate Agreement executed between Shopper's Stop Limited and the BRLMs, Co-BRM and the Syndicate Members dated April 21, 2005.

Documents for Inspection

1. Memorandum and Articles of Association of the Company.
2. Certificate of Incorporation dated June 16, 1997.
3. Certificate by Legal Counsel dated April 6, 2005 and April 15, 2005 regarding disclosure of information pertaining to our Promoters.
4. Copy of the special resolution adopted pursuant to section 81(1A) of the Companies Act at an Extra Ordinary General Meeting of our members held on March 31, 2004 and an Annual General Meeting of our members held on July 30, 2004.
5. Copy of the resolution dated December 8, 2003 passed by the IPO Committee approving the appointment of BRLMs (Enam Financial Consultants Private Limited, Kotak Mahindra Capital Company Limited and JM Morgan Stanley Private Limited) and noted by the Board of Directors of the Company on January 24, 2004.
6. Copy of the resolution dated July 24, 2004 passed by the Board of Directors of the Company approving the appointment of ICICI Securities Limited as BRLM and IL&FS Investsmart Limited as Co-BRM.
7. Copy of the resolution dated March 25, 2004 passed by the IPO Committee and noted by the Board of Directors of the Company on March 29, 2004 for appointment of Registrars.
8. Copy of the resolution dated March 25, 2004 passed by the IPO Committee and noted by the Board of Directors of the Company on March 29, 2004 for appointment of Crawford Bayley as the Legal Advisors to the Issue.
9. Copy of the resolution dated August 17, 2004 approving the Prospectus and dated April 14, 2005 approving the Prospectus.
10. Consents of the Directors, Company Secretary & Compliance Officer, auditors, legal advisors, Registrars to the Issue and Bankers to the Issue and Company referred to in this Prospectus to act in their respective capacities.
11. Auditors' Report dated February 23, 2005 referred to in this Prospectus.
12. Letter from Deloitte confirming Statement of Tax Benefits as mentioned in this Prospectus.
13. Annual Reports of the Company for the last five Financial Years.
14. Copies of the initial listing applications made to the BSE and the NSE*.
15. Powers of Attorney executed by the Directors authorizing Mr. B. S. Nagesh as constituted attorneys to make necessary corrections to this Prospectus and to sign and approve this Prospectus.
16. Letters No. NSE/LIST/6217-W dated September 23, 2004; No. NSE/LIST/11572-7 dated March 18, 2005 and No. NSE/LIST 11865-Y dated March 29, 2005 have been issued by the NSE giving our Company in principle approval for the listing of our Equity Shares;
17. Letter No. DCS/SG/SM/2004 dated September 13, 2004 issued by the BSE granting our Company an in principle approval for our Equity Shares to be dealt with in /on the Stock Exchange

18. Tripartite Agreement between the Company, NSDL and Karvy Computershare Private Limited dated June 12, 2000.
19. Tripartite Agreement between the Company, CDSL and Karvy Computershare Private Limited dated December 17, 2004.
20. Industry data from Images Retail and The Marketing Whitebook, brought out by Businessworld.
21. SEBI observation letter No. CFD/DIL/ISSUES/PR/34082/2005 dated February 18, 2005.
22. Due diligence certificate dated August 19, 2004 from Enam Financial Consultants Private Limited, J.M. Morgan Stanley Private Limited and Kotak Mahindra Capital Company Limited.
23. Letter dated September 10, 2004 from Mr. G. L. Raheja addressed to one of our Promoter Directors.
24. Letter dated September 30, 2004 from Mr. G. L . Raheja addressed to one of our Promoter Directors.
25. Letter dated October 25, 2004 from our Promoters in reply to letters of Mr. G. L. Raheja dated September 10, 2004 and September 30, 2004.
26. Letter dated December 1, 2004 from Enam Financial Consultants Private Limited, J. M. Morgan Stanley Private Limited and Kotak Mahindra Capital Company Limited to Mr. G. L. Raheja.
27. Letter dated December 8, 2004 from Mr. G. L. Raheja to Enam Financial Consultants Private Limited, J. M. Morgan Stanley Private Limited and Kotak Mahindra Capital Company Limited
28. Letter dated December 14, 2004 from Mr. G. L. Raheja to Enam Financial Consultants Private Limited, J. M. Morgan Stanley Private Limited and Kotak Mahindra Capital Company Limited.
29. Letter dated December 18, 2004 from Mr. G. L. Raheja to our Promoter Directors.
30. Letter dated February 28, 2005 from Mr. G. L. Raheja to SEBI
31. Letter dated March 8, 2005 from our Promoter Directors to Mr. G. L. Raheja.
32. Letter dated March 11, 2005 from our Promoters to Enam Financial Consultants Private Limited, J. M. Morgan Stanley Private Limited and Kotak Mahindra Capital Company Limited
33. Latter dated March 17, 2005 from Mr. G. L. Raheja to our Promoter Directors.
34. Letter dated March 19, 2005 from our Promoter Directors to Mr. G. L. Raheja
35. Letter dated March 28, 2005 from Mr. G. L. Raheja to our Promoter Directors.
36. Letter dated April 4, 2005 from our Promoter Directors to Mr. G. L. Raheja
37. Undated letter from Mr. Ashish Chhabaria to Mr. B. S. Nagesh and Enam Financial Consultants Private Limited, which we received on October 1, 2004
38. Letter dated November 8, 2004 from the Company to Mr. Ashish Chhabaria.
39. Letter dated September 10, 2004 from Mr. Mukesh Chablani to Enam Financial Consultants Private Limited, J. M. Morgan Stanley Private Limited, Kotak Mahindra Capital Company Limited and the Company
40. Letter dated October 28, 2004 from the Company to Mr. Mukesh Chablani

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in our interest or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, and the guidelines issued by the Govt. of India or the guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made there under or guidelines issued, as the case may be.

We further certify that all the disclosures/ statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS

Chandru L. Raheja#

Ravi C Raheja#

Neel C Raheja#

Vittorio L Radice#

Gulu L Mirchandani#

Shahzaad Siraj Dalal#

Bala Deshpande#

Nitin Sanghavi#

Deepak Ghaisas#

B S Nagesh

through their constituted attorney B S Nagesh

SIGNED BY THE CCA AND MD AND CHIEF EXECUTIVE OFFICER

B.S. Nagesh

SIGNED BY THE CCA AND CHIEF FINANCIAL OFFICER

C.B. Navalkar

Date: May 6, 2005

Place: Mumbai