



ORBIT

RED HERRING PROSPECTUS

Please read Section 60B of the Companies Act, 1956

Dated March 8, 2007

(The Red Herring Prospectus will be updated upon ROC filing)

100% Book Built Issue

ORBIT CORPORATION LIMITED

(Incorporated under the Companies Act, 1956 on March 7, 2000 as Orbit Cybertech Limited. Our Company had obtained the Certificate for Commencement of Business on October 12, 2000. Subsequently, the name of our Company was changed to Orbit Corporation Limited from Orbit Cybertech Limited and a fresh Certificate of Incorporation dated April 10, 2006 was issued. For details of changes in name, please see the section titled "History and Certain Corporate Matters" beginning on page 76 of this Red Herring Prospectus).

Registered & Corporate Office: 1st Floor, The View, 165, Dr. Annie Besant Road, Mumbai - 400 018.

Tel: +91 22 3044 6900; Fax: +91 22 2491 1028. Company Secretary and Compliance Officer: Ms. Vijayita Chowhan

E-mail: ipo@orbitcorp.com; Website: www.orbitcorp.com

Public Issue of 9,100,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million along with one detachable warrant per Equity Share ("Issue"). The Issue will aggregate 9,100,000 Equity Shares amounting to Rs. [●] million. The Issue of Equity Shares will constitute 25.09% of the fully diluted post-Issue Equity Share capital of our Company prior to exercise of detachable warrants and the Issue shall constitute 40.11% of the Equity Share capital of our Company after exercise of detachable warrants, assuming full exercise of the detachable warrants.

PRICE BAND: RS. 108 TO RS. 117 PER EQUITY SHARE OF FACE VALUE RS. 10.

ISSUE PRICE IS 10.8 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 11.7 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three (3) additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding ten (10) days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate. The Issue is being made through the 100% Book Building Process wherein at least 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, up to 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO FIRST ISSUE

This being the first Issue of the Equity Shares and Warrants of the Company, there has been no formal market for the Equity Shares and Warrants of the Company. The face value of the Equity Shares is Rs. 10 (Rupees Ten Only) and the Issue Price is [-] times of the face value. The Issue Price (as determined by the Company in consultation with the Book Running Lead 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 or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares and Warrants 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 Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page xi of this Red Herring Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares and Warrants offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approval from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated October 30, 2006 and October 31, 2006, respectively. BSE shall be the Designated Stock Exchange.

IPO GRADING

The Company has voluntarily opted for IPO grading. CARE has assigned "IPO Grade 1" to the proposed public Issue of the Company. For more information on IPO grading refer to page 14 of this Red Herring Prospectus.


BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 Edelweiss Ideas create, values protect EDELWEISS CAPITAL LIMITED 14 th floor, Express Towers, Nariman Point, Mumbai 400 021, India. Tel: +91 22 2286 4400, Fax: +91 22 2288 2119 E-mail: orbit.ipo@edelcap.com Contact Person: Ms. Cheryl Menezes Website: www.edelcap.com	 INTIME SPECTRUM REGISTRY LIMITED INTIME SPECTRUM REGISTRY LIMITED C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078, India. Tel: +91 22 2596 0320, Fax: +91 22 2596 0329 Contact Person: Mr. Sachin Achar E-mail: orbitcorp-ipo@intimespectrum.com Website: www.intimespectrum.com
ISSUE SCHEDULE	
BID/ ISSUE OPENS ON : MARCH 20, 2007	BID/ ISSUE CLOSURES ON : MARCH 23, 2007



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DEFINITIONS AND ABBREVIATIONS

Definitions

Term	Description
“Orbit Corporation Limited” or “Orbit Cybertech Limited” or “OCL” or “the Company” or “our Company”	Orbit Corporation Limited, a public limited company incorporated under the Companies Act, 1956, with its registered office at 1 st Floor, The View, 165, Dr. Annie Besant Road, Mumbai – 400 018
“we” or “us” or “our”	Refers to Orbit Corporation Limited and, where the context requires, its subsidiaries, namely Orbit Constructions & Realtors Private Limited, “OCRPL” Orbit Buildcon & Realty Private Limited “OBRPL” and Orbit Housing Private Limited “OHPL”.

Issue Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the Issue and the allotment of Equity Shares in the Issue, pursuant to the Issue.
Allottee	The successful Bidder to whom the Equity Share(s) in the Issue are issued.
Applicable Exercise Price / Warrant Exercise Price	<p>The Applicable Exercise Price / Warrant Exercise Price shall be calculated in the following manner:</p> <ol style="list-style-type: none"> 1) in case the Market Price for Warrant Exercise is less than the Issue Price being Rs [●] per Equity Share arrived at from the book – building process, the price for the issuance of the Warrants shall be an amount that is at a 30% discount of the Market Price for Warrant Exercise; 2) in case Market Price is at or above the Issue Price Rs [●] per Equity Share arrived at from the book – building process, it shall be an amount that is at a 10% Discount to the Market Price for Warrant Exercise, Provided, however, the Warrant Exercise Price, shall at no time be lower than the face value of the underlying equity shares. <p>Provided further, that in the event of any share split or issue of bonus shares by our Company, the Issue Price stated above shall be adjusted accordingly, for the purposes of arriving at the applicable discount to the Market Price for Warrant Exercise. The applicable exercise price valid for period of three months; would be advertised by us in an English National Daily, one Hindi National Daily with wide circulation and a Regional Language Daily circulated at the place where our Registered Office is situated. The applicable exercise price shall be advertised within three working days of the beginning of the exercise period or the expiry of the previously announced price.</p>
Applicable Allotment Date of Warrants	It will be a period of 10 working days from the date of expiry of the previous applicable exercise price.
Articles/Articles of Association / AoA	Articles of association of our Company, as amended.
Auditors	Sharp & Tannan, Chartered Accountants, situated at Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai – 400 020, India.
Banker(s) to the Issue	The banks that act as such and with which the Escrow Account will be opened in terms of this Red Herring Prospectus and the Escrow Agreement, being State Bank of India, HDFC Bank, ICICI Bank, Deutsche Bank and Standard Chartered Bank.

Term	Description
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder to subscribe to our Equity Shares in the Issue at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The amount equivalent to the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder pursuant to the Bid in the Issue.
Bid/Issue Closing Date	The date after which the Syndicate Member will not accept any Bids for the Issue, which date shall be notified in a widely circulated English national newspaper, a Hindi national newspaper of wide circulation and a regional language newspaper of wide circulation in the place where our Registered Office is situated.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to/ purchase the Equity Shares in the Issue offered for subscription pursuant to this Issue, and which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which the Bidders can submit their Bids.
Bid/Issue Opening Date	The date on which the Syndicate Member shall start accepting Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper of wide circulation and a regional language newspaper of wide circulation in the place where our Registered Office is situated.
Board of Directors/Board	The board of directors of our Company or a committee constituted thereof.
Book Building Process	The book-building route as provided in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.
BRLM/Book Running Lead Manager	The book running lead manager to the Issue, in this case being Edelweiss Capital Limited.
CAN/Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares in the Issue sent to the Bidders who have been allocated Equity Shares in the Issue after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, as may be revised.
Companies Act	The Companies Act, 1956, as amended from time to time.
Cut-off Price	Any price within the Price Band finalised by us in consultation with the BRLM.
Depository	A body corporate 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 which the Escrow Collection Banks transfer the funds from the Escrow Account to the Issue Account after the Prospectus is filed with the ROC.

Term	Description
Designated Stock Exchange	BSE for the purpose of this Issue.
Director(s)	Director(s) of our Company, unless otherwise specified.
Draft Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares in the Issue are offered and the size of the Issue.
ESOS	The Orbit Corporation Limited Employee Stock Option Scheme 2006 as approved by the Board of Directors of the Company on April 10, 2006 and by the shareholders on May 4, 2006. Subsequently the Board of Directors adopted the scheme on June 1, 2006
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue.
Equity Shares	Equity shares of our Company of face value of Rs. 10 each, unless otherwise specified.
Equity Shares in the Issue	One Equity Share and one Warrant
Escrow Account	Account to be 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 to be entered into amongst the Company, the Registrar, the Escrow Collection Bank(s), the BRLM and the Syndicate Member for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as banker to the Issue with which the Escrow Account will be opened and in this case being State Bank of India, HDFC Bank, ICICI Bank, Deutsche Bank and Standard Chartered Bank.
Financial Year/fiscal/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	Lower end of the price band, as may be revised.
IT Act	The Income Tax Act, 1961, as amended from time to time.
Island City of Mumbai	The part of the Mumbai Metropolitan Region extending from Mahim to Colaba and Sion to Colaba
Indian GAAP	Generally accepted accounting principles in India.
Issue	Public Issue of 9,100,000 Equity Shares of a face value of Rs. 10/- each by the Company at a price of Rs. [●] each for cash along with one Warrant per Equity Share aggregating upto Rs. [●].
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Issue Price	The final price at which Equity Shares in the Issue will be allotted in terms of the Red Herring Prospectus, as determined by our Company in consultation with the BRLM, on the Pricing Date and being Rs. [●].

Term	Description
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may be 10% to 100% of the Bid Amount depending on the category of the Bidder or such additional margin, not exceeding 100% of the Bid Amount that may be called for by the Company, in consultation with the BRLM.
Market Price for Warrant Exercise	Market Price (as adjusted for share split or issue of bonus shares) shall be the average price of the Equity shares of the Company computed as the average of the weekly high and low of the closing prices of the shares of the Company during the six months immediately preceding the month in which the exercise price is announced. The said high and low closing prices shall be the prices quoted on the exchange where the highest volumes of the shares of the Company are recorded during the said period.
Memorandum/Memorandum of Association	The memorandum of association of our Company, as amended.
Mutual Funds	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Funds Portion	5% of the QIB Portion or 227,500 Equity Shares and 227,500 Warrants available for allocation to Mutual Funds only, out of the QIB Portion.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being up to 1,365,000 Equity Shares and 1,365,000 Warrants available for allocation to Non-Institutional Bidders.
NRI/Non-Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. OCBs are not allowed to participate in this Issue.
Pay-in Date	Bid/Issue closing date or the last date specified in the CAN sent to the Bidders, as applicable.
Pay-in Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date; and extending until the Bid/Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and up to the date specified in the CAN.
Price Band	The price band of Rs. 108 to Rs. 117, including revisions thereof.
Pricing Date	The date on which we will finalise the Issue Price in consultation with the BRLM.
Promoters	Mr. Ravikiran Aggarwal, Mr. Pujit Aggarwal and Emgee Foils Private Limited.

Term	Description
Prospectus	The prospectus, filed with the ROC containing, among others, Issue Price and the size of the Issue.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with 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.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount.
QIB Portion	The portion of the Issue being at least 4,550,000 Equity Shares in the Issue available for allocation to QIB Bidders.
Refund Account	Account opened with an Escrow Collection Bank, from which refunds of the whole or part of the Bid Amount, if any, shall be made.
Registered Office	1 st Floor, The View, 165, Dr. Annie Besant Road, Mumbai – 400 018.
Registrar/Registrar to the Issue	Intime Spectrum Registry Limited.
Retail Individual Bidders	Individual Bidders (including HUFs, in the name of Karta and Eligible NRIs) who have bid for Equity Shares in the Issue for an amount less than or equal to Rs. 100,000, in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue, being up to 3,185,000 Equity Shares in the Issue, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares in the Issue or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	The document issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares in the Issue are offered and the size of the Issue and which will be filed with the ROC at least three (3) days before the Bid/Issue Opening Date.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	The SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
Stock Exchanges	BSE and NSE.
Syndicate	The BRLM and the Syndicate Member.
Syndicate Agreement	The agreement to be entered into among the Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Member	Edelweiss Securities Private Limited.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member to the Bidder as proof of registration of the Bid.

Term	Description
Warrant(s)	The detachable warrant(s) being issued to every person to whom Equity Share(s) shall be allotted pursuant to the Issue in the ratio of one Warrant per Equity Share, in accordance with the terms and conditions laid out in “Terms of Issue” on page 31 of this Red Herring Prospectus.
Warrant Exercise Period	A period commencing from the completion of the 18 th month and be open up to the completion of the 30 th month from the date of allotment of the Equity shares and Warrants
Warrant Exercise Date	Ten (10) days on completion of the relevant exercise period
Underwriters	The BRLM and the Syndicate Member.
Underwriting Agreement	The agreement among the members of the Syndicate and the Company to be entered into on or after the Pricing Date.

Abbreviations

Abbreviation	Full Form
Act or Companies Act	Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BSE	Bombay Stock Exchange Limited.
CARE	Credit Analysis & Research Limited
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
EBITDA	Earning before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per share.
FDI	Foreign Direct Investment.
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
FII	Foreign Institutional Investor (as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board, Government of India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under applicable laws in India.
FY	Financial Year
Gol	Government of India
HUF	Hindu Undivided Family.
HNI	High Networth Individual

Abbreviation	Full Form
IT Department	Income Tax Department, Government of India.
Ltd	Limited
MOU	Memorandum of Understanding
NAV	Net Assets Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure notwritten off (including miscellaneous expenses not written off) and debitbalance of Profit and Loss account, divided by number of issued equity shares
NOC	No objection Certificate
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
p.a.	per annum.
PAN	The permanent account number allotted under the I.T. Act.
P/E Ratio	Price/Earnings Ratio.
Pvt	Private
Rs.	Indian Rupees
RBI	The Reserve Bank of India, constituted under the Reserve Bank of India Act, 1934 as amended from time to time.
ROC	The Registrar of Companies, Maharashtra situated at Mumbai.
RoNW	Return on Net Worth.
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.
SFT or Sq. Ft. or sq ft	Square Feet.
USD/US\$/\$	United States Dollar
VCF	Venture capital fund registered with SEBI.

Industry Related Terms

Term	Description
BMC	Municipal Corporation of Brihan Mumbai, constituted under the Mumbai Municipal Corporation Act of 1888, as amended from time to time
BHK	Bedroom, hall and kitchen
CRZ	Coastal Regulatory Zone
CBD	Central Business District
CIBIL	Credit Information Bureau of India Limited
GDP	Gross Domestic Product

Term	Description
GCF	Gross Capital Formation
MBRRB	Mumbai Building Repair and Reconstruction Board, Constituted under the MHADA Act
MHADA	Maharashtra Housing and Area Development Authority, constituted under the MHADA Act
MHADA Act	Maharashtra Housing and Area Development Act, 1976, as amended from time to time
MMRDA	Mumbai Metropolitan Region Development Authority, constituted under the Mumbai Metropolitan Region Development Authority Act, 1974, as amended from time to time
MRCA	The Maharashtra Rent Control Act, 1999, as amended from time to time
NBO	National Buildings Organization
NCAER	National Council of Applied Economic Research
POA	Power of Attorney
SRA	Slum Rehabilitation Authority, established under the MHADA Act
TPA	Transfer of Property Act, 1882, as amended from time to time
ULCA	Urban Land Ceiling Act, 1976, as amended from time to time

PRESENTATION OF FINANCIAL AND MARKET DATA

The financial data in this Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and included in this Red Herring Prospectus. Our fiscal year commences on April 1st and ends on March 31st of the next year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

The degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Throughout this Red Herring Prospectus, all figures have been expressed in millions, unless otherwise stated. Unless the context otherwise requires, all references to one gender also refers to another gender and the word "lac" or "lakhs" or "lakh" means "100 thousand", the word "million (mn)" means "10 lacs", the word "crore" means "10 million" and the word "billion (bn)" means "100 crores". In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off. In the section titled "Industry", some figures have been expressed in billion.

All references to "India" contained in this Red Herring Prospectus are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to USD are to the United States Dollars, the official currency of the United States of America.

Industry data used throughout this Red Herring Prospectus has been obtained from industry and company sources including the following publications:

- Primary real estate advisory (July 2005) Report.
- Cris Infac Report on Housing January 2006.
- Colliers International Asia Pacific (India property market overview February 2006).
- Liases Foras (Real Estate Rating & Research Agency) April 2006.
- Knight Frank (India) Private Limited 2006

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

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements for example, under “Objects of the Issue” and “Business Strategy”. These forward-looking statements may include statements that address activities, events or developments that we anticipate may occur in the future.

Although we believe the expectations expressed in the forward-looking statements are based on reasonable assumptions within the bounds of our knowledge of our business, a number of risks, uncertainties and factors, domestically and internationally, could cause actual results to differ materially from those expressed in any forward-looking statement(s), whether oral or written, made by us or on our behalf.

Our business is subject to risks, uncertainties and factors beyond our control. Any one, or a combination, of these could materially affect our financial performance. These risks, uncertainties and factors include:

- economic changes nationally or in our local markets;
- volatility of Housing Loan interest rates and inflation;
- increased competition;
- shortages or increased prices of skilled labour or raw materials used in our business;
- cost implications of disputes arising out of change orders;
- any delays in reacting to changing customer preference;
- terrorist acts and other acts of war;
- delays or difficulties in implementing initiatives to reduce our production and overhead cost structure;
- delays in construction resulting from adverse weather conditions;
- potential delays or increased costs in obtaining necessary permits/approvals as a result of changes to, or complying with, laws, regulations or governmental policies and possible penalties for failure to comply with such laws, regulations and governmental policies;
- changes in accounting policies, standards, guidelines or principles, as may be adopted by regulatory agencies;
- other factors over which we have little or no control.

The forward looking statements we make are not guarantees of future performance and are subject to various risks, assumptions, and other factors that could cause actual results to differ materially from those suggested by these forward looking statements. Forward-looking statements that we make or that are made by others on our behalf are based on knowledge of our business and the environment in which we operate. We cannot assure you that the results or developments anticipated by us will be realized or, even if substantially realized, that they would have the expected consequences to or effects on us or on our business or operations. For further discussion of the factors that could cause our actual results to differ, see the section titled “Risk Factors” on page xi of this Red Herring Prospectus.

Neither the Company, BRLM, any member of the Syndicate 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 and BRLM will ensure that the investors are informed of material developments until such time as the grant of listing and trading permissions by the Stock Exchanges.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares and Warrants. If any of the following risks actually occur, our business, results of operations and/or financial condition could suffer, the trading price of our Equity Shares and Warrants could decline, and you may lose all or part of your investment.

These risks are not the only ones that we face. Our business operations could also be affected by additional factors that are not presently known to us or we currently consider to be immaterial to our operations. Unless otherwise mentioned we are not in a position to quantify the extent of the Risks specified herein.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impacts in future.

Internal Risk Factors

1. The Income Tax department had conducted a search and seizure on our company, our subsidiaries and our promoters.

The Income Tax department had conducted a search and seizure on our company, our subsidiaries and our promoters, on November 22, 2006 under Section 132 of the Income Tax Act, 1961, pursuant to which certain records, articles and cash belonging to our Company, our subsidiaries' and our promoters' as detailed in the '*panchnama*' dated November 22, 2006, were seized. Further, we have submitted to the Income Tax Authorities to account the profits of the company on a percentage completion basis from the current financial year, i.e. from the Assessment year 2007-08. Further, we have undertaken to pay an advance tax of Rs. 100 million as may be payable as per the provisions of the Income Tax Act, 1961. Further, our Promoter Mr. Pujit Aggarwal in his personal capacity has declared an additional income of Rs. 150 million including cash seized of Rs. 30.7 million. The Income Tax Officer has passed an order under Section 153 A of the Income Tax Act, 1961, dated December 29, 2006 whereby the assessment proceedings for the Assessment Year 2004-05 is abated, as per provision of Section 153(A). The matter is pending.

Any liability arising or any adverse orders passed in the litigations in which we or our Promoters are involved in will have an adverse impact on our business. For further details of the proceedings mentioned above, please refer to the section "Outstanding Litigation and Material Developments" on page 149 of this Red Herring Prospectus.

2. There are certain pending litigations against us and our Promoters which if determined against us may expose us to liabilities.

We and our Promoters are involved in 12 (twelve) civil litigation matters and 1 criminal matter. There are 9 (nine) litigations filed against us. The monetary claims under these litigations aggregate to an amount of Rs. 8,700,000/-. There are 4 (four) litigation matters filed by us or our Promoters. This includes 1 (one) criminal matter filed by us.

Any liability arising or any adverse orders passed in the litigations in which we or our Promoters are involved in will have an adverse impact on our business. For further details of the proceedings mentioned above, please refer to the section "Outstanding Litigation and Material Developments" on page 149 of this Red Herring Prospectus.

3. We have changed our name from Orbit Cybertech Limited to Orbit Corporation Limited

Orbit Cybertech Limited was originally incorporated on March 7, 2000 to carry out e-commerce business. We obtained our shareholders approval in the EGM held on February 15, 2001 to carry out the business of real estate development as provided in our ancillary objects, in our memorandum of association. There was no business carried on in our Company during the period March 2000 to February 2001. We have subsequently changed our name on April 10, 2006 to reflect the nature of business we are pursuing. For more information on these changes in the name and the business, see the section titled "History and certain corporate matters" on page 76 of this Red Herring Prospectus.

4. We have been assigned CARE IPO Grade 1 for our proposed IPO

The company has voluntarily opted for IPO Grading. The company had appointed Credit Analysis and Research Limited (CARE) premier credit rating organization for IPO Grading and CARE has assigned an “IPO Grade 1” to the proposed initial public offering of the company.

CARE has assigned a ‘CARE IPO Grade 1’ to the proposed IPO Issue of Orbit Corporation Limited. CARE IPO Grade 1 indicates Poor Fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE’s IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the ‘fundamentals’ of the issuer. OCL proposes an initial public offering of its 9,100,000 equity shares with attached warrants.

CARE has commented on our company’s grading as follows - The Grading reflects positioning in premium real estate redevelopment market, innovative designs and projects, projects with warranty programs, ongoing projects in hand, presence of professionals on board and experience management. Better profitability margins due to operations under development control regulations (DCR) scheme and good scope of redevelopment projects in the island city of Mumbai offers good prospects for OCL.

Corporate governance practices of the Company can be considered low to moderate due to high related party transactions in the past, presence of subsidiaries/ group companies in similar activities and limited functioning of board committees due to their recent formations. The grading is also constrained by moderate level of gearing, limited project experience of OCL, relatively small size of operations, less visibility of OCL brand at state as well as national level, long gestation period of projects, concentration risk due to local focus, possible conflict of business.

CARE’s IPO Grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities.

5. We have a limited operating track record and we may not be able to operate our business or implement our strategies successfully.

Our Company was incorporated in March 2000 and we have since completed the residential project ‘Shivam’ at Babulnath, Mumbai. Our growth plans consist of developing several large residential and commercial projects, however, given our Company’s limited operating track record, we may not be able to, among other things, operate our business successfully, anticipate and/ or manage business risks in a successful manner, effectively counter the cyclical turns in the real estate market and implement our strategies.

6. We are not a recognized brand at the state and national level.

Typically, real estate developers are focused in their local region and command market only in such region. The consumers are usually comfortable with local players, whom they are familiar with. Lately there has been a marked change in this trend with a few of the real estate developers operating on national level after a brand recognition in the local region. Our brand name is yet to be recognized at state and national level because of our focused presence in the Island City of Mumbai. Future diversification in different regions can act as a deterrent because of the unfamiliarity of our brand name with the target customer.

7. Our business is concentrated in the Island City of Mumbai.

We have derived all our operating revenue during FY 2005 from projects developed in the Island City of Mumbai. Any adverse developments in the Island City of Mumbai, like fall in real estate prices, natural calamities like floods, tsunami, earthquake, cyclone etc. will affect our business and operations adversely.

In addition, the demand for our residential and commercial units may decrease if potential purchasers do not continue to view Island City of Mumbai as an attractive place to live and invest, and any such decline in demand would adversely affect our business and results of our operations.

8. We cater only to select group of buyers/ customers.

There has been good growth in mass housing or the mid-size housing requirement during last two years. The growth in these segments is attributed mainly to lower interest rate on housing loans, increase in disposable income with salaried class, increase in urban middle class population, shift in preference from rented house to owned house, tax incentives, etc. However most of our projects are targeted at high end or up market buyers and this segment may not witness growth in revenues and profits in line with mass housing market. Further, since we have a focus on select group of buyers, we would lose out on the opportunity presented by the mass housing or the mid size-housing market.

9. We have issued 10,908,650 Equity Shares to our Promoters during the last 12 months. Out of these, we have issued (i) 6,822,500 Equity Shares at par; (ii) 3,836,150 Equity Shares at Rs. 200 per share; and (iii) 250,000 Equity Shares at Rs. 110 per share. The price paid by our Promoters for the issuance of the shares may be at a price lower than the price that may be offered in the Issue.

The price paid by our Promoters for the issuance of the shares may be at a price lower than the Issue price.

For further details please refer to the capital structure under the section titled “Capital Structure” beginning on page 17 of this Red Herring Prospectus.

10. Inability to raise funds or to meet our working capital requirements may have an adverse impact on our financial performance.

Our business requires us to raise funds continuously to meet substantial working capital requirements. In the event that we are unable to raise finances or to meet our working capital requirements on terms acceptable to us, it may have an adverse impact on the estimated project completion schedule, cost of executing our projects and our profitability.

11. There are unique problems associated with our business model of redevelopment.

Our business requires, among others, getting consent from at least 70% of the tenants, consensus between various groups of tenants, providing accommodation to the tenants during the interim period of demolition and construction, obtaining consents and rehabilitation. Delay in any of the aforesaid activities consequently can have adverse financial implications. Any delay in the construction or prolonged construction period will lead to increased cost and the same will affect our profitability. In accordance with and subject to the conditions specified in Section 80-IB (10) of the IT Act, we may be entitled to a deduction of 100% of its profits derived from developing and building housing projects approved before March 31, 2007 by a local authority. In the event we are not able to meet the prescribed conditions, our tax liability may increase.

12. Development Control Regulations under which we redevelop the property is a subject matter of review under the Court order.

The Regulation 33(7) of the Development Control Regulations (“DCR”) are the subject matter in a public interest litigation before the Hon’ble High Court of Judicature at Bombay. Considering the issues raised in the matter, High Court has constituted a committee with power to scrutinize, verify and certify the application for redevelopment of property under the DCR. This could result in further delay in obtaining the required approvals for redevelopment of property. Further, High Court has directed the Government of Maharashtra to reconsider the provisions of Regulation 33(7) and determine whether appropriate modifications of the DCR is necessary. For the said purpose a committee is also appointed which Mr. Justice S.P. Bharucha shall chair. The directions given by the High Court are subject matter of challenge before the Supreme Court of India. In an interim order

passed by the Supreme Court, Supreme Court has directed the authorities to process the pending applications but not entertain any fresh applications under the Regulations 33(7) of DCR. Any change or modification in DCR may adversely affect our business and results of operations. The Hon'ble Supreme Court has stayed the order of the Hon'ble High Court of Judicature at Bombay and referred the matter back to the Hon'ble High Court of Judicature at Bombay for hearing.

13. Due to laws and regulations related to property redevelopment, environmental clearances, etc. certain costs are incurred and delays are caused, which adversely affects our business and operations.

We are required to comply with extensive and intricate regulations affecting the construction and land development process. These regulations impose on us additional costs and delays, which could adversely affect our business and operations. In particular, we are required to obtain the approvals from local governmental authorities regulating matters such as permitted land uses, the installation of utility services like electricity, water, sewage, etc. This could result in increase of costs and even delay our prospective or existing projects, and therefore adversely affect our business and operations. For additional information on the regulations which we are subject to, please refer the section titled "Regulations and Policies" on page 71 of this Red Herring Prospectus.

14. We are yet to receive consents/renewals of certain statutory approvals required in the ordinary course of our business and if we are unable to obtain these approvals, our business would be adversely affected.

We have applied but are yet to receive registrations under Contract Labour (Regulation and Abolition) Act, 1970, Maharashtra Value Added Tax Act, 2002 and Maharashtra State Tax on Professions, Trades, Callings and Employments Act have not been obtained by some of our subsidiaries and we and our subsidiaries are yet to complete the acquisition of and to receive approvals for the six properties, which we are in the process of acquiring, viz. Orbit View (currently known as Kishori Court) at Worli Sea Face, Orbit Ambrosia (currently known as Morena House) at Altamount Road, Gokuldas Devji Wadi at Tardeo, Jensen Veneers at New Breach Candy Road, Iqbal Manzil and Daruwala Chawl at Lower Parel, and Mukund Mansion at Malabar Hill, the details of which have been provided in the section "Our Business" on page 51 of this Red Herring Prospectus. Further, the approval for our current project, Hafeez Contractor House, has lapsed and we are yet to apply for the renewal of the same. If we do not obtain any of these or any other applicable approvals / licenses required to operate our business it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future. For additional information on the regulations which we are subject to, please refer the section titled "Government and Other Approvals" on page 155 of this Red Herring Prospectus.

15. The trademark "Orbit" under which we do our business and the logo that we use is not yet registered in our name.

We had made applications for registration of the device/logo along with the name Orbit in 22 classes out of which, registrations for 9 classes are pending before the Registrar of Trademarks, Mumbai. In the event that the logo along with name Orbit is not registered with regard to the 9 outstanding applications or there is a delay in the registration of the same, it may affect the business of our Company adversely.

Further, the presence of competitors having the same brand name, with operations in the same focus markets as us, may have an impact on our business and operations.

16. Currently, we have a limited target market since our business is focused on redevelopment projects.

As part of our business strategy, we have a focus on redevelopment projects in the Island City of Mumbai. For additional information on our strategy please refer to the section titled "Our Business" on page 51 of this Red Herring Prospectus. There are only a limited number of the properties in the Island City of Mumbai which are eligible for redevelopment projects undertaken by our company. Further, our competitors would also be targeting such properties for their projects, thereby reducing the number of target properties available for redevelopment. As a result of this, our business may be materially affected.

17. The saleability of our projects vis-à-vis independent real estate development in the same area may be lower.

As a part of the redevelopment package, we are required to provide accommodation to the existing tenants at the same location, who depending on the nature of the property acquired, more often than not, belong to the middle income and lower middle income strata. After providing the requisite accommodation to the existing tenants of the premises, the free saleable space is made available for up-market buyers. Such up-market buyers may, due to whatever reason, opt not to purchase property in a building where people of the middle income or lower middle-income strata are staying. As a result of this we may have to sell our free salable space at rates, which are lower than the market rates in the same area. This may affect our profitability.

18. Failure to adhere to agreed timelines could adversely affect our reputation and/or expose us to financial losses.

Typically construction projects are subject to specific completion schedule requirements to provide possession of the property to the tenants and customers in a predetermined time frame and hence damages chargeable in the event the construction schedules are not adhered to. Failure to adhere to the contractually agreed timelines could cause damage to our reputation within the client base, and may cause us to pay liquidated damages.

19. If we are unsuccessful in competing against our competitors, our market share could decline.

Competition in the real estate redevelopment industry is intense, and there are relatively low barriers to entry into this area of business. Increased competition could hurt our business, as it could prevent us from acquiring attractive plots of land at reasonable costs, hinder our market share expansion, and lead to pricing pressures on our projects that may adversely impact our margins and revenues. Furthermore, new entrants may have substantially greater financial resources. Many of these entrants may have longstanding relationships with subcontractors and suppliers in the markets in which we operate.

20. Our inability to acquire land for redevelopment projects or to obtain reasonably priced financing to support our business activities could result in reduction in sales and revenues or reduced cash flows.

The real estate development is capital intensive, and requires significant up-front expenditures to acquire land, to re-locate tenants and begin redevelopment. Accordingly, we could incur substantial indebtedness to finance our redevelopment activities. If such sources were not sufficient, we would have to seek additional capital in the form of equity or debt financing from a variety of potential sources, including additional bank financing and/or securities offerings. If we are not successful in obtaining sufficient capital to fund our planned capital and other expenditures, we may be unable to acquire land for our redevelopment projects, which in turn will adversely impact our revenues and margin.

21. All our projects have a long gestation period typically about 3 to 4 years before a project is completed. Any failure to accurately estimate the overall risks, market cycles, revenues or costs in respect of a project, may affect our profits.

All our projects have a long gestation period and we need to estimate all costs, risks, market cycles and revenues for 3-4 years to check the viability of the project. The cost estimates are subject to a number of assumptions. If our plans or assumptions change or prove to be inaccurate, or if our cash flow from operations proves to be insufficient due to unanticipated expenses or otherwise, can adversely affect our financial performance.

22. Possible conflict of the business with the entities controlled by promoters or promoter group

The object clause as contained in the MOA of few of our group companies forming part of the promoter group enable them to carry on the business of development of real estate which may result in conflict of interest with our line of business if they plan to pursue the same in future. For more details on these companies please refer to "Our promoter and promoter group" on page 91 of this Red Herring Prospectus.

23. Any breach of the terms under our financing arrangements could force us to sell assets or trigger [a cross-default under our other financing arrangements] or could effectuate a withdrawal of the financing arrangement.

Should we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, may require us to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments. Additionally, if our borrowings are secured against all or a portion of our assets, lenders may be able to sell those assets. Furthermore, our financing arrangements may contain cross default provisions which could automatically trigger defaults under other financing arrangements, in turn magnifying the effect of an individual default.

24. We are subject to restrictive covenants under our credit facility that could limit our flexibility in managing the business.

There are restrictive covenants in agreements we have entered into with certain banks and financial institutions for short-term loans and long-term borrowings. These restrictive covenants require us to seek the prior permission of these banks/financial institutions for various activities, including, amongst others, raising of fresh capital or any term loans/debentures, undertaking new projects, undertaking any merger/amalgamation/restructuring, creation of a subsidiary and change in management. Though we have received approvals from all our lenders for this Issue, these restrictive covenants may also affect some of the rights of our shareholders, including the payment of the dividends. In addition, in terms of certain financing agreements, our promoters Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal have given collateral security in the nature of personal guarantee. We cannot assure that we will be able to meet the guarantee requirements as provided. For details of these restrictive covenants, see the section titled “Financial Indebtedness” beginning on page 68 of this Red Herring Prospectus.

25. Difficulty in retaining skilled construction workers, or obtaining required raw materials and supplies, will adversely affect our business and results of operations.

The real estate development industry has from time to time experienced significant difficulties in the supply of materials and services, including with respect to: shortages of skilled workers, labor disputes, shortages of building materials, unforeseen environmental and engineering problems and increases in the cost of certain materials (particularly increase in the price of steel and cement, which are significant components of construction costs). This could adversely affect our business and results of operations. Timely and cost effective execution of our projects is dependant on adequate and timely supply of raw materials. There are no long-term/ fixed supply orders of raw materials and services for carrying on our business activities. In case we are unable to procure the requisite quantities of raw materials well in time and at competitive process, our performance may be adversely affected.

26. Our success depends in large part upon our management team and key personnel and our ability to attract and retain such persons.

Attracting and retaining talented professionals is a key element of our strategy and we believe it to be a significant source of competitive advantage. While we have a salary and incentive structure designed to encourage employee retention, an inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and results of operations. Further the substantial growth in the construction and real estate sector in the past few years has resulted in higher demand for skilled personnel resulting into higher attrition rates.

27. We are dependent on the continued availability and satisfactory performance of our subcontractors, which, if unavailable, could have a material adverse effect on our business.

Generally all our construction work in relation to projects is performed by third-party subcontractors. As a consequence, we depend on the continued availability of and satisfactory performance by these subcontractors for the timely completion of our development projects. There may not be sufficient availability of and satisfactory performance by these third-party subcontractors in the markets in which we operate. In addition, inadequate subcontractor resources could have a material adverse effect on our business.

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

We have experienced steady growth in our business in recent years. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges involved in:

- maintaining high levels of product quality;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel; and
- adhering to health, safety and environmental standards;.
- Any inability to manage our growth may have an adverse effect on our business and results of operations.

29. We may experience fluctuations and variability in our operating results on a quarterly basis and, as a result, our historical performance may not be a indicator of future results.

Our operating results in a future quarter or quarters may fall below expectations of securities analysts or investors and, as a result, the market value of our equity shares may fluctuate. We expect variability in home sales and net earnings on a quarterly basis. As a result of such variability, our historical performance may not be a meaningful indicator of our future results.

30. Post this Issue, our Promoters will continue to hold majority shares in our Company.

Post this Issue, prior to exercise of Warrants our Promoters will own 60.40% of our fully diluted Equity Share capital, post exercise of all the Warrants, the Promoters will own 48.29% of our fully diluted Equity Share capital. For as long as the Promoters continue to own Equity Shares and voting rights representing more than 50% of our voting strength, they will be able to direct the election of the members of our Board of Directors and determine the outcome of all matters requiring a simple majority in the shareholders meeting.

31. The objects of the Issue have not been appraised.

The objects of the Issue for which the funds are being raised have not been appraised by any bank or financial institution. In the absence of such independent appraisal, the requirement of funds raised through this Issue, as specified in the section titled "Objects of the Issue" on page 25 of this Red Herring Prospectus are based on our estimates and deployment of these funds is at the discretion of our management and our Board of Directors.

32. We have invested Rs. 1070.51 million in our subsidiaries by subscribing to their equity capital as well as by way of loans and advances and we may not get any return on such investments.

We operate our business through our Company as well our subsidiaries and have invested an aggregate amount of Rs. 195 million in OCRPL and Rs. 90 million in OBRPL by way of equity share capital and an aggregate amount of Rs. 377.20 million in OCRPL and Rs.408.31 million in OBRPL by way of loans and advances. We may not receive any returns out of such investments that may adversely affect our profits, business and operations.

33. A substantial increase in housing loan interest rates or unavailability of housing finance may reduce consumer demand for our projects.

Generally most of our customers finance their purchase of property through lenders providing housing finance. A substantial increase in interest rates or unavailability of financing would adversely affect the ability of prospective buyers to obtain financing for our homes. As a result, our margins, revenues and cash flows may also be adversely affected.

34. We may be subject to potential liabilities as a result of construction defect, product liability and warranty claims made against us.

As a real estate developer, we may be subject to construction defect, product liability and home warranty claims, including moisture intrusion and related claims. Such claims are common to the industry and can have a significant impact on our profits, business and operations. Further, improper handling of materials and machines used in our business can result into accidents and we could face significant liabilities that would lower our profits.

35. Some of our subsidiaries and Promoter group companies have made losses during the last three financial years

Some of our subsidiaries and Promoter group companies have incurred losses within the last three fiscal years, details of which are set forth below:

Rs. in millions except per share data

Subsidiary or Promoter Group	Profit/(Loss) After Tax		
	FY 2006	FY 2005	FY 2004
Emgee Foils Pvt Ltd.	(0.04)	0.22	0.22
Orbit Shelters Pvt. Ltd.	(0.02)	(0.01)	NA
Orbit Residency Pvt. Ltd.	(0.01)	(0.01)	NA
Brio Academic Infrastructure & Resource Management Pvt. Ltd.	(0.02)	(0.02)	NA
Mazda Construction Company Pvt. Ltd.	0.51	0.23	(0.49)
Orbit Dwelings Pvt. Ltd.	(0.01)	(0.01)	NA
Property Redevelopers Association	(0.19)	(3.43)	(0.95)

For more details, see the sections titled “History and Certain Corporate Matters” and “Our Promoters and Promoter Group” beginning on page 76 and 91 of this Red Herring Prospectus respectively.

36. Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business.

The insurance cover taken by us may not be adequate enough for covering the entire future unforeseen liabilities that might occur in the normal course of business. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time by the insurers. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our business operations and cash flows may be affected. For details on Insurance cover, please refer to section titled “History & certain Corporate Matters - Insurance” on page 77 of this Red Herring Prospectus.

37. We have in the past entered into related party transactions and may continue to enter such transactions in future.

We have entered into transactions with our related/group companies including a deposit advanced to our promoter for our office premises. Whilst we believe that all such transactions have been conducted on an “arm’s length

basis”, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions individually or in the aggregate, will not have an adverse effect on our business and results of operations. For details on related party transactions refer to “Financial Statements – Related Party Transactions” on page 116 of this Red Herring Prospectus.

38. Any failure in our IT systems could adversely impact our business.

Any delay in implementation or any disruptions in the functioning could disrupt our ability to track, record and analyze the work in progress, cause loss of data and disruptions of operations, including, among others, an inability to assess the progress, process financial information or manage creditors/ debtors or engage in normal business activities. This could have a material adverse affect our business.

39. Work stoppages and other labour problems could adversely affect the progress of the projects.

We operate in a labour-intensive industry and hire casual labour in relation to specific projects. If we are unable to negotiate with the labour unions on acceptable terms, we may not be able to procure required casual labour for its existing or future projects. These factors could adversely affect our business, financial position, results of operations and cash flows.

40. Changes in Governmental Policies/ Regulations relating to real estate industry could adversely affect our business and profitability.

Adverse changes, if any, in the Governmental policies relating to real estate sectors like Income Tax concessions, interest rate on housing loans, etc. could adversely affect our business prospects. Any change in the tax laws in India particularly in Income Tax might lead to increased tax liability on us, thereby putting pressures on profitability.

41. We have not issued dividends since inception.

42. We have issued shares at varying prices in the past.

Date of Allotment	Number of Equity Shares	Face Value per share (Rs.)	Issue price per share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment	Share Premium (Rs.)
March 31, 2006	3,836,150	10/-	200/-	Cash	Pref. Allotment	728,868,500
June 9, 2006	350,000	10/-	10/-	Cash	Pref. Allotment	Nil
June 13, 2006	3,950,850	10/-	110/-	Cash	Pref. Allotment	395,085,000
July 14, 2006*	229, 150	10/-	110/-	Cash	Pref. Allotment	22,915, 000
August 10, 2006	10,45,000	10/-	10/-	Cash	Pref. Allotment	Nil

* The shares were allotted on the receipt of part payment of Rs.5/- per share towards face value and Rs.5/- per share towards share premium. On August 10, 2006 the Company has received balance payment of Rs.5/- per share towards face value and Rs.95/- per share towards share premium.

43. We have taken certain unsecured loans that can be recalled at any time

As on December 31, 2006, we had availed of unsecured loans aggregating to Rs.12.76mn which is repayable at call. For details please refer to the section titled ‘Financial Statements’ at page 102 of this Red Herring Prospectus.

44. The Draft Red Herring Prospectus was filed on August 16, 2006 with SEBI by Edelweiss Capital Limited. Subsequently, we appointed Enam Financial Consultants Private Limited as a BRLM vide Letter of Appointment dated November 27, 2006 and entered into a MoU dated December 6, 2006. Enam Financial

Consultants Private Limited was responsible for Non-Institutional and Retail Marketing of the Issue as per the said MoU and did not have any due diligence responsibility. Enam Financial Consultants Private Limited has through a mutual communication with us dated March 8, 2007 indicated that in view of the proposed Issue schedule and prevailing market conditions, they are not in a position to continue to be associated with the Issue and market the same to the Retail and Non Institutional categories. Edelweiss Capital Limited continues to be associated with the Issue as BRLM.

External Risk Factors

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

While the GoI has permitted FDI of up to 100% without prior regulatory approval in townships, housing, built-up infrastructure and construction and development projects, it has issued a notification titled Press Note No. 2, which subjects such investment to certain restrictions. Our inability to raise additional capital as a result of these and other restrictions could adversely affect our business and prospects. For more information on these restrictions, see the section titled “Regulations and Policies” on page 71 of this Red Herring Prospectus.

46. Our business and results of operations will be materially and adversely affected by weakness in general economic, real estate and other conditions.

Changes in national and regional economic conditions, as well as local economic conditions where we conduct our operations and where prospective purchasers of our projects live, may result in more caution on the part of homebuyers and, consequently, fewer home purchases. These economic uncertainties involve, among other things, conditions of supply and demand in local markets and changes in consumer confidence and income, employment levels, and government regulations. These risks and uncertainties could periodically have an adverse effect on consumer demand for and the pricing of our homes, which could cause our operating revenues to decline. A reduction in our revenues could, in turn, negatively affect the market price of our securities.

47. Terrorist attacks or war or conflicts involving India or other countries could adversely affect business sentiment and the financial markets and adversely affect our business.

Incidents such as the September 11, 2001 terrorist attacks on New York and Washington D.C., and other incidents such as in Bali Indonesia, Madrid Spain, London UK, Mumbai and New Delhi India may adversely affect global equity markets and economic growth as well as the Indian economy and stock markets. Such acts negatively impact business and economic sentiment, which could adversely affect our business and profitability.

Also, India has from time to time experienced, and continues to experience, social and civil unrest and hostilities with neighbouring countries. Armed conflicts, particularly between India and Pakistan, could disrupt communications and adversely affect the Indian economy. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares and Warrants. The consequences of any armed conflicts and results of operations unpredictable, and we may not be able to foresee events that could have an adverse effect on our business

48. A slowdown in economic growth in India could cause our business to suffer.

Our performance is dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect our business and results of operations including our ability to implement our strategy. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting agriculture, deterioration of infrastructure or various other factors affecting the growth of industrial, manufacturing and services sector. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is increasing while that of the industrial, manufacturing and agricultural sectors is declining. It is difficult to gauge the impact of these fundamental economic changes on our business.

With the importance of the real estate sector to our business, any slowdown in the growth of the construction/ redevelopment sector could also adversely affect our business and results of operations.

49. Political instability or changes in the government could delay further liberalisation of the Indian economy and adversely effect economic conditions in India generally, which could impact our business.

Since 1991, successive Indian governments have pursued policies of economic liberalisation. The role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed a number of times since 1996. The current central government, which came to power in May 2004, is led by the Indian National Congress in coalition with several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalisation policies that have been pursued by previous governments, the rate of economic liberalisation has been affected by the coalition nature of the current government. If there were to be any slowdown in the economic liberalisation, or a reversal of steps already taken, it could have an adverse effect on our business and results of operations.

50. Natural calamities could have a negative impact on the Indian economy and cause its business to suffer.

India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy and, if such impact were to have a material adverse effect on the Indian economy, it may lead to an adverse effect on our business and results of operations.

51. There can be no assurance that an active trading market for the Equity Shares and Warrants will develop or be sustained after this Issue, or that prices at which our Equity Shares and Warrants are initially offered will correspond to the process at which our Equity Shares and Warrants will trade in the market subsequent to this Issue.

Our share prices could be volatile and may also decline. The price of our Equity Shares and Warrants in Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:

- a. Volatility in the Indian and Global securities market
- b. The results of operations and performance
- c. Change in perceptions about our future performance or the performance of other companies in the same industry
- d. The performance of our competitors in the industry and market perception of investors in this sector
- e. Adverse media reports on our performance or on the industry prospects and future outlook
- f. Changes in the estimates of our performance or recommendation by financial analysts
- g. Significant development in India's economic liberalization and deregulation policies
- h. Significant development in India's fiscal and environmental regulations

NOTES TO RISK FACTORS

- This is a public Issue of 9,100,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million along with one detachable Warrant per Equity Share. The Issue will aggregate 9,100,000 Equity Shares amounting to Rs. [●] million. The Issue of Equity Shares will constitute 25.09% of the post-Issue Equity Share capital of our Company prior to exercise of Warrants and the Issue shall constitute 40.11% of the Equity Share capital of our Company after exercise of Warrants, assuming full exercise of Warrants.
- Our net worth as of December 31, 2006 was Rs. 1,444.62 million and 1,629.82 million based on our stand alone and consolidated financial statements respectively.
- The average cost of acquisition of Equity Shares by our Promoters is Rs. 45.10 per Equity Share and book value per Equity Share as of December 31, 2006 was Rs.53.17 and Rs.59.99 based on our stand alone and consolidated financial statements respectively. For details, please see the section titled “Capital Structure” beginning on page 17 of this Red Herring Prospectus.
- Investors are advised to see the section titled “Basis for Issue Price” beginning on page 36 of this Red Herring Prospectus.
- In case of oversubscription in the Issue, Allotment will be made on a proportionate basis to QIB Bidders, Retail Individual Bidders and Non-Institutional Bidders. For details please see the section titled “Basis of Allocation” beginning on page 190 of this Red Herring Prospectus.
- Undersubscription in any category except in the QIB portion will be allowed to be met with a spill over from any category.
- Investors may contact the BRLM for any complaints, information or clarifications pertaining to the Issue.
- Except as set forth in the section titled “Capital Structure”, none of the persons listed in our Promoter or Promoter group, or our Directors have purchased or sold any Equity Shares, during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.
- We had entered into certain related party transactions. For details, see the section titled “Financial Statements - Related Party Transactions” beginning on page 116 of this Red Herring Prospectus.
- The name of our Company was changed to “Orbit Corporation Limited” from “Orbit Cybertech Limited” vide fresh Certificate of Incorporation dated April 10, 2006, to reflect our present business activity.
- Our promoters/directors/key management personnel do not have any interests other than reimbursement of expenses incurred or normal remuneration or benefits. For details, see the section titled “Our Management” beginning on page 82 of this Red Herring Prospectus.

SUMMARY

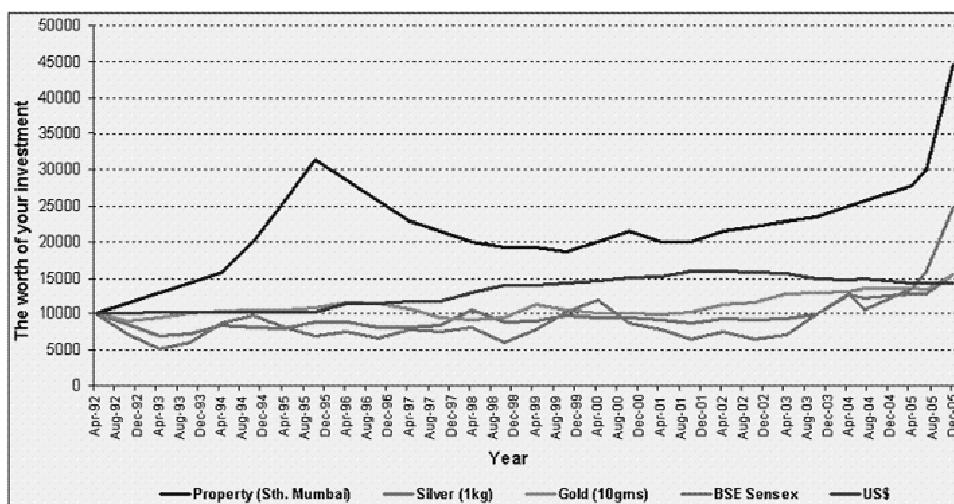
Please read the following summary together with the “Risk Factors” beginning on page xi of this Red Herring Prospectus and our financial data in the section titled “Financial Statements” beginning on page 102 of this Red Herring Prospectus.

Overview

We are a real estate construction and development company with primary focus on redevelopment of existing properties. We endeavor to specialize in developing, designing and managing “*Build to suit*” high-end residential and commercial properties.

We currently focus on redevelopment of residential properties in the Island City of Mumbai. This focus is the result of a conscious strategy of our Company. For the purposes of the redevelopment projects, we primarily operate under three regulations of DCR (Development Control Regulations) namely Regulations 33(6), 33(7) and 33(10)

Real estate is turning out to be an alternative as compared to other investment opportunities such as capital /debt markets, bullion, etc., as suggested in the chart below. It attracts investors with a possibility of stable income yields, capital appreciation, tax structuring benefits and higher security, as it is a tangible asset.



Source: Knight Frank (India) Private Limited, 2006

The real estate market in India has been witnessing increased activity. Demand for real estate is on an upswing reflected in higher prices despite increased supply. Prices are buoyed further as new construction lags demand. The importance of the housing in real estate sector in India can also be gauged from the fact that for every one rupee invested in the construction of houses, an estimated 75-80% is added to the GDP and the sector assists to the development of over 250 other ancillary industries the real estate sector is amongst the top 3 employment generators in India.

The housing sector has been growing at an average of 34% annually, despite the recent growth seen across housing indicated by the fact that the mortgage to GDP ratio in the country is about 3% compared to over 50% in the US. However, even if one were to benchmark with more comparable counterparts, the ratio ranges between 15-20% for most South East Asian countries. Thus the penetration level of mortgages is miniscule when compared with the shortage of housing units.

The major growth drivers are:

- Strong Growth in the economy
- Growth in population and urbanisation
- The evolution of redevelopment as a development option
- The tax incentive provided by the government

Redevelopment of dilapidated buildings in Mumbai has evolved due to the following reasons:-

- 1) Land owners reluctant to spend for repair or redevelop due to lower rate of Rent as per the now repealed Bombay Rent Control Act, 1948 and the MRCA.
- 2) Tenants are not interested as the title of the property does not vest to them and lack of funds to bear the cost of Construction.
- 3) Government initiatives to repair such buildings have gone to vain, as the cost, timeframe required, quality and legislative issues have slowed down the process.

Our Strengths

We believe that the following are our primary competitive strengths.

Meeting diverse expectations

We believe we are focussed on meeting diverse expectations of different intermediaries in the process of redevelopment. The major players in the process of redevelopment are as follows:

- Brokers
- Land owners
- Tenants
- MHADA & MBRRB and
- BMC

Focus on profitability:

We focus on improving profitability while maintaining the high quality of our homes and customer service. We focus on gross margins by stressing the features, benefits, quality and design of our homes. We also value-engineer our homes by working with our subcontractors and suppliers to provide attractive features while managing timelines and minimizing raw material, construction costs and rehabilitation costs.

Continue to control premier locations:

For a number of years, our focus markets have been a key strategic element of our business. We focus on locating and controlling the appropriate properties (including the underlying land) for redevelopment in the most desirable areas of our markets. During the period FY 04 – FY 06, we increased our supply of land (on which the rehabilitation projects will be located), and currently own a two- to five-year supply of land based on our planned growth. We believe our focus on managing rehabilitation projects gives us a competitive advantage in operating at attractive locations at competitive costs.

Maintain or increase market position in existing markets:

There are significant opportunities to profitably expand in our existing markets. While our primary growth strategy will focus on increasing our market position in these markets, we may, explore expansion into new markets through organic growth or acquisitions.

We provide superior homeowner service:

Our core operating philosophy is to provide superior service to our homeowners. We attempt to involve the homeowner in many phases of the building process in order to enhance communication, knowledge and involvement. Our selling process focuses on the homes' features, benefits, quality and design as opposed to merely price and square footage. This enhances the selling process and increases the sale of optional features that typically carry higher margins. We believe all of this leads to a more satisfied homeowner, and, we have been able to create a 'top of mind recall' amongst a large number of our target audience.

Offer product diversity and innovative design:

We offer a number of distinct product lines and different floor plans and elevations. We also offer a high level of design and construction quality within each of our price ranges.

We have a sound business model coupled with an entrepreneurial corporate culture which enables us to respond quickly to opportunities

Our business primarily requires us to identify dilapidated structures which have extremely low resale value in their current form but have the potential of realising substantially higher value through the process of redevelopment. The distinct nature of our delivery model further enhances the property value, which altogether creates a stronger selling proposition.

The redevelopment projects have certain unique attributes in comparison with other real estate development projects, such as: identification of dilapidated structures; multiple rounds of negotiations with the landlord and tenants on various aspects; dealing with several statutory authorities at various stages of the progress of the project; the limited plot size available especially in the Island City of Mumbai, the actual process of rehabilitation of tenants.

Our entrepreneurial corporate culture empowers our personnel at various levels to deal with the delicate aspects of the business. This together with an experienced team and processes help us to effectively manage the peculiarities of redevelopment projects.

We are an ISO 9001:2000 certified company and adhere to very high standards of quality management system. We have a detailed quality plan that includes standard operating procedures, quality checklists, etc. We conduct independent testing and quality inspection of materials arriving at the site of construction on a sample basis.

Recognition of our brand name in the markets in which we operate

We believe that owing to our focus on redevelopment projects, we are positioned as a high-quality and innovative developer in Island City of Mumbai. We offer a number of distinct product lines and different floor plans and elevations. We also offer a high level of design and construction quality within each of our price ranges. Our selling process focuses on the homes' features, benefits, quality and design as opposed to merely price and square footage. This enhances the selling process and increases the sale of optional features that typically carry higher margins. We believe all of this leads to a more satisfied homeowner, and, a large part of our sales are through referrals of our past homeowners.

In the locations of our presence, tenants distinguish us as developers who provide assured quality and improved living standards. This makes the process of negotiation with tenants and land-owners easier and smoother.

We provide a complete package to the buyers

We cater to the premium end of the market and develop projects that offer high levels of luxury and state-of-the-art amenities.

Our philosophy is to surpass market expectations by creating distinct structures in each of our projects. Our first project, Shivam, has been appreciated for its elevation, design and layout. The project was designed by Architect Hafeez Contractor with five levels of parking, high-speed car elevators and usage of unique materials like onyx in building's elevation.

We are a client of choice for leading housing finance companies who pre approve our projects. This enables us to offer our buyers speedy and competitive financing options.

Our management, in consultation with our empanelled team of architects, lays out the set of amenities and concepts to be offered in each project. In keeping with our philosophy, the aim is to provide a unique experience that enhances the comfort and satisfies the lifestyle requirement of the residents.

We provide warranty programs for buyers during the defect liability period.

We focus on managing risk in each stage of the homebuilding and redevelopment process. We attempt to limit development approval risk by conducting significant due diligence before we close acquisitions. When constructing homes, we attempt to ensure our customers are satisfied and limit our product liability risks by:

- carefully selecting the building materials and suppliers to ensure high quality standards;
- emphasizing to our employees and subcontractors that our homes must be built to meet a high standard of quality and workmanship;

- using only insured subcontractors to perform construction activities;
- providing on-site quality control; and
- providing after-sales service.

We have an experienced management team

Our key management personnel comprise well-qualified professionals, having experience in real estate development. They are well-versed with the statutory regulations governing our business and in dealing with the various statutory authorities, which is a major function in our business process. We have a technically qualified team of architects, legal experts, engineers and management professionals. We lay emphasis on the project design and conceptualization, for which there is a dedicated team of professionals that reports directly to our Executive Chairman. We have an esteemed panel of architects and design consultants, having established credentials in the industry including Hafeez Contractor, Won Chiu Man from Singapore, Talati & Panthky and Atul Desai & Associates. We use the services of Mahimtura and Mahimtura, an established name in the industry, as structural consultants for our projects. We appoint experienced and technically competent contractors after an elaborate evaluation exercise.

Our promoter directors have extensive experience in real estate development

Our promoter directors have an experience of over 18 years in the area of real estate development. Our management team is led by our promoter-directors who lead our business operations and drive the company's strategy. Ravi Kiran Aggarwal is an engineering graduate from BITS Pilani and an MBA from University of Delhi. Pujit Aggarwal is an alumnus of the Harvard Business School, USA.

THE ISSUE

Issue:	9,100,000 Equity Shares in the Issue.
Of which:	
QIB Portion:	At least 4,550,000 Equity Shares in the Issue being 50% of the Issue, (allocation on proportionate basis), out of which 5% of the QIB Portion or 227,500 Equity Shares in the Issue shall be available for allocation on a proportionate basis to Mutual Funds only (Mutual Funds Portion), and the balance Equity Shares in the Issue (shall be available for allocation to all QIB Bidders, including Mutual Funds).
Non-Institutional Portion:	Up to 1,365,000 Equity Shares in the Issue, being 15% of the Issue (allocation on proportionate basis).
Retail Portion:	Up to 3,185,000 Equity Shares in the Issue, being 35% of the Issue (allocation on proportionate basis).
Equity Shares outstanding prior to the Issue:	27,171,150 Equity Shares.
Equity Shares outstanding after the Issue before the Warrant Exercise:	36,271,150 Equity Shares.
Equity Shares outstanding after the Issue post Warrant Exercise:	45,371,150 Equity Shares.
Objects of the Issue:	Please see the section titled “Objects of the Issue” beginning on page 25 of this Red Herring Prospectus.

SUMMARY OF FINANCIAL AND OPERATING INFORMATION

The following table sets forth our selected historical financial information derived from audited and restated financial statements for the years ended March 31, 2006, 2005, 2004, 2003, 2002 and for the nine months ended December 2006 prepared in accordance with Indian GAAP, the Companies Act and SEBI Guidelines, and as described in the Auditors' Report of Sharp & Tannan, Chartered Accountants, included in the section titled "Financial Statements" on page 102 of this Red Herring Prospectus and should be read in conjunction with those financial statements and the notes thereto.

Stand alone Statement of Assets and Liabilities

(Rs. in millions)

Particulars		For the year ended					For the 9 month ended
		31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
A	FIXED ASSETS						
	Gross Block	1.74	7.32	7.56	4.43	6.89	11.74
	Less: Depreciation	0.67	1.38	2.99	2.51	2.64	3.89
	Net Block	1.07	5.94	4.57	1.92	4.25	7.85
	Capital Work in Progress	-	-	-	-	-	-
	Total Fixed Assets (A)	1.07	5.94	4.57	1.92	4.25	7.85
B	INVESTMENTS (B)	-	-	-	52.02	285.06	335.08
C	CURRENT ASSETS, LOANS AND ADVANCES						
	Work in progress	51.01	86.16	112.68	-	43.12	318.18
	Finished goods	-	-	-	10.08	4.20	4.20
	Sundry Debtors	-	-	-	93.22	55.07	52.86
	Cash and Bank Balances	1.06	0.06	0.24	4.78	19.27	805.29
	Loans and Advances	1.33	12.03	34.47	68.24	707.03	1,045.85
	Total (C)	53.40	98.25	147.39	176.32	828.69	2,226.37
D	LIABILITIES AND PROVISIONS						
	Secured Loans	-	24.47	45.08	32.85	2.49	-
	Unsecured Loans	0.16	4.83	7.54	1.55	13.16	17.64
	Current Liabilities	39.86	60.36	72.54	41.51	89.52	1100.46
	Provisions	-	-	-	4.00	4.95	6.58
	Total (D)	40.02	89.66	125.17	79.91	110.12	1124.68
	Accumulated Profit & Loss	-	-	-	-	-	-
	NET WORTH (A+B+C-D)	14.45	14.53	26.79	150.35	1,007.88	1444.62
	REPRESENTED BY:						
E	Share Capital	15.00	15.00	15.00	110.00	215.96	271.71
F	Application Money Pending Allotment	-	-	-	-	23.00	-
G	Total Reserves and Surplus	-	-	12.21	40.36	770.14	1188.77
	Less: Revaluation Reserves	-	-	-	-	-	-
	Net Reserve and Surplus	-	-	12.21	40.36	770.14	1188.77
H	Miscellaneous Expenditure	0.55	0.47	0.42	0.01	1.22	15.86
	NET WORTH (E+F+G-H)	14.45	14.53	26.79	150.35	1,007.88	1,444.62

Stand alone Statement of Profit & Loss

(Rs. in millions)

Particulars	For the year ended					For the 9 month ended
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
INCOME						
Sale of tenements/parking	-	-	35.21	156.60	7.18	1.55
Other income	-	0.15	0.23	0.71	0.90	2.84
Total	-	0.15	35.44	157.31	8.08	4.39
EXPENDITURE						
Property Acquisition Cost	-	-	7.94	43.09	2.03	-
Materials Labour & Direct Expenses	-	-	6.96	37.80	1.78	-
Manpower Cost	0.08	0.00	1.90	9.79	0.46	-
Selling General & Administrative Expenses	0.07	0.08	3.99	21.31	1.46	2.07
Total	0.15	0.08	20.79	111.98	5.73	2.07
Profit before Interest, Depreciation and Tax	(0.15)	0.07	14.65	45.33	2.35	2.32
Depreciation	0.39	0.70	0.57	3.11	0.15	-
Profit before Interest and Tax	(0.54)	(0.63)	14.08	42.22	2.20	2.32
Interest & Finance Charges	-	-	1.80	9.77	0.46	-
Net Profit Before Tax	(0.54)	(0.63)	12.28	32.45	1.74	2.32
Provision For Taxation						
Current Tax	-	-	-	3.90	0.38	0.58
Deferred Tax	-	-	-	-	-	-
Fringe benefit tax	-	-	-	-	0.44	1.11
Net Profit After Tax	(0.54)	(0.63)	12.28	28.55	0.92	0.63
Proposed Dividend & Depreciation Written Back	-	-	-	-	-	-
Prior Period Item	-	-	-	-	-	-
Net profit after tax after adjusting prior period item	(0.54)	(0.63)	12.28	28.55	0.92	0.63

Consolidated Statement of Assets and Liabilities

(Rs. in millions)

Particulars		As at					
		31-Mar-02 Rupees	31-Mar-03 Rupees	31-Mar-04 Rupees	31-Mar-05 Rupees	31-Mar-06 Rupees	31-Dec-06 Rupees
A	FIXED ASSETS						
	Gross Block	1.74	7.32	7.56	7.41	27.17	54.57
	Less: Depreciation	0.67	1.38	2.99	2.75	3.97	7.47
	Net Block	1.07	5.94	4.57	4.66	23.20	47.10
	Capital Work in Progress	-	-	-	-	0.13	0.14
	Total Fixed Assets (A)	1.07	5.94	4.57	4.66	23.33	47.24
B	INVESTMENTS (B)	-	-	-	0.56	0.56	50.58
C	CURRENT ASSETS, LOANS AND ADVANCES						
	Work in progress	51.01	86.16	112.68	157.70	1,095.87	1869.71
	Finished goods	-	-	-	10.08	4.20	21.32
	Sundry Debtors	-	-	-	93.22	55.07	458.06
	Cash and Bank Balance	1.06	0.06	0.24	50.69	154.70	853.13
	Loans and Advances	1.33	12.03	34.47	217.70	593.53	545.17
	Total (C)	53.40	98.25	147.39	529.39	1,903.37	3747.39
D	LIABILITIES AND PROVISIONS						
	Secured Loans	-	24.47	45.08	179.65	439.69	606.15
	Unsecured Loans	0.16	4.83	7.54	93.33	155.93	165.49
	Current Liabilities	39.86	60.36	72.54	107.43	260.95	1413.03
	Provisions	-	-	-	4.10	5.34	30.72
	Total (D)	40.02	89.66	125.16	384.51	861.91	2215.39
	Accumulated profit & loss	-	-	-	-	-	-
	NET WORTH (A+B+C-D)	14.46	14.53	26.80	150.10	1,065.35	1629.82
	REPRESENTED BY:						
E	Share Capital	15.00	15.00	15.00	110.00	215.96	271.71
F	Application Money Pending Allotment	-	-	-	-	23.00	-
G	Total Reserves and Surplus	-	-	12.22	40.54	828.93	1375.17
	Less Revaluation Reserves	-	-	-	-	-	-
	Net Reserve and Surplus	-	-	12.22	40.54	828.93	1375.17
H	Miscellaneous Expenditure	0.54	0.47	0.42	0.44	2.54	17.06
	NET WORTH (E+F+G-H)	14.46	14.53	26.80	150.10	1,065.35	1629.82

Consolidated Statement of Profit & Loss

(Rs. in millions)

Particulars	For the year ended					For the month ended
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
INCOME						
Sale of tenements/parking	-	-	35.21	156.60	170.90	538.85
Other income	-	0.15	0.23	1.29	2.01	4.15
Total	-	0.15	35.44	157.89	172.91	543.00
EXPENDITURE						
Property Acquisition Cost	-	-	7.94	43.09	12.20	151.30
Materials Labour & Direct Expenses	-	-	6.96	37.80	68.61	160.97
Manpower Cost	0.08	-	1.90	9.79	4.02	6.50
Selling General & Administrative Expenses	0.07	0.08	3.99	21.85	16.41	45.11
Total	0.15	0.08	20.79	112.53	101.24	363.88
Profit before Interest, Depreciation and Tax	(0.15)	0.07	14.65	45.36	71.67	179.12
Depreciation	0.39	0.70	0.57	3.11	0.73	1.05
Profit before Interest and Tax	(0.54)	(0.63)	14.08	42.25	70.94	178.07
Interest & Finance Charges	-	-	1.80	9.77	10.19	24.39
Net Profit Before Tax	(0.54)	(0.63)	12.28	32.48	60.75	153.68
Provision For Taxation						
Current Tax	-	-	-	3.90	0.40	24.14
Deferred Tax	-	-	-	-	-	-
Fringe benefit tax	-	-	-	-	0.81	1.28
Net Profit After Tax	(0.54)	(0.63)	12.28	28.57	59.54	128.26
Proposed Dividend & Depreciation Written Back	-	-	-	-	-	-
Prior Period Item	-	-	-	-	-	-
Net profit after tax after adjusting prior period item	(0.54)	(0.63)	12.28	28.57	59.54	128.26

GENERAL INFORMATION

Registered Office and Registrar of Companies

The registered office of our Company is at “The View”, 165, Dr. Annie Besant Road, Worli, Mumbai-400 018 and our registration number is U72900MH2000PLC124729. Our Company is registered with the following Registrar of Companies:

The Registrar of Companies, Maharashtra under the Jurisdiction of Registrar of Companies, Mumbai at 100, Everest, Marine Drive, Mumbai – 400 002.

Board of Directors

The following persons constitute our Board of Directors:

Mr. Ravi Kiran Aggarwal, Executive Chairman

Mr. Pujit Aggarwal, Managing Director

Mr. Prithvi Raj Jindal, Director

Mr. Davendra Ahuja, Director

Mr. Shailesh S. Vaidya, Director

Mr. Hafeez Contractor, Director

Mr. Kuldip Bhargava, Director

Mr. Deepak Dhawan, Director

For further details of our Directors, please see the section titled “Our Management” beginning on page 82.

Company Secretary and Compliance Officer

Ms. Vijayita Chowhan
1st Floor, The View,
165, Dr. Annie Besant Road,
Worli, Mumbai – 400 018 India
Email: vijayita@orbitcorp.com
Tel: +91-22-30446900
Fax: +91-22-24911028

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

Book Running Lead Manager

Edelweiss Capital Limited

14th Floor, Express Towers,
Nariman Point,
Mumbai 400 021, India.
Tel: +91 22 2286 4400
Fax: +91 22 2288 2119
Contact Person: Ms. Cheryl Menezes
E-mail: orbit.ipo@edelcap.com
Web site: www.edelcap.com

Syndicate Member**Edelweiss Securities Private Limited**

14th Floor, Express Towers,
Nariman Point,
Mumbai 400 021, India.

Tel: +91 22 2286 4400

Fax: +91 22 2288 2119

Contact Person: Mr. Devang Ashar

E-mail: orbit.ipo@edelcap.com

Website: www.edelcap.com

Legal Counsel to the Issue**Nishith Desai Associates**

93-B, Mittal Court,
Nariman Point,
Mumbai 400 021, India

Tel: +91 22 6669 5000

Fax: +91 22 6669 5001

Registrar to the Issue**Intime Spectrum Registry Limited**

C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (West),
Mumbai 400 078, India.

Tel: +91 22 2596 0320

Fax: +91 22 2596 0329

Contact Person: Mr. Sachin Achar

E-mail: orbitcorp-ipo@intimespectrum.com

Website: www.intimespectrum.com

Bankers to the Issue and Escrow Collection Banks**HDFC Bank Limited**

Process house, Kamala mills compound,
Senapati Bapat Marg,
Lower Parel,
Mumbai- 400 013

Attention: Rahul Sampat

E mail: rahul.sampat@hdfcbank.com

Tel: 9322409002

ICICI Bank Limited

Capital Market Division
30, Mumbai Samachar Marg
Mumbai – 400 001

Attention: Sidhartha Routray

Email: sidhartharoutray@ICICBank.com

Tel: 022-22627718, 9820348519

Fax: 022-22611138

State Bank of India

Mumbai Main Branch,
Mumbai Samachar Marg,
P.B. No. 13, Fort,
Mumbai- 400 023
Attention: Rajeev Kumar
Email: rajeev.kumar@sbi.co.in
Tel: 9870498689

Standard Chartered Bank

270, D.N.Road, Fort,
Mumbai- 400 001
Attention: Rajesh Malwade
Email: rajeshmalwade@standeredchartered.com
Tel: 22683965, 22092213, 22683958,
Fax: 22096069

Deutsche Bank AG

Kodak House, 222,
Dr. D.N.Road,
Fort, Mumbai- 400 001,
Attention: Shyamal Malhotra
Email: shyamal.malhotra@db.com
Tel: 9821416821
Fax: 22076553

Auditors

M/s. Sharp & Tannan
Ravindra Annexe,
194, Churchgate Reclamation,
Dinshaw Vachha Road,
Mumbai – 400 020, India.
Tel: +91-22-2204 7722
Fax: +91-22-5633 8352
Contact Person: Mr. Milind Phadke
E-mail: sharp@bom3.vsnl.net.in

Bankers to the Company

Set forth below are the details of the banks in which we have an account:

Deutsche Bank AG

Kodak house, 222,
Dr. D.N. Road
Fort,
Mumbai – 400 001

State Bank of India

Worli (South)
Post Box No. 16555,
Mumbai- 400 018

Canara Bank

Colaba Branch,
Near Colaba Police Station,
Mumbai – 400 039.

HDFC Bank

Kamala Mill Compound,
Lower Parel,
Mumbai – 400 013.

Union Bank of India

Head Branch,
Nariman Point,
Mumbai – 400 021.

Statement of Responsibilities for the Issue

The BRLM shall be responsible for the following activities:

- Capital structuring with the relative components and formalities such as type of instruments etc.
- Due diligence of the Company's operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus and of statutory and non-statutory advertisement including memorandum containing salient features of the Prospectus and any other publicity material. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of the prospectus and filing with the Stock Exchanges/ROC.
- Appointment of other intermediaries viz. Registrar to the Issue, printers, advertising agency and Bankers to the Issue.
- Retail and Non-Institutional marketing strategy, which will cover *inter alia*:
 - Formulating marketing strategies, preparation of publicity budget;
 - Finalise media and public relations strategy;
 - Finalise centers for holding conferences for press and brokers;
 - Finalise collection centers;
 - Follow-up on distribution of publicity and issue material, including Bid cum Application Forms, Red Herring Prospectus and deciding on the quantum of the Issue material;
- Institutional marketing strategy, which will cover *inter alia*:
 - (a) Finalize the list and division of investors for one-on-one meetings;
 - (b) Finalize roadshow presentations.
- Managing the book, co-ordination with Stock Exchanges and pricing and institutional allocation in consultation with the Company.
- The post bidding activities including management of Escrow Accounts, coordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc.
- The post Issue activities will involve essential follow up steps, including finalization of trading and dealing instruments and dispatch of certificates and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the banks handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the Company.

Credit Rating

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

Trustees

As the Issue is of equity shares, the appointment of trustees is not required.

Grading

The Company has voluntarily opted for IPO Grading. The Company had appointed Credit Rating Information Services of India Limited (CARE) for IPO Grading and CARE has assigned an "IPO Grade 1" to the proposed initial public offering of the Company.

CARE has assigned a "CARE IPO Grade 1" to the proposed initial public offer of the Company.

The Grading reflects the Company's positioning in premium real estate redevelopment market, innovative designs and projects, projects with warranty programs, ongoing projects in hand, presence of professionals on board and experience management.

Better profitability margins due to operations under development control regulations (DCR) scheme and good scope of redevelopment projects in the island city of Mumbai offers good prospects for OCL.

Corporate Governance practices of the Company can be considered low to moderate due to high-related party transactions in the past, presence of subsidiaries/ group companies in similar activities and limited functioning of board committees due to their recent formations. The grading is also constrained by moderate level of gearing, limited project experience of OCL, relatively small size of operations, less visibility of OCL brand at state as well as national level, long gestation period of projects, concentration risk due to local focus, possible conflict of business.

A CARE IPO grade represents CARE's overall assessment of the fundamentals of the issue concerned in relation to other listed equity securities in India. The IPO grading are assigned on a five point scale from 1 to 5, with IPO Grade 5 indicating strong fundamentals and IPO Grade 1 indicating weak fundamentals.

CARE's IPO Grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities.

Book Building Process

Book Building Process, with reference to the Issue, refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

1. The Company;
2. The Book Running Lead Manager;
3. The Syndicate Member, who are intermediaries registered with SEBI or registered as a broker with BSE/NSE and eligible to act as underwriters. The Syndicate Member are appointed by the BRLM; and
4. The Registrar to the Issue.

SEBI, through its guidelines, has permitted issue of securities to the public through 100% Book Building Process, wherein: (i) at least 50% of the Issue shall be allocated on a proportionate basis to QIBs, including up to 5% of the QIB Portion that shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds; (ii) up to 15% of the Issue shall be available for allocation on a proportionate basis to the Non-Institutional Bidders and (iii) up to 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Pursuant to recent amendments to SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details please see the section titled "Terms of the Issue" beginning on page 31 of this Red Herring Prospectus.

Our Company shall comply with guidelines issued by SEBI for this Issue. In this regard, our Company has appointed Edelweiss Capital Limited as the BRLM to manage the Issue and to procure subscription to the Issue.

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

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, issue size of 1800 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 website of the BSE (www.bseindia.com) and NSE (www.nseindia.com). The illustrative book as shown below, shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs)	Cumulative Quantity	Subscription
500	24	500	27.77%
1000	23	1500	83.33%
1500	22	3000	166.67%
2000	21	5000	277.78%
2500	20	7500	416.67%

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

Steps to be taken for Bidding:

1. Check eligibility for making a Bid (see section titled "Issue Procedure - Who Can Bid" on page 174 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN card or PAN allotment letter to the Bid cum Application Form (see section titled "Issue Procedure - Permanent Account Number" on page 187 of this Red Herring Prospectus);
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

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

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	MARCH 20, 2007
BID/ISSUE CLOSURES ON	MARCH 23, 2007

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 and uploaded till such time as permitted by the BSE and the NSE.

The Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate.

Underwriting Agreement After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with the ROC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Member do not fulfill their underwriting obligations.

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

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

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in million)
Edelweiss Capital Limited, 14th Floor, Express Towers, Nariman Point, Mumbai 400 021, India.	[●]	[●]
Edelweiss Securities Private Limited, 14th Floor, Express Towers, Nariman Point, Mumbai 400 021, India.	[●]	[●]

The above-mentioned amount is indicative and this would be finalized after determination of Issue Price and actual allocation of the Equity Shares. The above Underwriting Agreement is dated [●].

In the opinion of the Board of Directors (based on certificates given to them by the BRLM and the Syndicate Member), the resources of the 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 Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors and our Company has issued letters of acceptance to the Underwriters.

Allocation among underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the underwriters shall be severally responsible for ensuring payment with respect to the equity shares allocated to investors procured by them. In the event of any default, the respective underwriter, in addition to other obligations to be defined in the underwriting agreement, will also be required to procure/subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

Our share capital as at the date of filing of Red Herring Prospectus with SEBI (before and after the Issue) is set forth below.

(Rs. in million, except share data)

		Aggregate nominal value	Aggregate Value at Issue Price
A.	Authorised Capital		
	100,000,000 Equity Shares of Rs. 10/- each	1,000.00	-
B.	Issued, Subscribed and Paid-Up Capital before the Issue		
	27,171,150 Equity Shares of Rs 10 each	271.71	-
C.	Present Issue in terms of this Red Herring Prospectus		
	Issue of:		
	9,100,000 Equity Shares of Rs. 10 each	91.00	[●]
	9,100,000 Warrants	-	-
	Of Which:		
	QIB Portion of at least 4,550,000 Equity Shares:	45.50	[●]
	Non-Institutional Portion of up to 1,365,000 Equity Shares:	13.65	[●]
	Retail Portion of up to 3,185,000 Equity Shares:	31.85	[●]
D.	Equity Capital after the Issue*		
	36,271,150 Equity Shares outstanding after the Issue before the Warrant Exercise:	362.71	[●]
	45,371,150 Equity Shares outstanding after the Issue post Warrant Exercise	453.71	[●]
E.	Share Premium Account		
	Before the Issue	1,146.87	
	After the Issue	[●]	

Our Company has increased the authorized share capital from Rs. 0.10mn to Rs. 0.15mn on December 31, 2001. It was further increased to Rs. 110.00mn on April 2, 2004 and thereafter it was increased to Rs. 360.00 on March 16, 2006. It was further increased to Rs. 400.00mn on June 5, 2006 and thereafter it was increased to Rs. 1,000 mn on June 12, 2006.

Notes to the Capital Structure

1. Share Capital History of our Company:

The following is the history of the Equity Share capital of our Company:

Date of Allotment	Number of Equity Shares	Face Value per share (Rs.)	Issue price per share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment	Share Premium (Rs.)	Cumulative Share Capital (Rs.)
March 8, 2000	520	10/-	10/-	Cash	Subscriber to MoA	Nil	5200
December 31, 2001	1,499,480	10/-	10/-	Cash	Pref. Allotment	Nil	15,000,000
June 30, 2004	6,445,200	10/-	10/-	Cash	Pref. Allotment	Nil	79,452,000
December 30, 2004	969,300	10/-	10/-	Cash	Pref. Allotment	Nil	89,145,000
January 31, 2005	1,685,500	10/-	10/-	Cash	Pref. Allotment	Nil	106,000,000
March 30, 2005	400,000	10/-	10/-	Cash	Pref. Allotment	Nil	110,000,000
March 23, 2006	6,760,000	10/-	10/-	Cash	Pref. Allotment	Nil	177,600,000
March 31, 2006	3,836,150	10/-	200/-	Cash	Pref. Allotment	728,868,500	215,961,500
June 9, 2006	350,000	10/-	10	Cash	Pref. Allotment	Nil	219,461,500
June 13, 2006	3,950,850	10/-	110/-	Cash	Pref. Allotment	395,085,000	258,970,000
July 14, 2006*	229, 150	10/-	110/-	Cash	Pref. Allotment	22,915, 000	261, 261,500
August 10, 2006	10,45,000	10/-	10/-	Cash	Pref. Allotment	Nil	271,711,500

* The shares were allotted on the receipt of part payment of Rs.5/- per share towards face value and Rs.5/- per share towards share premium. On August 10, 2006 the Company has received balance payment of Rs.5/- per share towards face value and Rs.95/- per share towards share premium.

There has been no issuance of bonus shares of our Company that has been made out of revaluation reserves or reserves without accrual of cash resources as per clause 4.6.1 (ii) of the SEBI Guidelines

2. Promoters' Contribution and Lock-in

(a) Details of Promoters' contribution and lock in

Set forth below are the details of the build up of the Promoters' shareholding, Promoters' contribution and lock in, after the Issue and before exercise of warrants

Name of the Promoter	Date of Acquisition/ Transfer	Consideration	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Post-Issue paid-up Capital	Period of Lock-in*
Mr. Ravi Kiran Aggarwal	March 8, 2000	Cash	100	10	10	0.00	3 years
	December 31, 2001	Cash	92500	10	10	0.25	3 years
	December 30, 2004	Cash	200,000	10	10	0.55	3 years
	Sub Total		292,600			0.80-	3 years
	November 16, 2005	Transmission	12,600	10	10	0.03	1 year
	March 23, 2006	Cash	6,760,000	10	10	18.64	1 year
	March 31, 2006	Cash	1,541,752	10	200	4.25	1 year
	Sub Total		8,314,352			22.93	1 year
	Total		8,606,952			23.73	

Name of the Promoter	Date of Acquisition/ Transfer	Consideration	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Post- Issue paid-up Capital	Period of Lock-in*
Mr. Pujit Aggarwal	June 30,2004	Cash	1,438,730	10	10	3.97	3 years
	December 30,2004	Cash	379,000	10	10	1.04	3 years
	January 31, 2005	Cash	1,655,500	10	10	4.56	3 years
	Sub total		3,473,230			9.58	3 years
	March 8, 2000	Cash	100	10	10	0.00	1 year
	December 31, 2001	Cash	488,000	10	10	1.35	1 year
	June 30,2004	Cash	2,318,370	10	10	6.39	1 year
	November 16, 2005	Transfer	473,240	10	10	1.30	1 year
	March 31,2006	Cash	2,294,398	10	200	6.33	1 year
	June 13, 2006	Cash	250,000	10	110	0.69	1 year
	August 10, 2006	Cash	62500	10	10	0.17	1 year
	Sub Total		5,886,608			16.23	1 year
	Total		9,359,838			25.81	
Emgee Foils Private Limited	June 30,2004	Cash	2,688,100	10	10	7.41	3 years
	December 30,2004	Cash	390,300	10	10	1.08	3 years
	January 31, 2005	Cash	30,000	10	10	0.08	3 years
	March 30,2005	Cash	400,000	10	10	1.10	3 years
	Total		3,508,400			9.67	
	Sub-Total		NIL			NIL	1 year
			3,508,400			9.67	3 years
	Grand Total		14,200,960			39.16	1 year
			7,274,230#			20.05	3 years

*Lock-in period shall start from the date of Allotment of the Equity Shares in terms of this Red Herring Prospectus.

The minimum promoter contribution for 3 year lock-in of shares has been computed based on the total of the post Issue paid up capital and the 100,000 shares earmarked for employees under ESOS

Set forth below are the details of the build up of the Promoters' shareholding, Promoters' contribution and lock in, after the Issue and post Warrant Exercise.

Name of the Promoter	Date of Acquisition/ Transfer	Consideration	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Post- Issue paid-up Capital	Period of Lock-in*
Mr. Ravi Kiran Aggarwal	March 8, 2000	Cash	100	10	10	0.00	3 years
	December 31, 2001	Cash	92500	10	10	0.20	3 years
	December 30, 2004	Cash	200,000	10	10	0.44	3 years
	Sub Total		292,600			0.64	3 years
	November 16, 2005	Transmission	12,600	10	10	0.03	1 year
	March 23, 2006	Cash	6,760,000	10	10	14.90	1 year

Name of the Promoter	Date of Acquisition/ Transfer	Consideration	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Post-Issue paid-up Capital	Period of Lock-in*
	March 31, 2006	Cash	1,541,752	10	200	3.40	1 year
	Sub Total		8,314,352			18.33	1 year
	Total		8,606,952			18.97	
Mr. Pujit Aggarwal	June 30, 2004	Cash	3,258,730	10	10	7.18	3 years
	December 30, 2004	Cash	379,000	10	10	0.83	3 years
	January 31, 2005	Cash	1,655,500	10	10	3.65	3 years
	Sub Total		5,293,230			11.67	3 years
	March 8, 2000	Cash	100	10	10	0.00	1 year
	December 31, 2001	Cash	488,000	10	10	1.08	1 year
	June 30, 2004	Cash	498,370	10	10	1.10	1 year
	November 16, 2005	Transfer	473,240	10	10	1.04	1 year
	March 31, 2006	Cash	2,294,398	10	200	5.06	1 year
	June 13, 2006	Cash	250,000	10	110	0.55	1 year
	August 10, 2006	Cash	62500	10	10	0.14	1 year
	Sub Total		4,066,608			8.96	1 year
	Total		9,359,838			20.63	
Emgee Foils Private Limited	June 30, 2004	Cash	2,688,100	10	10	5.92	3 years
	December 30, 2004	Cash	390,300	10	10	0.86	3 years
	January 31, 2005	Cash	30,000	10	10	0.07	3 years
	March 30, 2005	Cash	400,000	10	10	0.88	3 years
	Total		3,508,400			7.73	
	Sub-Total		NIL			NIL	1 year
			3,508,400			7.73	3 years
	Grand Total		12,380,960			27.29	1 year
			9,094,230#			20.04	3 years

*Lock-in period shall start from the date of Allotment of the Equity Shares in terms of this Red Herring Prospectus.

The minimum promoter contribution for 3 year lock-in of shares has been computed based on the total of the post Issue paid up capital and the 100,000 shares earmarked for employees under ESOS

The promoters have agreed to lock-in 9,094,230 Equity Shares for a period of 3 years. All the Equity Shares which have been locked in are not ineligible for computation of Promoters' contribution under Clause 4.6 of the SEBI Guidelines.

b. Details of pre-Issue Equity Share capital locked in for one year

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 20% of post Issue shareholding of the Promoters for three years, as specified above, the entire pre-Issue share capital of our Company shall be locked-in for a period of one year from the date of Allotment in this Issue. The total number of Equity Shares, which are locked-in for one year, is 18,076,920 Equity Shares. The total number of Equity Shares that are locked-in for one year, is computed after deducting the minimum promoter contribution locked in for three years.

The locked in Equity Shares held by the Promoters, as specified above, can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of shares is one of the terms of sanction of loan.

c. Transferability of locked-in Equity Shares

In terms of Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by our Promoters may be transferred to and amongst the Promoter group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In terms of Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons, other than our Promoters prior to the Issue, may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with SEBI Guidelines, as amended from time to time.

3. Shareholding Pattern of our Company

Shareholding pattern of our Company before and after the Issue is as follows:

Name of Shareholders	Pre-Issue		Post-Issue before Warrant Exercise		Post-Issue after Warrant Exercise assuming full exercise	
	Number of Equity Shares	Percentage of equity share capital (%)	Number of Equity Shares	Percentage of equity share capital (%)	Number of Equity Shares	Percentage of equity share capital (%)
Promoters						
Ravi Kiran Aggarwal	8,606,952	31.68	8,606,952	23.73	8,606,952	18.97
Pujit Aggarwal	9,359,838	34.45	9,359,838	25.81	9,359,838	20.63
Emgee Foils Private Limited	3,508,400	12.91	3,508,400	9.67	3,508,400	7.73
Total (A)	21,475,190	79.04	21,475,190	59.21	21,475,190	47.33
Promoter Group (excluding Promoters)						
Gunjan Aggarwal	423,340	1.56	423,340	1.17	423,340	0.93
Dinesh Kiran Aggarwal	100	0.00	100	0.00	100	0.00
Ravi Kiran Aggarwal, HUF	10,000	0.04	10,000	0.03	10,000	0.02
Total (B)	433,440	1.60	433,440	1.19	433,440	0.96
Total Promoter Group (A+ B)	21,908,630	80.63	21,908,630	60.40	21,908,630	48.29
Other Shareholders (C)	5,262,520	19.37	5,262,520	14.51	5,262,520	11.60
Public (D)			9,100,000	25.09	18,200,000	40.11
Grand Total (A+B+C+D)	27,171,150	100.00	36,271,150	100.00	45,371,150	100.00

- Our Company, our Directors and the BRLM have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.
- In the case of over-subscription in all categories, at least 50% of the Issue shall be allocated on a proportionate basis to QIB Bidders, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion would be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, up to 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be met with spill over from other categories at the discretion of our Company in consultation with the BRLM.

6. The list of the top ten shareholders of our Company and the number of Equity Shares held by them is as under:

(a) As on the date of filing of this Red Herring Prospectus

S.No.	Name	No.of Shares	%
1	Pujit Aggarwal	9359838	34.45%
2	Ravi Kiran Aggarwal	8606952	31.68%
3	Emgee Foils Pvt. Ltd.	3508400	12.91%
4	Shriprakash Sardesai	1473937	5.42%
5	Prudential ICICI Trust Limited-Prudential ICICI Fusion Fund	937500	3.45%
6	Gunjan Aggarwal	423340	1.56%
7	Gujarat Fluorochemicals Limited	250000	0.92%
8	Sanjay Motwani	233750	0.86%
9	Jamunadevi G Agarwal	140625	0.52%
10	ACEE Enterprises	125000	0.46%
11	Davendra Ahuja	125000	0.46%
12	Hawa Sarah Faisal	125000	0.46%
13	Jyoti Vardhan Sonthalia	125000	0.46%
14	Premkumar Khurana	125000	0.46%

(b) 10 days before the date of filing of this Red Herring Prospectus

S.No.	Name	No.of Shares	%
1	Pujit Aggarwal	9359838	34.45%
2	Ravi Kiran Aggarwal	8606952	31.68%
3	Emgee Foils Pvt. Ltd.	3508400	12.91%
4	Shriprakash Sardesai	1473937	5.42%
5	Prudential ICICI Trust Limited-Prudential ICICI Fusion Fund	937500	3.45%
6	Gunjan Aggarwal	423340	1.56%
7	Gujarat Fluorochemicals Limited	250000	0.92%
8	Sanjay Motwani	233750	0.86%
9	Jamunadevi G Agarwal	140625	0.52%
10	ACEE Enterprises	125000	0.46%
11	Davendra Ahuja	125000	0.46%
12	Hawa Sarah Faisal	125000	0.46%
13	Jyoti Vardhan Sonthalia	125000	0.46%
14	Premkumar Khurana	125000	0.46%

(c) 2 years before the date of filing of this Red Herring Prospectus

S.No.	Name	No.of Shares	%
1	Pujit Aggarwal	6279700	59.24
2	Emgee Foils Pvt. Ltd.	3108400	29.32
3	Pujit Ravi Kiran Aggarwal (Partner of Orbit Construction)	473240	4.46

S.No.	Name	No.of Shares	%
4	Gunjan Aggarwal	423340	3.99
5	Ravi Kiran Aggarwal	292600	2.76
6	Manju Aggarwal	12600	0.12
7	Ravi Kiran Aggarwal (H.U.F.)	10000	0.09
8	Dinesh Kiran Aggarwal	100	0.00
9	Ravi langer	10	0.00
10	Kiran Maruti Jadhav	10	0.00

7. Except Mr. Ravi Kiran Aggarwal, Mr. Pujit Aggarwal and Mr. Davendra Ahuja who have acquired the Equity Shares by way of preferential allotment, none of the persons listed in our Promoters or Promoter group, or our Directors or the Directors of our Promoter group have purchased or sold any Equity Shares, during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.
8. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares except 100,000 options earmarked for allotment to our employees under Orbit Corporation Limited Employee Stock Option Scheme 2006.
9. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
10. Except our Promoter Directors and Davendra Ahuja, none of our other Directors or our key managerial employees hold any Equity Shares.
11. There would be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus with SEBI until the Equity Shares have been listed.
12. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
13. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
14. As on February 2, 2007 the total number of holders of our Equity Shares were 41.
15. Our Company has not raised any bridge loans against the proceeds of the Issue.
16. We have not issued any Equity Shares out of revaluation reserves.
17. An over subscription to the extent of 10% of the Issue can be retained for the purposes of rounding off while finalizing the basis of Allotment.
18. As per the RBI regulations, OCBs are not allowed to participate in this Issue.
19. Our Company has adopted an employee stock option scheme, Orbit Corporation Limited Employee Stock Option Scheme 2006, as a means to reward and motivate employees of our Company and our subsidiaries. We have earmarked 100,000 options convertible into Equity Shares of face value of Rs.10 each, for allotment to the eligible employees as defined under the said scheme. We believe that our equity option scheme enhances our ability to attract and retain talented employees.

The disclosures relating to the Employee Stock Option Scheme adopted by the Board of Directors is as required in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. We will not grant any options under the Scheme adopted by our Board of Directors until the same is in conformity with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and ratified by the shareholders in a general meeting subsequent to the listing of the shares offered in the Issue.

Particulars	Orbit Corporation Limited Employee Stock Option Scheme 2006
Adoption date	Approved by the Board of Directors of the Company on April 10, 2006 and by the shareholders on May 4, 2006. Subsequently the Board of Directors adopted the scheme on June 1, 2006
Effective date	June 1, 2006
Total no. of options to be granted	100,000 (One Hundred Thousand) options are permitted to be granted under the ESOS.
Total no. of equity shares to be issued upon conversion of the options	100,000 (One Hundred Thousand) equity shares (each option is convertible into one equity share)
Eligibility	Options under the Company's ESOS may be granted to such eligible employees and directors (excluding promoter directors) of the Company as per the discretion of the Remuneration / Compensation Committee (" Compensation Committee ") constituted by the Board of Directors of the Company for this purpose.
Offer date	Will be decided by the Compensation Committee.
Vesting requirement and exercise period	Will be decided by the Compensation Committee when the options are granted to the employees.
Exercise price/ pricing formula	The exercise price shall be decided by the Compensation Committee from time to time.
No. of options granted till date	Nil

OBJECTS OF THE ISSUE

Introduction

The objects of the Issue are to finance:

1. Advances towards acquisition cost of new projects that we propose to develop/ redevelop
2. Project development cost of the existing projects
3. Investment in wholly owned subsidiaries
4. Issue expenses

The net proceeds from the Issue, which would not include amounts received pursuant to exercise of the Warrants as such amount is not determinable now and can only be determined upon exercise of such Warrants as described in the section titled "Terms of Issue" on page 31 of this Red Herring Prospectus after deducting Issue expenses are estimated at Rs. [●] mn. The proceeds from the Issue of shares are intended to be deployed for:

Fund Requirement

Particulars	Total Expenditure (Rs. Mn)
Advances towards acquisition cost of new projects	500.00
Project Development cost for the current projects*	970.60
Investment in wholly owned subsidiaries*	3,114.20
Issue expenses	[●]
Total	[●]

* - Partial financing of construction cost as described below.

Means of Finance

Particulars	Amount (Rs. Mn)
Equity	
- Subscribed by promoters	144.49
- Subscribed by others	52.63
- IPO	[●]
Debt - Term Loan**	965.00
Internal accruals and Advances to be received towards sale of Properties **	[●]
Total	[●]

**Our fund requirement for the existing projects is Rs.4084.80 mn, as described in the table under the head "Project Development cost for the current projects and Investment in Wholly owned subsidiaries" in this section. We have invested Rs.2443.20 million till December 31, 2006 on the projects under development in our Company and our subsidiaries (through investment in subsidiaries). We have a total of Rs. 1654.96 million available for investment in our projects (being Rs. 1181.21 million of internal accruals and advances upto March 31, 2006 and Rs. 473.75 million accruing from fresh issue of equity). Besides we also have fresh advances of Rs. 1267.88 million availed against the area sold between April 1, 2006 to December 31, 2006. We would be investing about Rs. 300 million from the Issue proceeds. We have utilized Rs. 606.15 million of our sanctioned limit of Rs. 965 million of debt. We have debtors aggregating to Rs. 458.06 mn for the flats sold by us upto December 31, 2006.

The Main Object Clause and objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake existing activities and activities for which the funds are raised through the present Issue.

We hereby confirm that firm arrangements have been made through verifiable means towards 100% of the Term Loans stated as means of finance. The following are the details of the term loan facilities for which firm arrangements have been made:

Lender	Amount Sanctioned (Rs. Mn)
Indian Overseas Bank	190.00
Punjab National Bank	400.00
Canara Bank	75.00
State Bank of India	300.00
Total	965.00

For further details of Term loans, please refer to section titled "Financial Indebtedness" on page 68 of this Red Herring Prospectus.

Other than as mentioned hereunder, we do not propose to take any further term loans to finance the remaining cost of acquisition of the current projects. The same will be funded from the present Issue, internal accruals and advances towards sale of properties.

The following table represents the acquisition cost incurred for the current projects up to December 31, 2006. This has been certified by Sharp & Tannan, Chartered Accountants *vide* Certificate dated February 5, 2006:

PARTICULARS	AMOUNT (Rs. in Million)
Funds Deployed	
Amount deployed towards Project Development cost for the current projects	322.38
Amount invested / Advanced to subsidiaries.	1,070.51
Issue Expenses	11.38
Total	1,404.27
Means of Finance	
Proceeds from Issue of Shares (At face value)	271.71
Internal accruals (including share premium on the above issue of equity shares) and Advances received towards sale of Properties	1,119.80
Borrowings – Unsecured Loans	12.76
Total	1,404.27

Advances towards acquisition cost of new projects

Our current focus is on redevelopment of residential properties in our target market – the Island City of Mumbai. We along with our subsidiaries are presently executing 11 projects under the applicable schemes of redevelopment prescribed under the MHADA Act and DCR, further we have acquired 5 more properties for development. For details, refer to the section titled 'Our Business' on page 51 of this Red Herring Prospectus.

Our focus on redevelopment of projects has helped us create a favorable brand perception in our target market. We intend to leverage on our focus and are currently exploring potential new business in SRA and development of bare plots of land.

We are currently evaluating a number of such potential properties in our target market of Island City, more specifically in G South & G North ward and D Ward. We propose to fund the acquisition of 5-6 properties in this area to the extent of Rs 500 mn. from the proceeds of this Issue. We are at various stages in the acquisition process for the various properties being identified by us including negotiations with the landowners of these properties.

We pay the total acquisition cost of a property in two phases – we initially pay the landowners an advance amount at the time of entering into a preliminary agreement/ MoU. The remaining cost of acquisition is paid on completion of acquisition of the said property. The costs described in this section under the head 'Advances towards acquisition cost of new projects' refer to the estimated costs of such advances for the above mentioned properties.

Project Development cost for the current projects and Investment in Wholly owned subsidiaries

Name of Project	Fund Requirement / Investment (Rs. mn)	Proposed Investment through IPO in FY2007 (Rs. mn.)	Project executed by
Section A - Current Projects			
Orbit Arya	202.60	50.00	Orbit Corporation Limited
Hafeez Contractor House	768.00	35.00	Orbit Corporation Limited
TOTAL (A)	970.60	85.00	

Section B - Investment in Wholly Owned Subsidiaries for projects developed by our subsidiaries			
Name of Project	Fund Requirement / Investment (Rs. mn)	Proposed Investment through IPO in FY2007 (Rs. mn.)	Project executed by
Orbit Heights	676.73	35.00	Orbit Construction & Realtors Private Limited
Orbit Eternia	185.55	25.00	Orbit Construction & Realtors Private Limited
Orbit Enclave	171.23	15.00	Orbit Construction & Realtors Private Limited
Orbit Haven	457.32	30.00	Orbit Construction & Realtors Private Limited
Orbit Grand I	144.92	20.00	Orbit Construction & Realtors Private Limited
Orbit Grand II	150.96		Orbit Construction & Realtors Private Limited
Villa Orb	1,127.62	30.00	Orbit Housing Private Limited Orbit Buildcon Realty Private Limited
Orbit View (currently known as Kishori Court)	199.87	60.00	Orbit Construction & Realtors Private Limited
TOTAL (B)	3114.20	215.00	
TOTAL (A+B)	4084.80	300.00	

Note:

In case of any variation in the actual utilization of funds earmarked for each of the above projects, increased fund deployment for a particular project may be met with surplus funds, if any, available in respect of the other projects for which funds are being raised in this Issue.

We propose to utilize about Rs.85mn of the Issue proceeds towards partial financing of construction cost for the projects undertaken by our Company, as has been detailed in Section A of the table above. In addition, an amount of approximately Rs.215mn is proposed to be utilized from the Issue proceeds towards investment in our subsidiaries; such amounts shall be utilized solely for the purpose of partial financing the construction cost for projects carried on by them.

Name and Address of the Project	Description of Current Status	Contracts Awarded and details thereof (if any)	Amount Already Invested as on December 31, 2006 (Rs. mn.)	Projected Executed by	Expected Completion Date
Orbit Arya C.S.No.4/593 of Malabar Hill Division Admeasuring 602.85sq.mts. Situated at Off Napeanse Rd. Mumbai 400 036	Micro Piling under Progress	Safe Cores & Tests for Piling Work	363.20	Orbit Corporation Limited	March 2008
Hafeez Contractor House 460 Cross Chawl, Senapati Bapat Marg, Next to Khandelwal Depot, Opp Kamala Mills Compound, Mumbai 400 013	Tenants rehabilitation underway		143.20	Orbit Corporation Limited	April 2008

Name and Address of the Project	Description of Current Status	Contracts Awarded and details thereof (if any)	Amount Already Invested as on December 31, 2006 (Rs. mn.)	Projected Executed by	Expected Completion Date
Orbit Ambrosia 11 M L Dahanukar Marg, Cumballa Hill, Mumbai 400026	Agreement for intended sale has been executed		9.00	Orbit Corporation Limited	January 2009
Orbit Plaza Plot No 3, CTS No. 5603, 5604 & 5608, Survey 158, Kole Kalyan, Taluka Andheri	Excavation completed for Piling	Shyam Narayan & Bros for Excavation	70.00	Orbit Corporation Limited	December 2007
TOTAL (A)			612.10		
Orbit Heights C.S.No. 1/521 & 4/521 of Malabar Hill Division Admeasuring Situated at Javji Dadaj Marg, Tardeo Mumbai 400 007	Superstructure Completed upto 16th Floor	Likproof India Pvt. Ltd. for Civil Construction	498.20	Orbit Constructions & Realtors Pvt. Ltd.	March 2008
Orbit Eternia C.S.No.826 of Lower Parel Division Admeasuring 1218.07sq.mts. Situated at N.M.Joshi Marg, Mumbai 400 013	Permissions awaited for start of construction		0.50	Orbit Constructions & Realtors Pvt. Ltd.	June 2008
Orbit Enclave C.S. No.1282 of Girgaon Division Admeasuring 1340sq.mts. Situated at Parekh Street, Sandhurst Rd.	Tenants rehabilitation underway		-	Orbit Constructions & Realtors Pvt. Ltd.	July 2008
Orbit Haven C.S.No.-8/593 of Malabar Hill Division Admeasuring 923.92sq.mts. Situated at 12 Darabsha Rd., Off Napean Rd Mumbai 400 036	Tenants rehabilitation program Completed. Property conveyed to us		48.50	Orbit Constructions & Realtors Pvt. Ltd.	October 2008
Orbit Grand - I C.S.No.2/901 of Lower Parel Division Admeasuring 1437.29 sq.mts. Situated at N.M.Joshi Marg Mumbai 400 013	Tenants rehabilitation underway		20.20	Orbit Constructions & Realtors Pvt. Ltd.	December 2008
Orbit Grand - II C.S.No.9018 & 1/901 of Lower Parel Division Admeasuring 1437.29 sq.mts. Situated at N.M.Joshi Marg Mumbai 400 013	Tenants rehabilitation underway			Orbit Constructions & Realtors Pvt. Ltd.	December 2008

Name and Address of the Project	Description of Current Status	Contracts Awarded and details thereof (if any)	Amount Already Invested as on December 31, 2006 (Rs. mn.)	Projected Executed by	Expected Completion Date
Orbit View Maulana Khan Abdul Gaffar Khan Road, Worli Sea Face, Mumbai 400 018	Process of Conveyance at final stage		10.50	Orbit Constructions & Realtors Pvt. Ltd.	December 2008
Villa ORB C.S.No.12/593 of Malabar Hill Division Admeasuring 923.92sq.mts. Situated at 16 Darabsha Rd., Off Napeansea Rd. Mumbai 400 036	Construction Completed upto 6th Floor	Likproof India Pvt. Ltd. for Civil Construction	891.80	Orbit Housing Pvt. Ltd.	June 2007
TOTAL (B)			1469.70		
TOTAL (A+B)			2081.80		

For further details of our subsidiaries, please refer to section titled “History and Certain Corporate Matters – Our Subsidiaries” beginning on page 78 of this Red Herring Prospectus. These projects are being developed on properties acquired either through an outright purchase or by entering into a development agreement with the landowners. These projects presently are under various stages of implementation. For details of these projects, refer to the section titled “Our Business” on page 51 of this Red Herring Prospectus.

We propose to invest Rs. 3,114.20 mn. in our subsidiaries to fund the project development cost of projects currently developed by them. The form of investment in subsidiaries would be equity and/or debt. The terms of the debt will be finalized at the time of investment. No dividends are assured from the equity investment.

Issue Expenses

The expenses for the Issue include lead management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar fees, depository charges and listing fees to the Stock Exchanges, among others. The total expenses for this Issue are estimated to be approximately Rs. [●].

Particulars	Estimated Expenses (Rs. Mn.)	% of Net Issue proceeds
BRLM Fees, Underwriting and Selling commission	[●]	[●]
Printing, Stationary and Dispatch Expenses	[●]	[●]
Advertising and Marketing Expenses	[●]	[●]
Other Expenses (Listing Fees, SEBI Filing Fees, Bidding Charges, Registrars’ Fees etc.)	[●]	[●]
Total	[●]	[●]

The expenses incurred in connection with the Issue shall be borne by us.

The year wise break up of proposed deployment of fund is mentioned hereunder: (Rs. in millions)

Particulars	Expenditure upto December 31, 2006	Planned expenditure from January 1, 2007 to March 31, 2007	Planned expenditure from April 1, 2007 to March 31, 2008	Planned expenditure from April 1, 2008 to March 31, 2009	Total
Advances towards acquisition cost of new projects	-	500.00	-	-	500.00
Project Development cost for the current projects	322.38	562.21	86.01	-	970.60

Particulars	Expenditure upto December 31, 2006	Planned expenditure from January 1, 2007 to March 31, 2007	Planned expenditure from April 1, 2007 to March 31, 2008	Planned expenditure from April 1, 2008 to March 31, 2009	Total
Investment in Subsidiaries	1,070.51	204.86	717.60	1,121.23	3,114.20
Issue expenses	11.38	[●]	-	-	[●]
Total	1,404.27	[●]	803.61	1,121.23	[●]

Long term working capital

Our business is self-financing in nature. We require limited working capital at the beginning of our project and towards the end in case we choose to hold our inventory. In the interim we take advances from our purchasers against the inventory created by us based on certain pre-agreed milestones.

Interim Use of Funds

The management, in consultation with IPO / Audit committee, will have the flexibility in deploying the proceeds received from the Issue. Pending utilization for the purposes described above, we intend to temporarily invest the funds in deposits with scheduled commercial bank and/ or high quality interest bearing liquid instruments.

Appraisal

Our funds requirements and deployment thereof are based on internal management estimates, and have not been appraised by any bank/financial institution.

Surplus or Shortfall in Issue Proceeds

In case of any variation in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with, in the first instance, by surplus funds, if any available in respect of the other activities for which funds are being raised in this Issue, otherwise by additional debt and/ or equity. In addition to the above mentioned requirements, the balance proceeds of this Issue, if any, will be used for, among other things, the purposes mentioned above and/ or to reduce our working capital requirement and/ or for the repayment of debt and / or general corporate purposes including advertising & promotional expenses.

Monitoring agency

In terms of clause 8.17.1 of the SEBI Guidelines, since this Issue will not exceed Rs. 5,000 million, we are not required to appoint a monitoring agency. Our Board of Directors, along with our audit committee, will monitor the use of proceeds from this Issue and we will disclose details of the use of the Issue proceeds in a separate head in the balance sheet for fiscal 2007, 2008 and 2009. Besides, part of the project cost is funded through term lending from banks that would also monitor the utilization of the Issue proceeds towards the stated objects.

No part of the proceeds of this Issue will be paid as consideration to our Promoters, our Directors, key management employees or companies promoted by our Promoters.

TERMS OF THE ISSUE

The equity shares and detachable warrants being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note 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 and Warrants shall also be subject to laws, guidelines, notifications and regulations as applicable relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

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

The Warrant-holders shall not be entitled to any dividend or any other corporate benefits, which may be declared or announced by the Company from time to time, till such time that the Warrants are exercised into the underlying equity shares of the Company in accordance with the terms contained herein and full payment of the exercise price.

The Warrants shall not confer upon the holders thereof any right to receive any notice of the meeting of the Shareholders of our Company or Annual Report of our Company and or to attend/vote at any of the General Meetings of the Shareholders of our Company.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●]. At any given point of time there shall be only one denomination for the Equity Shares.

Market Lot and Trading Lot

In terms of the existing SEBI Guidelines, the trading in the Equity Shares and Warrants shall only be in dematerialised form for all investors and hence, the tradable lot is one Equity Share and one Warrant. In terms of Section 68B of the Companies Act, the Equity Shares and Warrants shall be allotted only in dematerialised form. Allotment through this Issue will be done only in electronic form in multiples of 1 Equity Share and 1 Warrant subject to a minimum allotment of 50 Equity Shares in the Issue.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

Rights of the Shareholders

Subject to applicable laws, the equity shareholders of our Company 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 of shares;
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the terms of the listing agreements with the Stock Exchanges; and
- Such other rights as may be available to our shareholders under our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting and pledge see the section titled "Main Provisions of Articles of Association of the Company" beginning on page 196 of this Red Herring Prospectus.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares and Warrants, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

Exercise of Warrants

Every Allottee of Equity Shares under the Issue shall receive a convertible Warrant in the ratio of one convertible Warrant per equity share. Each Warrant shall be convertible into one equity share of a face value of Rupees Ten (10) each, in our Company during the Warrant Exercise Period, as explained above. In the event that there is any share split of the equity shares of our Company, prior to the exercise of Warrants, then, the Warrant holder, who exercises his right to exercise the Warrant, shall be entitled to such number of equity shares in order for the aggregate face value of the number of equity shares issued to the warrant holder shall be equal to Rupees Ten (10).

One Warrant shall entitle the holder to receive one Equity Share upon exercise. The Warrants can be freely and separately traded till the same are tendered for exercise. The market lot for warrants is one.

Exercise of Warrants on the respective Exercise Date(s) will be carried out without the need for the Company to take any further approvals, however the Warrant-holders should independently check if they require any approvals.

The Board subject to the terms of this RHP, our Memorandum and Articles of Association, the approvals from the Government of India and RBI and provisions of the Companies Act, any other legislative enactments and rules as may be applicable will proceed to exercise the Warrants in accordance with the applicable laws.

Warrant Exercise Price /Applicable Exercise Price

The Warrant Exercise Price shall be calculated in the following manner:

- 1) in case the Market Price is less than the Issue Price being Rs. [●] per Equity Share arrived at from the book – building process, the price for the issuance of the Warrants shall be an amount that is at a 30% discount of the Market Price;
- 2) in case Market Price is at or above the Issue Price Rs. [●] per Equity Share arrived at from the book – building process, it shall be an amount that is at a 10% Discount to the Market Price,

Provided, however, the Warrant Exercise Price, shall at no time be lower than the face value of the underlying equity shares. Provided further, that in the event of any share split or issue of bonus shares by our Company, the Issue Price stated above shall be adjusted accordingly, for the purposes of arriving at the applicable discount to the Market Price.

Market Price

For the purposes of the above, the Market Price (as adjusted for share split or issue of bonus shares) shall be the average price of the Equity shares of the Company computed as the average of the weekly high and low of the closing prices of the shares of the Company during the six months immediately preceding the month in which the exercise price is announced. The said high and low closing prices shall be the prices quoted on the exchange where the highest volumes of the shares of the Company are recorded during the said period. Any investor applying for exercise during the said month will do so at the applicable exercise price.

The applicable exercise price valid for period of three months; would be advertised by us in an English National Daily, one Hindi National Daily with wide circulation and a Regional Language Daily circulated at the place where our Registered Office is situated. The applicable exercise price shall be advertised within three working days of the beginning of the exercise period or the expiry of the previously announced price.

Warrant Exercise Period

Warrant Exercise Period shall be the period commencing from the completion of the 18th month and be open up to the completion of the 30th month from the date of allotment of the Equity shares and Warrants.

Warrant holders can exercise their right to apply for the Exercise of Warrants into Equity Shares at the Warrant Exercise Price at any time during the Warrant Exercise Period. The Warrants not tendered for exercise during the Warrant Exercise Period along with the relevant Exercise Price shall lapse.

Allotment of shares arising from Warrant Exercise (Applicable Allotment Date)

The application for the warrant exercise can be made at any time immediately after the announcement of Warrant Exercise Price. The Company will allot the shares within 10 working days from the date of expiry of the previous applicable exercise price. The exercise requests received during the last 7 days of the Warrant Exercise Period will be processed during the subsequent exercise period.

The above exercise cycle will be repeated for each subsequent 3 months period during Warrant Exercise Period.

ILLUSTRATIVE EXAMPLE

Activity	Time Period as defined herein	Indicative Relevant Date
Allotment	-	August 1, 2006
Commencement Of Warrant Exercise Period	From the completion of the 18th month	February 1, 2008
1 st Advertisement for Warrant Exercise Price / Applicable Exercise Price	Within three (3) working days of the beginning of the exercise period	By February 5, 2008
1 st Warrant Exercise Price / Applicable Exercise Price would be applicable upto	Three months	April 30, 2008
1 st Allotment Date	Ten (10) working days from the date of expiry of the previous Applicable Exercise Price	By May 14, 2008
2 nd Advertisement for Warrant Exercise Price / Applicable Exercise Price	Within three (3) working days of the expiry of the previously announced price	By May 5, 2008
2 nd Warrant Exercise Price / Applicable Exercise Price would be applicable upto	Three (3) months	July 31, 2008
2 nd Allotment Date	Ten (10) working days from the date of expiry of the previous Applicable Exercise Price	By August 14, 2008
3 rd Advertisement for Warrant Exercise Price / Applicable Exercise Price	Within three (3) working days of the the expiry of the previously announced price	By August 5, 2008
3 rd Warrant Exercise Price / Applicable Exercise Price would be applicable upto	Three (3) months	October 31, 2008
3 rd Allotment Date	Ten (10) working days from the date of expiry of the previous Applicable Exercise Price	By October 14, 2008
4 th Advertisement for Warrant Exercise Price / Applicable Exercise Price	Within three (3) working days of the the expiry of the previously announced price	By November 5, 2008
4 th Warrant Exercise Price / Applicable Exercise Price would be applicable upto	Three (3) months	January 31, 2009
4 th Allotment Date	Ten (10) working days from the date of expiry of the previous Applicable Exercise Price	By February 13, 2009
End of Warrant Exercise Period	Completion of the 30th month from the date of allotment	January 31, 2009

Procedure for Exercise

The Registrar to the Company, M/s. Intime Spectrum Registry Limited, will before the Warrant Exercise Period open a special depository account with NSDL called, [*“Orbit Corporation Limited - Warrant Exercise Escrow Account”*] with a Depository Participant (the “Special Depository Account”). Beneficial owners (holders of Warrants) having their beneficiary account with the CDSL must use the inter-depository delivery instruction slip for the purpose of crediting their Warrants in favour of the Special Depository Account with the NSDL.

Beneficial owners (holders of Warrants) who wish to tender their warrants for exercise will be required to send their application for exercise on the prescribed application form accompanied by a cheque / demand draft favoring [*“Orbit Corporation Ltd – Warrant A/c”*] payable at Mumbai for the requisite amount along with a photocopy of the delivery instruction in “Off-market” mode, or counterfoil of the delivery instructions in “Off-market” mode, duly acknowledged by the Depository Participant (“DP”), in favour of the Special Depository Account to the Registrar to the Company.

The Application Form will be sent by the Company to all the warrant holders along with the letter of allotment.

The Application Form would also be available to **all warrant holders** on request with the Registrar during the Warrant Exercise Period and can be downloaded from the Company’s website www.orbitcorp.com. During the Warrant Exercise Period, the Warrant holder should send his application to Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078, India, the Registrar to the Issue by filling up the said application form. It should be accompanied by a cheque / demand draft favoring [*“Orbit Corporation Ltd – Warrant A/c”*] payable at Mumbai for the requisite amount.

In case the Warrants along with the cheque/demand draft towards full payment of the Exercise Price do not reach the Registrar by the end of Warrant Exercise Period i.e. by the end of 30th month from the date of allotment in this Issue, the same shall lapse.

Rights of Warrant holders

- a) Save and except the right of subscription to the Company's Equity Shares and the rights contained in this section "Terms of the Issue" starting on page 31 of this Red Herring Prospectus, as per the terms of this Issue, the holders of the Warrants in their capacity as Warrant holders shall have no other rights or privileges.
- b) The Warrants shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations and other related matters as in the case of Equity Shares of the Company. The Warrant-holders *inter se* shall rank *pari passu* without any preference or priority of one over the other or others.

The Warrant-holders shall not be entitled to any dividend or any other corporate benefits, which may be declared or announced by the Company from time to time, till such time that the Warrants are exercised into the underlying equity shares of the Company in accordance with the terms contained herein and full payment of the exercise price.

Variance in the terms of the Warrants

The rights, privileges and conditions attached to the warrants may be modified or varied or abrogated with the consent of the holders of the warrants by a Special Resolution passed at a meeting of the warrant holders, provided that nothing in such resolution shall be operative against the Company when such resolution modifies or varies the terms and conditions governing the warrants if the same is not acceptable to the Company. At a meeting of the warrant holders, every warrant holder, and in the case of joint holders the one whose name stands first in the Register, shall be entitled to vote, either in person or by proxy, in respect of such warrants. The warrant holder will be entitled to one vote on a show of hands and his / her voting rights on a poll shall be in proportion to the outstanding number of the warrants held by him / her. The quorum for such meetings shall be at least five warrant holders present in person. The proceedings of the meeting of the warrant holders shall be governed by the provisions contained in the Articles and such other rules in force for the time being to the extent applicable and in relation to matters not otherwise provided for in terms of the Issue.

Nomination Facility to the Investors

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of the death of the sole Bidder or in the case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares and Warrants allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s) and Warrant(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) and Warrant(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) and Warrant(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or from the Registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall, upon the production of such evidence as may be required by our Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares and Warrants; or
- b. to make such transfer of the Equity Shares and Warrants, as the deceased holder could have made.

Further, our 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 Warrants, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares and Warrants, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares and Warrants in the Issue will be made only in dematerialised mode, there is no requirement to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors wish to change the nomination, they will have to inform their respective Depository Participants.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue to the extent of the amount including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines we shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000.

Notice To QIB Bidders: Allotment Reconciliation

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar to the Issue on the basis of Bids received. Based on the electronic book, QIB Bidders will be sent a CAN indicating the number of Equity Shares that are being allocated to them. However, within a few days thereafter but prior to the Board meeting for final allotment of Equity Shares in the Issue, the Registrar to the Issue will also prepare a physical book, which may be different from the electronic book. This is because certain applications in the Non-Institutional Portion and Retail Portion may be rejected due to non-receipt of funds, cancellation of cheque, cheque-bouncing, incorrect details, technical rejections, etc, and these rejected applications may not be reflected in the electronic book but will be reflected in the physical book. As a result, additional Equity Shares may be available for allocation in the QIB Portion provided the QIB Portion is over-subscribed and the Non-Institutional Portion and Retail Portion are not fully subscribed. In such event, QIB Bidders may receive an increased allocation of Equity Shares and such increase in allocation will be reflected in a revised CAN that is sent to QIB Bidders.

Restriction on Transfer of Shares

There are no restrictions on transfers and transmission of shares and on their consolidation / splitting except as provided in our Articles. For further details, see section titled “Main Provisions of our Articles of Association” beginning on page 196 of this Red Herring Prospectus.

BASIS FOR ISSUE PRICE

Qualitative Factors:

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the offered Equity Shares in the Issue by the Book Building Process. The face value of the Equity Shares is Rs. 10 (Rupees Ten only) and the Issue Price is 10.8 times the face value at the lower end of the Price Band and 11.7 times the face value at the higher end of the Price Band.

Factors external to us

- The real estate market in India has been witnessing increased activity. Demand for real estate is on an upswing reflected in higher prices despite increased supply.
- Market analysis estimates returns from real estate in India at an average of 10-12% annually
- The housing sector has been growing at an average of 34% annually
- The major growth drivers are a strong economy, growing urbanization, increasing affordability, reduction of household size, tax incentives to corporates and developers etc.
- Mumbai is one of the most lucrative markets in India; the property market in Mumbai and south central Mumbai has shown a growth of 20% on an average in the last 2 years and expected to continue with the same growth
- The major constituents to this growth are IT/ITES services due to increasing outsourcing by multinationals, increasing retail outlets like malls, hyper malls and supermarkets and there is increasing amount of urbanisation and immigration to the Mumbai city due to better job opportunities
- Residential prices have increased in Mumbai by about 15- 20% on average in the last one year due to the significant mismatch between demand and supply
- There exists a vast opportunity for redevelopment of properties in the Island City of Mumbai which has over 19,500 buildings which have been declared as ceased

Factors internal to us

- We have developed a brand name in redevelopment of properties in the Island City of Mumbai.
- We are focused on the Island City of Mumbai, which is one of the most lucrative property markets in the country
- We have a sound business model coupled with an entrepreneurial corporate culture which enables us to respond quickly to opportunities
- We provide a complete package to the buyers combining luxury, distinct features and state-of-the-art amenities
- We provide warranty programs for buyers during the defect liability period.
- We have an experienced management team
- Our promoter directors have extensive experience in real estate development

Quantitative Factors

1. Adjusted Earnings Per Share

	EPS (Rs.)	Weight
a) 2003-04	8.19	1
b) 2004-05	4.15	2
c) 2005-06	0.08	3
d) Nine months ended December 31, 2006*	0.02	
d) Weighted Average EPS	2.79	

* Not annualized

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

Particulars	P/E (no. of times)
a) Based on 2005-06 EPS of Re. 0.08	[●]
b) Based on weighted average EPS of Rs. 2.79	[●]
c) Real Estate Industry P/E *	
i) Highest – Mahindra Gescos	249.1
ii) Lowest – Lok Housing	3.3
iii) Average	50.4

*Source: Capital Markets Volume XXI/24, January 29 – February 11, 2007, Industry Classification: Construction

Accounting Ratios of some of the Companies in the same Industry group:

	Face Value (Rs.)	EPS (Rs.)	P/E	RONW (%)	NAV (Rs.)
Ansal Housing	10	11.5	20.0	24.3	58.5
DS Kulkarni	10	7.7	27.5	62.5	86.9
Mahindra Gescos	10	0.2	249.1	2.1	164.1
Orbit Corporation*	10	0.08	[●]	0.09	45.60
Orbit Corporation**	10	0.02	[●]	0.04	53.17

- Based on the financial year ended March 31, 2006
- ** Based on the 9 month period ended December 31, 2006, not annualized

Source: Capital Markets Volume XXI/24, January 29 – February 11, 2007, Industry Classification: Construction

3. Return on Net Worth

	RONW %	Weight
a) 2003-04	45.84	1
b) 2004-05	18.99	2
c) 2005-06	0.09	3
d) Nine months ended December 31, 2006	0.04	
Weighted Average	14.02	

Minimum Return on Total Net Worth needed after the Issue to maintain pre-Issue EPS of Re. 0.08 is [●] %.

4. Net Asset Value

Particulars	NAV (Rs. per share)
a) As at March 31, 2006	45.60
b) As at December 31, 2006	53.17
c) After Issue	[●]
d) Issue Price	[●]

- The face value of our shares is Rs.10/- per share and the Issue Price is [●] times of the face value of our Equity Shares.
- The BRLM believes that the Issue Price of Rs. [●]/- per share is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and our financials as set out in the Auditors Report beginning on page 102 of this Red Herring Prospectus to have a more informed view about the investment proposition.
- The Issue Price of Rs. [●] has been determined by us in consultation with BRLM 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.

STATEMENT OF TAX BENEFITS

THE STATEMENT OF TAX BENEFITS HAS BEEN CERTIFIED BY OUR AUDITORS,

As per the present provisions of Income Tax Act, 1961 ("IT Act") and other laws as applicable for the time being in force in India, the following tax benefits are available to the shareholders of the Company, subject to fulfillment of prescribed conditions:

CERTAIN INDIAN TAX CONSIDERATIONS

General

The following is a summary of the material Indian tax consequences of owning and disposing of Equity Shares purchased in this Issue and held as capital assets by holders who are Residents and non-residents. The following summary is based on the current provisions of the IT Act and rules and regulations made thereunder, and applicable to the financial year ended March 31, 2006. The IT Act is amended every year by the Finance Act of the relevant year. Some or all of the tax consequences mentioned hereunder may be amended or changed by future amendments to the IT Act.

Under Section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ("DTAA") between India and the country of residence of the non-resident.

Levy of Income Tax

In India, tax is charged on the basis of the residential status of a person (under terms of the provisions of the IT Act) on his/her total income in the previous year, at the rates as specified in the Finance Act as applicable in the relevant assessment year. An assessment year is a period of 12 months commencing on the first day of April every year ("Assessment Year"). Generally, the previous year means the financial year immediately preceding the Assessment Year.

In general, in the case of a person who is "resident" in India in a previous year, his/her global income is subject to tax in India. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India, is subject to tax in India. In the case of a person who is "not ordinarily resident" in India, the income chargeable to tax is the same as in the case of persons who are resident and ordinarily resident except that the income which accrues or arises outside India is not included in his total income unless it is derived from a business controlled or a profession set up in India. In the instant case, the income from the shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all persons irrespective of residential status. However, applicable DTAA's may give some relief from tax in India.

Residence

A "Non-Resident" means a person who is not a resident in India. For the purposes of the IT Act, an individual is considered to be a resident of India during any financial year if he or she is in India in that year for:

a period or periods amounting to 182 days or more; or

60 days or more if within the four preceding years, he/she has been in India for a period or periods amounting to 365 days or more; or

182 days or more, in the case of a citizen of India or a person of Indian origin living abroad who visits India; or

182 days or more, in the case of a citizen of India who leaves India for the purposes of employment outside India in any previous year.

A company is resident in India if it is an Indian company formed and registered under the Companies Act, 1956 or the control and management of its affairs is situated wholly in India. A firm or other association of persons is resident in India except where the control and management of its affairs is situated wholly outside India.

BENEFITS AVAILABLE TO THE COMPANY

Under section 32 of the IT Act, the Company is entitled to claim depreciation allowance at the prescribed rates on all its tangible and intangible assets acquired and put to use for its business.

Under section 10(34) of the IT Act, dividend income (whether interim or final) received by the Company from any other domestic company (in which the company has invested) is exempt from tax in the hands of the Company, provided the other domestic company has paid dividend distribution tax ("DDT").

The income received by the Company from distribution made by any mutual fund specified under Section 10 (23D) of the IT Act in respect of which tax is paid by such mutual fund under Section 115-R of the IT Act or from the Administrator of the specified undertaking or from the specified companies referred to in Section 10(35) of the IT Act is exempt from tax in the hands of the Company.

Under section 10(38) of the IT Act, the long term capital gains arising on transfer of securities, which are chargeable to Securities Transaction Tax ("STT"), are exempt from tax in the hands of the Company. The STT can be setoff against business income tax calculated as per the provisions of the IT Act, provided the gains on the transactions are offered to tax as business income and not as capital gains.

As per the provisions of Section 112(1)(b) of the IT Act, other long term capital gains arising to the Company are subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, as per the Proviso to that section, the long term capital gains resulting from transfer of listed securities or units [not covered by section 10(36) and 10(38) of the IT Act], are subject to tax at the rate of 20% in the year in which such capital gains arose after considering indexation benefit (plus applicable surcharge and education cess) which would be restricted to 10% of long term capital gains worked out without considering indexation benefit (plus applicable surcharge and education cess).

As per the provisions of Section 111A of the IT Act, short term capital gains arising to the Company from transfer of equity shares in any other company through a recognized stock exchange or from sale of units of any equity oriented mutual fund are subject to tax at the rate of 10% (plus applicable surcharge and education cess), if such a transaction is subjected to STT.

In accordance with and subject to the conditions specified in Section 54 EC of the IT Act, the Company would be entitled to exemption from tax on long term capital gain [not covered by section 10(36) and section 10(38) of the IT Act] if such capital gain is invested in any of the long term specified assets (hereinafter referred to as the "new asset") to the extent and in the manner prescribed in the said section. If the new asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains for which exemption is availed earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred or converted into money.

In accordance with and subject to the conditions specified in Section 80-IB (10) of the IT Act, the Company may be entitled to a deduction of 100% of its profits derived from developing and building housing projects approved before March 31, 2007 by a local authority. However, the Company would still be subject to a Minimum Alternate Tax ("MAT") at the rate of 11.22%.

BENEFITS AVAILABLE TO SHAREHOLDERS

This summary is not intended to constitute a complete analysis of the Indian tax consequences to any particular Resident and Non-Resident shareholders. Individual tax consequences of an investment in Equity Shares may vary for Residents and Non-Residents in various circumstances, and potential investors should therefore consult their own tax advisers as to the tax consequences of such purchase, ownership and disposition under the tax laws of India, the jurisdiction of their residence and any tax treaty between India and their country of tax residence. This summary is based on the Indian tax laws as of the date of this offer document, which may change after the date hereof.

Taxation of Dividends

The Company would be liable to pay DDT at the rate of 12.5% (plus applicable surcharge and education cess) upon declaration, distribution, or payment of dividends. Where the Company distributing dividends has paid DDT, dividends are not taxable in India in the hands of all shareholders, irrespective of their residential status.

Taxation of Capital Gains

1. Computation of capital gains

Equity Shares held by a shareholder for a period of more than 12 months are treated as long-term capital assets, income from the transfer of which would be treated as long term capital gains. If the Equity Shares are held for a period of 12 months or less, the capital gains arising on the transfer thereof are treated as short term capital gains.

Section 48 of the IT Act contains special provisions in relation to computation of long term capital gains on transfer of an Indian company's shares by non-residents (other than Foreign Institutional Investors ("FIIs")). Computation of long-term capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

As per the provisions of Section 112(1)(b) of the IT Act, long term gains as computed above would be subject to tax at a rate of 20% (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20% with indexation benefit exceeds the gains computed at the rate of 10% without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess).

2. Tax on Long term capital gains

In case of a shareholder being a company, which is subject to MAT under Section 115JB of the IT Act, long term capital gains realized on sale of securities of the Company listed on a recognized stock exchange in India will be taxed at the rate of 10% (plus applicable surcharge and education cess). However, for shareholders being individuals, partnerships, trusts, association of persons or bodies of individuals, long-term capital gains realized on sale of securities of the Company on a recognized stock exchange are exempt from tax. Sale of shares on the recognized stock exchange will be additionally subject to STT. Any long-term capital gains realised by all types of shareholders on the sale of listed equity shares otherwise than on a stock exchange (on which as a result no STT has been paid) will be subject to Indian capital gains tax at the rate of 10% (plus applicable surcharge and education cess).

3. Tax on Short term capital gains

Any income arising from the transfer of Equity Shares held as a short-term capital asset, which is subject to STT, shall be taxed at a rate of 10% (plus applicable surcharge and education cess). In the event that the sale is otherwise than on a stock exchange and as a result no STT is paid, short-term gain is subject to tax as regular income at the rate applicable to the shareholder.

4. Exemptions

- As per the provisions of Section 54EC of the IT Act and subject to the conditions specified therein, capital gains arising to an assessee on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.
- As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family (“HUF”), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

5. Specific provisions applicable to Mutual Funds

In case of a shareholder being a Mutual Fund, as per the provisions of Section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India is exempt from income tax, subject to the notified conditions.

6. Specific provisions applicable to Venture Capital Companies / Funds

In case of a shareholder being a Venture Capital Company/ Fund, any income of Venture Capital Companies/Funds registered with the Securities and Exchange Board of India, is exempt from income tax, subject to the conditions specified in Section 10(23FB) of the IT Act.

7. Specific provisions applicable to Non Resident Indians

Capital gains tax - Options available under the IT Act: Where shares have been subscribed in convertible foreign exchange - Option of taxation under Chapter XII-A of the Act

- Non-Resident Indians [as defined in Section 115C(e) of the IT Act], being shareholders of an Indian company, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange.
- As per the provisions of Section 115D read with Section 115E of the IT Act and subject to the conditions specified therein, long term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without indexation benefits.

- As per the provisions of Section 115F of the IT Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the IT Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the IT Act, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.
- Further, if the specified asset or savings certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred at the rate of tax in respect of long term capital gains as may be applicable in that year.
- As per the provisions of Section 115G of the IT Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the IT Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.
- Under Section 115H of the IT Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the IT Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- As per the provisions of Section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

8. Foreign Institutional Investors ('FIIs')

- Taxability of capital gains: Any capital gains realised by a FII on the sale of listed equity shares otherwise than on a stock exchange (on which as a result no STT has been paid) would be taxed as per the provisions of Section 115AD of the IT Act, as applicable to FIIs. FIIs will be taxed on the capital gains income at the rate of 10% for long term capital gains and at the rate of 30% / 10% for short term capital gains (excluding applicable surcharge and education cess) as per the provisions of section 115AD (ii). It is to be noted that the indexation benefits are not available to FIIs.
- However, where the equity shares form a part of its stock-in-trade, any income realised in the disposition of such equity shares will be treated as business profits, taxable in accordance with the DTAA's between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding. If the income realised from the disposition of equity shares is chargeable to tax in India as business income, FIIs could claim rebate from tax payable on such income with respect to STT paid on purchase/sale of equity shares. Business profits may be subject to tax at the rate of 20 / 40% (plus applicable surcharge and education cess).

9. Securities Transaction Tax

The exemption on long term capital gains and reduction of rate for short term capital gains would be applicable only if the sale / transfer of the Equity Shares takes place on a recognised stock exchange in India. All transactions entered into on a recognised stock exchange in India will be subject to STT levied on the transaction value at the applicable rates. In case of purchase / sale of Equity Shares and units of an equity oriented mutual fund which is settled by way of actual delivery or transfer of the Equity Share/ unit, STT will be levied at the rate of 0.125% on both the buyer and seller of the Equity Share/ unit. For sale of Equity Shares and units of an equity oriented mutual fund settled otherwise than by way actual delivery or transfer of the Equity Share/ unit, STT will be levied at the rate of 0.025% on the seller of the Equity Share/ unit. Seller of derivatives would be subjected to an STT of 0.017% while in case of sale of a unit of an equity oriented fund to the mutual fund would attract STT at the rate of 0.25%. The STT can be setoff against business income tax calculated as per the provisions of the IT Act, provided the gains on the transactions are offered to tax as business income and not as capital gains.

10. Tax Deduction at Source

Generally, tax, surcharge and education cess on the capital gains, if any, are withheld at the source by the purchaser/ person paying for the Equity Shares in accordance with the relevant provisions of the IT Act. However, no deduction of tax shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the IT Act payable to FII's.

11. Capital Loss

In general terms, loss arising from a transfer of a capital asset in India can only be set off against capital gain. Since long-term capital gains on the sale of listed Equity Shares in respect of which STT has been paid is not liable to capital gains tax for non-corporate entities, it is doubtful whether any long-term capital loss arising on account of such sale would be allowed to be set off. A short-term capital loss can be set off against capital gain whether short term or long-term. To the extent that the loss is not absorbed in the year of transfer, it may be carried forward for a period of eight assessment years immediately succeeding the assessment year for which the loss was first determined by the tax authority and may be set off against the capital gains assessable for such subsequent assessment years. In order to set off a capital loss as above, the non-resident investor would be required to file appropriate and timely returns in India and undergo the usual assessment procedure.

12. Wealth Tax and Gift Tax

No Indian wealth tax or gift tax will be payable with respect to the Equity Shares and Warrants.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES AND WARRANTS IN YOUR PARTICULAR SITUATION.

THE FOREGOING DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF THE POTENTIAL TAX CONSIDERATIONS RELATING TO THE ISSUE, AND SHOULD NOT BE CONSTRUED AS TAX ADVICE/OPINION. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSIDERATIONS APPLICABLE TO THEM RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE EQUITY SHARES AND WARRANTS, INCLUDING THE APPLICABILITY OF THE LOCAL TAX LAWS OR NON-TAX LAWS, ANY CHANGES IN APPLICABLE TAX LAWS AND ANY PENDING OR PROPOSED LEGISLATION OR REGULATIONS

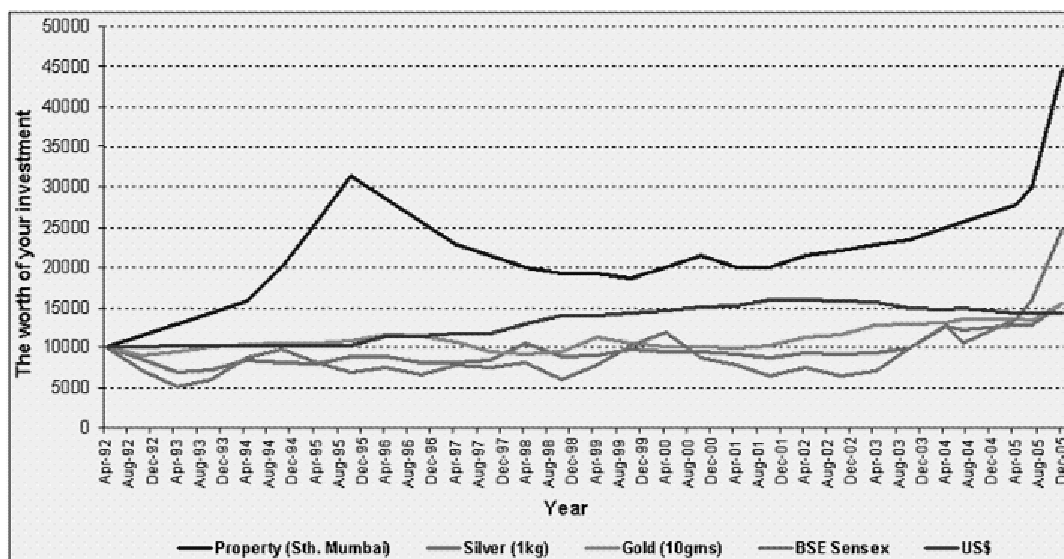
INDUSTRY

Industry Overview

Data in this section has been sourced from the following:

- Primary real estate advisory (July 2005) Report.
- Cris Infac Report on Housing January 2006.
- Colliers International Asia Pacific:-India property market overview & others
- Liases Foras (Real Estate Rating & Research Agency) April 2006.
- Knight Frank (India) Private Limited 2006

Real estate is turning out to be an alternative as compared to other investment opportunities such as capital /debt markets, bullion, etc., as suggested in the chart below. It attracts investors with a possibility of stable income yields, capital appreciation, tax structuring benefits and higher security, as it is a tangible asset.



Source: Knight Frank (India) Private Limited 2006

Real Estate Market in India

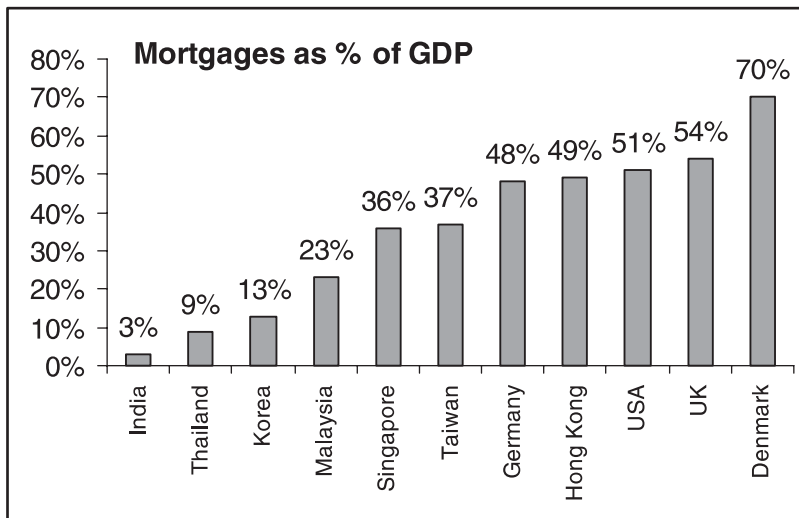
The term 'real estate' connotes land, including the air above it and the ground below it, and any building or structures on it. It covers residential housing, commercial offices, trading spaces such as theatres, hotels and restaurants, retail outlets, industrial buildings such as factories and government buildings. Real estate involves the purchase, sale and development of land, residential and non-residential buildings. The activities of the real estate sector encompass the housing and construction sector as well.

The major players in the organised sector are Hudco, state housing bodies and private real estate developers; the industry is highly fragmented with most of the real estate developers having a city-specific or region specific presence. The unorganised sector comprises small builders and contractors, who primarily construct houses on a contract basis.

The real estate market in India has been witnessing increased activity. Demand for real estate is on an upswing reflected in higher prices despite increased supply. Prices are buoyed further as new construction lags demand. The importance of the housing in real estate sector in India can also be gauged from the fact that for every one rupee invested in the construction of houses, an estimated 75-80% is added to the GDP and the sector assists to the development of over 250 other ancillary industries. The real estate sector is amongst the top 3 employment generators in India.

National Demand

According to 10th Five Year Plan there will be a **shortage of 22.7 million housing units by Year 2007**. Investments of more than USD 25 billion is required for Urban Housing Sector over the next 5 years. Market analysis estimates returns from real estate in India at an average of 10-12% annually, with an upsurge in commercial real estate on account of the Indian BPO and insurance boom.



Source: - Primary Real Estate Advisory (July 2005) Report

The housing sector has been growing at an average of 34% annually, while the hospitality industry witnessed a growth of 10-15% last year. Further, the penetration levels are still very low across India, despite the recent growth seen across housing indicated by the fact that the mortgage to GDP ratio in the country is about 3% compared to over 50% in the US. However, even if one were to benchmark with more comparable counterparts, the ratio ranges between 15-20% for most South East Asian countries. Thus the penetration level of mortgages is miniscule when compared with the shortage of housing units.

Almost 80% of real estate developed is residential space and the rest comprised of office, shopping malls, hotels and hospitals. Commercial real estate development is being driven increasingly by the off-shoring business, including high-end technology consulting, call centers and programming houses which in 2003 were estimated to have accounted for 10mn sq. ft. of real estate development.

THE MAJOR GROWTH DRIVERS

1) A STRONG ECONOMY

India's economy is one of the strongest economies in the world with an ability to sustain this strength. Increasing economic strength has led to increased business activity. Cities continue to attract interest from IT and ITES companies that are either establishing a base or are looking for expansion. According to the government sources USD150bn is required over the next five years to develop world-class infrastructure. Over 500 million people are expected to live in urban India by 2020.

2) GROWTH IN POPULATION AND URBANISATION

India's Population is expected to grow from an estimated 1092 million in 2005 to 1179 million by 2010. Urban Centers are expected to grow at a faster rate, driven by attractive employment opportunities and better social infrastructure.

Growth in Population

	2001	2005	2010	CAGR
				2004-05 to 2009-10
Total	1,027,015	1,092,496	1,179,078	1.50%
Urban	285,355	316,921	360,590	2.60%
Rural	741,660	775,575	818,488	1.10%

Source: - Cris-Infac

3) **INCREASING PERCENTAGE OF POPULATION IN AGE GROUP OF 25 - 44**

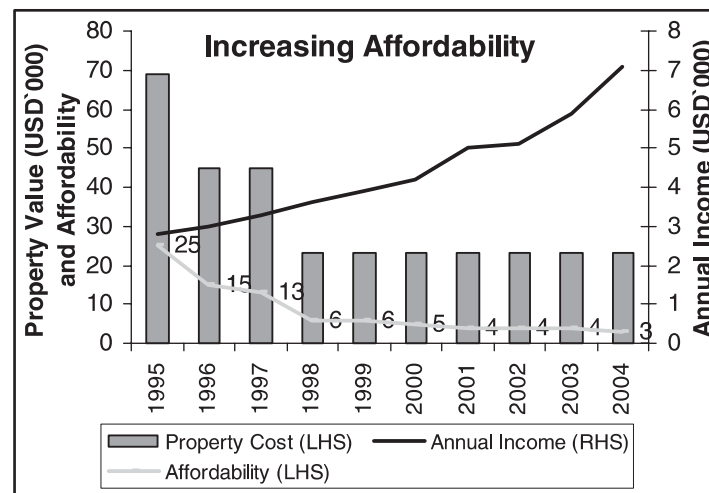
Given the rising income levels and the decreasing age of those buying homes (currently 35 -36 years), the population in the 25 - 44 age group holds the key to the growth in housing demand. At present, about 28% of India's population is in the 25-44 age brackets. This figure is expected to increase to about 30.6 % by 2025, an addition of approximately 5.5 million people each year, which could translate to a further 2.75 million new households per year.

4) **FASTER GROWTH IN HOUSEHOLDS WITH NUCLEARISATION AND REDUCTION OF HOUSEHOLD SIZE.**

It has been observed that the average size of household (ASHH) has been falling over time. This results in a growth of households at a rate faster than the growth in population itself. The ASHH has declined from 5.6 in 1951 to 5.5 in 2001 at the national level, while ASHH for the urban has declined from 6.06 to 5.5 in the corresponding period.

5) **INCREASING AFFORDABILITY**

The changing demographics like rising disposable incomes, attitudinal shift and fiscal incentives on housing loans have made housing an attractive option. Rising income levels coupled with more job creation, especially in sectors like BPO and insurance is also resulting in enhanced demand for quality housing.



Source: - Primary Real Estate Advisory (July 2005) Report

6) **DEMAND DUE TO TAX INCENTIVE.**

Tax incentive, provided to the housing finance sector has been a significant contributor towards the growth in this sector. Fiscal Incentives are provided to the borrower in the form of housing loan. The borrower is provided with deductions from the gross total income on repayment of principal and interest under the respective section of the Income Tax Act 1961. This has helped borrowers to reduce the borrowing cost on such loans.

7) **TAX INCENTIVE TO CORPORATE & DEVELOPERS**

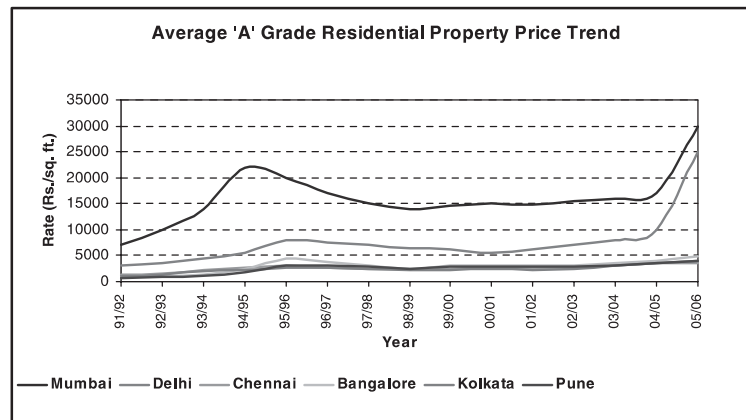
The government has given incentives to the corporate's to invest in housing by providing higher depreciation on residential house as compared to building. Tax incentive under section 80 IB (10) of the Income Tax Act 1961 for developers on development of mass housing projects also induce builders to invest in large mass housing projects. The government has also increased the lending limit of bank to housing sector, and RBI has also recognised lending to the housing sector under priority sector lending.

8) **CHANGING PROFILE OF DEVELOPERS/BUILDERS**

Real estate developers and builders are also changing their profiles. They have started becoming more organized, with a clear focus on building superior infrastructure, using the best quality and the most economic materials. They are emphasizing on newer and better designs, with reliable construction management, employing trained professionals to help them implement new projects faster and in a more efficient manner. Technology has evolved in the construction business, so using them, as part of the process has been very vital in these competitive environments. The banks have also played an important role in the process, by increasing the availability of funds, which has helped evolve a new breed of developers.

REAL ESTATE MARKET IN MUMBAI

Mumbai is the financial center of India, with large numbers of domestic and foreign banks, the largest stock exchanges in the country, and a number of investment firms,



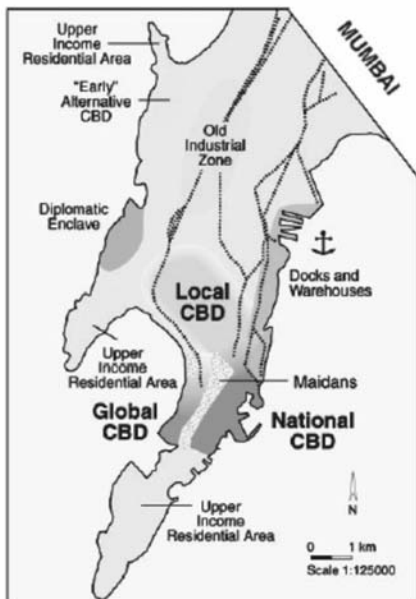
Source: Colliers International Asia Pacific

Mumbai is one of the most lucrative markets across metros which can be depicted from the above graph. The property market in South Mumbai and south central Mumbai has shown a growth of 20% on an average in the last 2 years and expected to continue with the same growth. The major constituents to this growth are IT/ITES services due to increasing outsourcing by multinationals, increasing Retail outlets like Malls, Hyper malls and Super Markets and there is increasing amount of Urbanisation and immigration to the Mumbai city due to better job opportunities.

There are other factors fuelling the growth in terms of Demand as well as increased rates of real estate in Island City such as;

- 1) Dominance of user driven market
- 2) Lack of modern amenities within the existing and old buildings within the Island City
- 3) Increased Aspirations for better lifestyle combined with increase in disposable Income, Fiscal incentives like Capital Gain deployment, Housing Loans, etc.

Map of South Mumbai – Major upper income household



Source:- Liases Foras (April 2006 Report)

The major characteristics of Mumbai

In Mumbai the corporate offices of financial and producer services companies are strongly concentrated in the southern tip of the peninsula. The financial sector has attracted a large number of related producers of services, especially accounting and consulting firms. The two main business areas are the Fort and Nariman Point; the Fort has the largest share of domestic companies, while Nariman Point houses an overwhelming share of foreign companies. This has increased the demand for high end residential flats for the executives of the company in and around these areas. This has further increased the attractiveness of areas in the Island City of Mumbai.

REAL ESTATE SCENARIO IN SOUTH MUMBAI.

The annual demand supply scenario

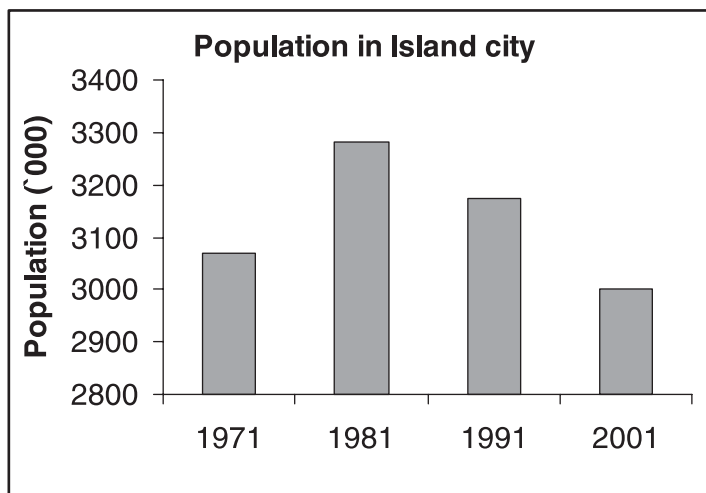
Island City Profile	2003	2004	2005	Apr-06	2003-04	2004-2005	2005-2006Q1
Annual Supply (Million Sq Ft)	2.7	3.24	2.61	2.65	20%	-19%	2%
Annual Demand (Million Sq Ft)	1.7	4.33	4.25	4.67	155%	-2%	10%
Average Rate (INR)	6427	6806	8190	11551	6%	20%	41%

Source:- Liases Foras (April 2006 Report)

As can be seen from the table above, the demand for real estate in the Island City of Mumbai witnessed a CAGR growth of 65.74% over the last 3 years. Several reasons contributed to this growth such as the rising income levels owing to a robust economic growth, significant demand from the corporate sector, demand for commercial and entertainment space etc. The increasing affordability has fuelled demand for residential space in the Island City of Mumbai, recognised as a premium property market in the country. As against this, the supply of real estate in this market registered a fall of 0.93% in the supply of real estate. The primary reason for this drop is the lack of availability of open plots of land in the Island City of Mumbai. This region has witnessed rapid and dense development activity and has a large proportion of old and dilapidated buildings,

Demand Supply Gap expected to widen

It has been seen that residential prices have increased by about 15- 20% on average in the last one year. There has been strong growth in demand which can be seen from the growth from 1.7 million Sq.Fts in 2003-04 to 4.25 million Sq.Ft in 2005-06 and the supply has actually decreased from 2.7 million Sq.Ft in 2003-04 to 2.61 million Sq.Ft in 2005-06, which clearly brings out the short supply and the reason for rising property prices in South Mumbai which is depicted in the chart below.



REAL ESTATE SCENARIO IN SOUTH MUMBAI.

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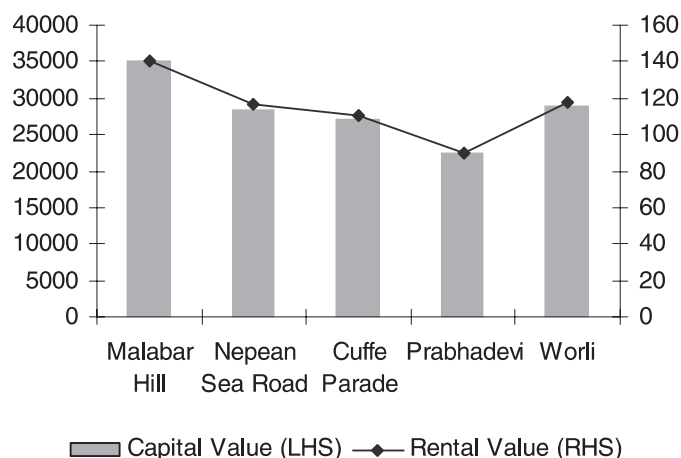
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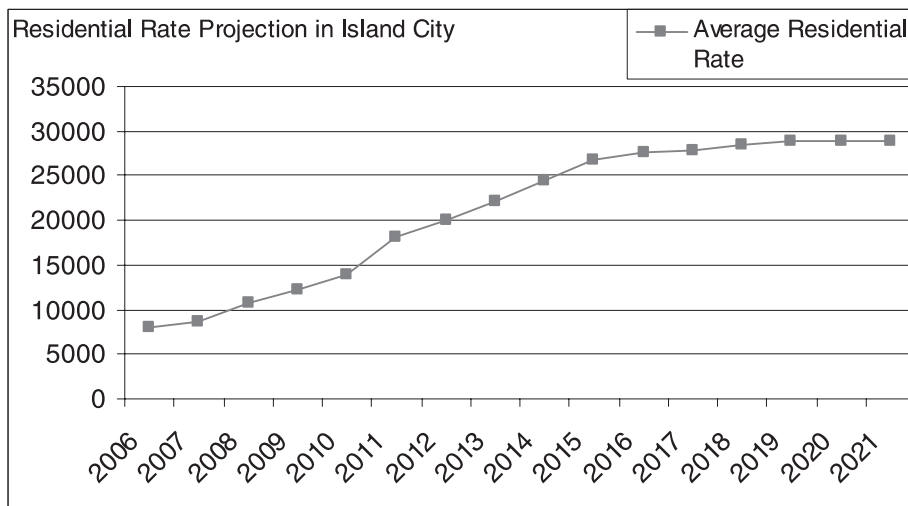
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Source: - Colliers International India Research

Projected growth in the price of Residential Flats



Source:- Liases Foras (April 2006 Report)

Looking at the graph above it is clear that the property growth story is still strong and will continue remaining strong in the Island city of Mumbai.

Evolution of Redevelopment Option

Redevelopment of dilapidated buildings has evolved due to the following reasons:-

- 1) Land owners reluctant to spend for repair or redevelop due to lower rate of Rent as per the now repealed Bombay Rent Control Act, 1948 and the MRCA.
- 2) Tenants are not interested, since the title of the property does not vest to them and lack of funds to bear the cost of Construction.
- 3) Government initiatives to repair such buildings have gone to vain, as the cost, timeframe required, quality and legislative issues have slowed down the process.

Hence the government has introduced the below mentioned schemes for the purpose of redevelopment.

VARIOUS SCHEMES UNDER REDEVELOPMENT

Key Elements	33(6)	33(7)	33(10)
Features of Scheme	Existing Built Up Area available for development irrespective of applicable FSI for the Plot size	Higher of, 2.5 times of Plot area available for development or 50% of the rehabilitation area as incentive	Maximum of 2.5 times of Plot area available for development or 3 times Plot area incase of dense projects.
Identification of Property	Preferably in the CRZ zone	All other parts of the Island City	Slums situated over large areas
Ownership Strategy	Direct ownership	Direct Ownership / Joint Development	Development Agreement
Redevelopment Area per Tenement	Existing BUA (Built up Area)	Minimum 225 SFT up to a maximum of 750 SFT per Tenement	Only 225 SFT self-contained apartments.
Tenant Rehabilitation Strategy	Complete Buyout of Tenancy rights	No buyout	No buyout
80I(b) Tax Benefits	Available	Available	Available
Discounted BMC Development Charges	Available	Available	Available
Relative Acquisition Cost	High	Low	Low
Value realization	Very High	High	Low

Redevelopment Scenario in Island City

The number of Cessed buildings and its categories in the Island city of Mumbai indicates that a large amount of dilapidated building has been recognised by the competent authorities. This has strengthened the argument for the future growth of redevelopment.

Category	Year of construction	No of buildings
A	Before to 01.09.1940	16502 Nos
B	Between 01.09.1940 to 31.12.1950	1489 Nos
C	Between 01.01.1951 to 30.09.1969	1651 Nos
Total		19642 Nos

Source:- MHADA website (as on 08.06.2006)

The Distribution of Redevelopment NOC Received in Island City from the period of 1984 to 2004

Ward	No of Buildings	Permissible Built-up Area in Sq mt	Area Available for Free Sale Sq mt
A	22	36690	12230
B	39	49981	16660
C	61	79720	26573
D	190	565967	188656
E	104	341071	113690
FN	132	222770	74257
FS	41	196700	65567
GN	243	566236	188745
GS	53	239280	79760
TOTAL	885	2298415	766138

Source:- Liases Foras (April 2006 Report)

Note: Area Available for free sale is assumed one third (1/3) of permissible built-up area. (2/3) component of the permissible built up area will be consumed by existing tenant.

Trend of NOC obtained in Last 4 years as follows

Years	NOC Granted	Permissible Built-up FSI in Sq Mtrs.	Approximate FSI for Free Sale in Sq Mtrs.
2001	80	235369	78456
2002	108	228551	76184
2003	103	175767	58589
2004	110	334138	111379
Average	100	243456	81152

Source: - Liases Foras (April 2006 Report)

The above table indicates that there is very less level of redevelopment that has happened during the last two decades. In the last 2 decades there has been redevelopment of 885 dilapidated buildings out of which 401 ie 45.31% have received NOC in the last 4 years. This shows that the concept of redevelopment has been recognised but still there has been less growth, mainly due to the long and cumbersome process involve in the process of redevelopment.

Analysis of Scope for cessed buildings falling under category “A” for redevelopment under 33(7) for Wards A, D1, D2, F-North, F-South

Ward	Total dilapidated Buildings	Redeveloped	Under Process		Scope left over for redevelopment
			Under Construction	NOC Obtained	
A	936	9	5	8	914
D	2747	71	53	73	2550
F&G-North	2056	212	93	75	1676
F&G- South	1336	35	31	24	1246
TOTAL	7075	327	182	180	6386

Source: - Liases Foras (April 2006 Report)

The above tables indicates that on an average 81152 Sq Mt of FSI will be introduced in the market for free sale every year. Even at steady growth rate in supply it will take years to consume possible potential of 60 million Sq Ft.

OUR BUSINESS

We are a real estate construction and development company with primary focus on redevelopment of existing properties. We endeavour to specialize in developing, designing and managing “Build to suit” high-end residential and commercial properties.

Our promoter directors have over 18 years of experience in the real estate sector and have been involved in redevelopment in their personal capacities till FY 2000.

OUR BUSINESS FOCUS

We currently focus on redevelopment of residential properties in the Island City of Mumbai. This focus is the result of a conscious strategy of our Company. For the purposes of the redevelopment projects, we primarily operate under three regulations of DCR (Development Control Regulations) namely Regulations 33(6), 33(7) and 33(10), the benefit summary of which has been provided below;

Key Elements	33(6)	33(7)	33(10)
Features of Scheme	Existing Built Up Area available for development irrespective of applicable FSI for the Plot size	Higher of, 2.5 times of Plot area available for development or 50% of the rehabilitation area as incentive	Maximum of 2.5 times of Plot area available for development or 3 times Plot area incase of dense projects.
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80I(b) Tax Benefits	Available	Available	Available
Discounted BMC Development Charges	Available	Available	Available
Relative Acquisition Cost	High	Low	Low
Value realization	Very High	High	Low

We believe we have the following strengths that have led us to the current focus:

1) Meeting diverse expectations

Key entities in rehabilitation projects along with their primary role and interests are listed below:

Entity	Role	Interest in transaction
Brokers/ Market Sources	Identification of property and bringing in the properties which fit the best in terms of Location, Timeline, Legal issues and Profitability Ratio	Gets brokerage in the transaction
Landowner/ Landlord/ Co-developer	Negotiates the terms of Land ownership <ul style="list-style-type: none"> Clearing legal encumbrances related to ownership 	<ul style="list-style-type: none"> Gets fair value of the property which is locked in due to tenants (Due to rent control act) In case the landlord himself is an occupant he could come for better living conditions Inability to repair or redevelop the property because of lack of financial and technical resources Fear of falling off the buildings leading to criminal prosecution

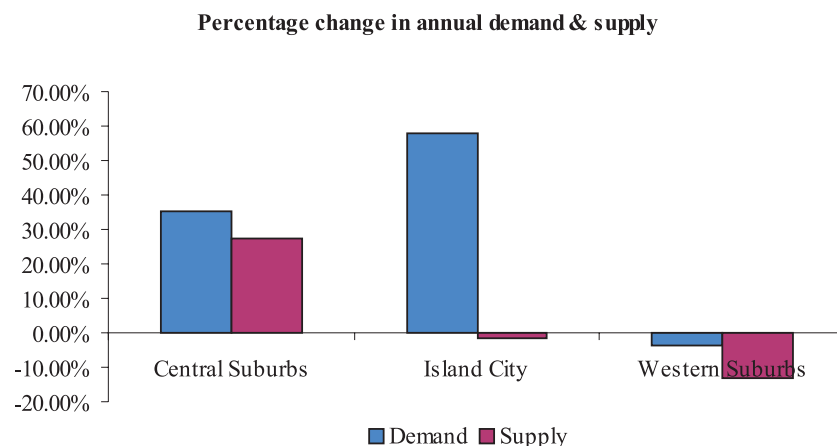
Entity	Role	Interest in transaction
Tenants	<p>Key participant in the redevelopment process</p> <p>Negotiates the terms of rehabilitation that may include timeframe, amenities, post-rehab corpus funds, etc.</p> <p>In certain cases the tenants may come directly by forming an AOP or a Society/ Union</p>	<ul style="list-style-type: none"> Consideration for the occupancy of the flat/premises leading to capital empowerment Gets ownership of a self-contained flat Better basic amenities
MHADA (MBRRB) Mumbai Building Repair and Reconstruction Board	<ul style="list-style-type: none"> Sanctioning the schemes of rehabilitation and redevelopment by verifying tenants and built up area. Power to evict the non-conforming portion of tenants in the event of minimum 70% of the total tenants have agreed for redevelopment of the property 	<ul style="list-style-type: none"> Ensures repair and redevelopment of the cessed and dilapidated buildings by inviting private participation.
BMC	<ul style="list-style-type: none"> Sanction of construction plan Monitoring the construction activities in stages Provision of basic civic amenities Issuance of Occupation Certificate 	<p>Gets Development Charges and Land Under Construction charges from the Developer. Increased revenues from the redeveloped property in nature of;</p> <ul style="list-style-type: none"> Property tax Water and Sewerage Tax Enables BMC to provide better infrastructure facilities through widening of roads by claiming road setback area and providing sufficient parking within the redevelopment scheme.

2) Scarcity of open plots (excluding mill lands) coupled with large number of dilapidated buildings

There exists a significant mismatch in the demand and supply for housing units in the Island City of Mumbai, primarily arising from factors such as;

- Land availability
- The prestige value attached to the houses within the Island City
- Growing aspirations resulting from higher income levels
- Key business and administrative offices located in the Island City

The chart below shows the percentage change in annual demand & supply during 2004 -2006



Source:- Liases Foras (April 2006 Report)

Our Potential Target locations

Ward	Total dilapidated Buildings	Redeveloped	Redevelopment Activity under process by Developers		Scope left redevelopment
			Under Construction	NOC Obtained	
A	936	9	5	8	914
D	2747	71	53	73	2550
F&G-North	2056	212	93	75	1676
F&G- South	1336	35	31	24	1246
TOTAL	7075	327	182	180	6386

Source:- Liases Foras (April 2006 Report)

Ward & Area	Geographic Details
A 12.50 sq km	<p>East: Dock Area, Ballard Estate, Shahid Bhagat Singh Road, P D'mello Road, Karnak Bandar Bridge, Ajinkya Chowk to Naval Dock</p> <p>West: Netaji Subhash Marg (Marine Drive Sea), Navy Nagar to Foras Rd Jn.</p> <p>North: Anandilal Poddar Marg, Lokmanya Tilak Marg & F Road, Karnak Bunder Bridge, Ajinkya Chowk P D'mello Jn.</p> <p>South: Colaba (Military Area)</p>
D 6.63 sq km	<p>East: V P Road, Ardeshit Dadi Street, Timbak Pashuram Street Shuklaji Street</p> <p>West: Netaji Subhash Road (Up to Govt. Printing Press), Walkeshwar Road, Bhulabhai Desai Road</p> <p>North: Bomaji Behram Marg, Sane Guruji Marg, Keshavrao Khade Marg</p> <p>South: Babasaheb Jaikar Marg, M K Road</p>
<p>F & G North</p> <p>F-North 12.98 sq km</p> <p>G-North 9.07 sq km</p>	<p>F – North</p> <p>East: Thane Creek</p> <p>West: Central Railway</p> <p>North: M. G. Mankikar Marg</p> <p>South: Mumbai Marathi Grantsangrahalaya Marg</p> <p>G- North</p> <p>East: S B Road to Sion Convert (Dharavi)</p> <p>West: Sea Shore</p> <p>North: Mahim Causeway Agra Road</p> <p>South: Kakasaheb Gadgil Marg & Kasinath Dhuru Road</p>
<p>F & G South</p> <p>F – South 14 sq km</p> <p>G- South 10 sq km</p>	<p>F-South</p> <p>East: Sewree Sea Face</p> <p>West: Central Railway</p> <p>North: Mumbai Marathi Granth Sangrahalaya Road, Road No 26,</p> <p>South: Dattaram Lad Marg, Kaka Chawky</p> <p>G-South</p> <p>East: Central Railway</p> <p>West: Arabian Sea</p> <p>North: S V S Road, K Dhuru Road to K Gadgil Marg</p> <p>South: K Khadke Marg & S. G. Marg to Western Railway</p>

The core tenets of our business

Focus on profitability: We focus on improving profitability while maintaining the high quality of our homes and customer service. We focus on gross margins by stressing the features, benefits, quality and design of our homes. We also value-engineer our homes by working with our subcontractors and suppliers to provide attractive features while managing timelines and minimizing raw material, construction costs and rehabilitation costs.

Continue to control premier locations: For a number of years, our focus markets have been a key strategic element of our business. We focus on locating and controlling the appropriate properties (including the underlying land) for redevelopment in the most desirable areas of our markets. During the period FY 04 – FY 06, we increased our supply of land (on which the rehabilitation projects will be located), and currently own a two- to five-year supply of land based on our planned growth. We believe our focus on managing rehabilitation projects gives us a competitive advantage in operating at attractive locations at competitive costs.

Maintain or increase market position in existing markets: There are significant opportunities to profitably expand in our existing markets as shown in the above table depicting our potential target market. While our primary growth strategy will focus on increasing our market position in these markets, we may, explore expansion into new markets through organic growth or acquisitions.

Provide superior homeowner service: Our core operating philosophy is to provide superior service to our homeowners. We attempt to involve the homeowner in many phases of the building process in order to enhance communication, knowledge and involvement. Our selling process focuses on the homes' features, benefits, quality and design as opposed to merely price and square footage. This enhances the selling process and increases the sale of optional features that typically carry higher margins. We believe all of this leads to a more satisfied homeowner, and, we have been able to create a 'top of mind recall' amongst a large number of our target audience.

Offer product diversity and innovative design: We offer a number of distinct product lines and different floor plans and elevations. We also offer a high level of design and construction quality within each of our price ranges.

We also engage in real estate activities through:

- Orbit Constructions & Realtors Private Limited, a wholly owned subsidiary.
- Orbit Buildcon & Realty Private Limited, a wholly owned subsidiary.
- Orbit Housing Private Limited, a wholly owned subsidiary of Orbit Buildcon & Realty Private Limited.

OUR BUSINESS PROCESS

The following are the key steps undertaken in executing a redevelopment project.

1. Identification of property

We select our site for redevelopment based upon a variety of factors, broadly:

- Internal and external demographic and marketing studies;
- Suitability for development during the time period of one to four years from the beginning of the development process to the last closing;
- Centralized corporate-level management review of all decisions;
- Financial review as to the feasibility of the proposed project, including profit margins and returns on capital employed;
- The ability to secure statutory permissions, approvals and entitlements;
- Environmental and legal due diligence;
- Competition in the area;
- Proximity to local traffic corridors and amenities; and
- Profile of the inhabitants in the location, its perceived primeness, the infrastructural facilities, etc.
- Management's judgment as to the real estate market and economic trends and our experience in a particular market.

Once a property is identified, various parameters are determined under the following heads:

Finance

Evaluating the total cost of the project: The cost of the project is classified under two parts – cost of acquisition (of the property or its development rights) from the vendor, and cost of construction on the project.

The cost of acquisition is the cost of acquiring the property and the cost of the existing tenants' transit accommodation in the event of rehabilitation. We believe that expediting the timeframe from acquisition to project commencement is critical to the overall success of our projects as the acquisition cost is typically funded out of owned funds. All other formal sources of funding follow the completion of such acquisition process.

We maintain the ratio of acquisition cost including cost of approvals and legal expenses to a maximum of 60% of the overall cost of the project.

Gross Margins: We try and maintain gross margins in excess of 24 % for all our projects.

Legal & Regulatory

Obtaining a clear title to the property: The property is referred for primary due diligence to study the legal aspects such as the Title Clearance Certificate, Property Card details, Owners' Status and all other encumbrances linked to the property. Our legal department scrutinizes the property documents to determine if the proposed property is free from all disputes and encumbrances and to ensure that the vendor has a clear and marketable title to the property. The legal department then submits a due diligence finding to the CAO to decide whether the project should be pursued.

Applicability of the Redevelopment scheme: Our legal department then examines the applicability of the schemes of redevelopment under the MHADA Act and the DCR. For details of the schemes of redevelopment, which are applicable to us, please refer to the section titled "Industry" on page 43 of this Red Herring Prospectus.

Project Execution

Likely project implementation schedule: Time period for obtaining the approvals for construction activities and provision of utilities

- Location and adjacent structures are studied
- Basic parameters such as soil testing, material storage planning, logistics planning and man movement planning aspects are reviewed
- Arrangement and availability of electricity and water
- Design aspects based on the size and nature of plot

Marketing

To the target customers:

- The adjacent properties and the profile of the neighbourhood
- The potential buyer class and its current level of expectations
- Profile of competing properties including their product attributes, pricing and positioning.

This process ensures that a given opportunity/ project is scrutinized from every operational aspect so as to make an informed decision on its feasibility and thus minimize the risk.

2. Acquisition of title or development rights of the land

The responsibility of property identification and acquisition either by means of an outright property purchase or by way of entering into a development agreement with the vendor lies with the Chief Acquisition Officer (CAO). The CAO is supported by a team dedicated to the acquisition process. This team is involved in sourcing potential properties for development and has a network of brokers dealing in properties in our target locations. This team also plays an enhanced role once the property has been acquired – it acts as the single point of contact for all interaction and negotiations with the vendors and tenants. This team remains active on a project until the start of construction and acts as the main coordinating body until the execution department takes over.

Properties are identified directly or through brokers who are selected on the basis of the class of properties they deal in and their credibility. The CAO assesses the nature and legal aspects of the identified property, the likely time frame within which the construction of the project can begin, and the cost of the project.

Negotiations

Once the feasibility of the property is ascertained, the Acquisition team starts the process of negotiation with the land-owner/ vendor. The broker works as the medium for setting up the primary communication between the landowner and our team.

The negotiations with the vendor centers around the consideration to be paid for purchase of the property or the acquisition of the development rights. The basis of negotiations with the vendor is the timeframe within which the clear title of the land can be obtained from the vendor along with the fulfillment of other conditions such as clearing of all encumbrances and pending litigation related to the property. The cost of the property is determined on the basis of the period required to attain the statutory approvals, which in turn determines the start of construction and the current market price of such property.

The other part of the negotiations is with the tenants, which is handled by the Acquisition team. The nature of the negotiations depends on the option availed of by the existing tenants. The tenants may opt to surrender their tenancy rights to us or opt for rehabilitation. In case of a buy-out (under schemes of redevelopment under DCR 33(6)), the negotiations are centered on the consideration value for the tenancy rights surrendered. In case of the rehabilitation option, negotiations are carried out on three aspects mainly - the amenities to be provided to the tenants in the rehabilitated structure, the cost of accommodating these tenants in the interim and the timeframe within which the rehabilitation can be completed, which is one of the most crucial aspects for all redevelopment projects.

Execution of Development Agreement/ Sale Deed

We enter into a MoU with the vendor to signify our interest in the project and pay him a token advance. The MoU, among other things, states the conditions subject to which a final agreement can be signed between the parties. At this stage, we obtain a limited Power of Attorney from the landowner, which enables us to initiate the process of approvals with the statutory authorities.

We have an in-house team of architects, which carries out the site inspection and takes the physical measurements of the property. This is then corroborated with the independent findings of an external architect empanelled with us.

On completion of the negotiations, we enter into a final agreement with the landowners. This may be in the nature of a development agreement whereby we obtain the rights to develop the said property without gaining ownership of the same, or a conveyance deed, which is an outright purchase of the property or a deed of assignment in cases where it is a leasehold land. This agreement is signed subject to fulfillment of the conditions stated in the MoU.

3. Conceptualisation of the project

As it is our endeavour to create unique structures, we place high importance on the project conceptualization. The Conceptualisation team consists of top management and in-house architects who report directly to our executive Chairman. Given the constraint in terms of the limited plot size, they work on the product offering which includes the basic layout of the structure, the class of amenities to be provided, such as parking spaces, plunge pools, health clubs, service provisions such as a servant's room, etc. This is based on the location, product mix, buyer segment and our philosophy of uniqueness and high standards of product delivery. This primary conceptualization is then handed over to our empanelled team of architects for elevation and modeling.

4. Obtaining the statutory approvals

Simultaneously, applications are made to the regulatory authority, MHADA, to seek issuance of the NOC (No Objection Certificate) based on the guidelines laid down under the DCR. We have a Liaisoning team comprising architects, engineers and legal professionals, whose function is to liaison with various statutory authorities. Once the MHADA NOC is obtained, the proposal, along with the project drawings, is submitted to the BMC for approval of the project. The BMC issues an IOD (Intimation of Disapproval), which enables us to begin the demolition of the existing structure. The IOD sets out the conditions to be met prior to commencement of construction. Once we meet the terms of the IOD, BMC issues the CC (Commencement Certificate), which enables us to commence the construction activity.

5. Project Execution

Project execution starts once the required statutory approvals are obtained for construction. We follow an in-depth planning process and ensure integration of all the agencies and functions so as to execute the projects in time while upholding the required standards of quality. The key task at this stage is coordination with the various consultants, architects and all types of sub-contractors. The key areas of planning of the project execution include space management, material management, preparation of the procurement schedule, logistics, co-ordination with various contractors deputed for specific tasks, quality monitoring and scheduling of resources required for execution.

Selection of Architects and Consultants

We have a team of architects who have established their credentials in the industry, on our panel. The panel includes such architects as Hafeez Contractor, Won Chiu Man from Singapore, Talati & Panthky and Atul Desai & Associates. Our selection of the architect is based on the conceptualization of the project and its requirements.

We also have a panel of other consultants and architects. We have an ongoing relationship with the structural consultants Mahimtura & Mahimtura, Proof consultants, HVAC (Heating, Ventilation, and Air Conditioning) consultants, Vastu consultants, Aura consultants and Service consultants for various services and utilities such as plumbing, electrical fittings, etc. We have a distinct practice of appointing proof consultants who audit the structural plans and drawings so as to minimize wastage and improve the quality of the construction.

Selection of Contractors

The company floats tenders with specifications and requirements to invite the interested contractors for various activities including civil, electrical, plumbing and related services. The contractors are primarily evaluated based on their competency levels, which is a function of their technical capabilities and the experience at executing prime projects. The secondary screening is based on the commercial bids received.

Construction of the project

At the start of construction on a project, we form a Project Engineering team, which comprises a Project Manager, a Project Coordinator and Site Engineers. The overall responsibility of the project execution lies with the Project Manager, while the Project Coordinator is responsible for co-ordination of on-site availability of materials and other resources. Site Engineers and a dedicated team are responsible for overlooking the smooth execution of the project and ensuring deliverance as per the quality plan.

The overall progress of all the projects is monitored by our General Manager, Projects, for which purpose a detailed master schedule is prepared and reviewed periodically. A detailed MIS (Management Information System) is maintained to evaluate the costs and schedule of implementation of the project cycle.

Procurement

As timely supply of materials is one of the most crucial elements of project execution, we have a pool of competent vendors to supply the required materials with the desired specifications. We have an in-house vendor development programme, which includes periodic on-site audits at the vendors' locations and quality checks of the materials supplied. Stringent norms are adhered to while enrolling new vendors, who are selected based on their technical and financial capabilities.

Quality

We diligently follow the systems and processes laid down as standard operating procedures, work instructions and quality checklists so as to continually improve the quality of Project Execution. We have successfully maintained our ISO 9001:2000 certification for the last two years since its achievement. We are setting out the road map for the practice of Six Sigma techniques to reduce wastage, improve efficiency and raise the quality of the project deliverables.

6. Marketing of the project

We divide our target market segment into three categories: at the uppermost level, those with incomes exceeding INR 10 crores p.a.; at the middle level, those with incomes between INR 5-10 crores p.a. and at the lower level, those with incomes between INR 1-5 crores.

We utilize focused direct mailings, special promotional events, illustrated brochures and model homes in our marketing program. The Internet has also become an important source of information for our customers. Through it we are able to allow potential buyers to search for their ideal home, obtain general information about our projects and communicate directly with our personnel.

Our marketing efforts aim to communicate our philosophy to deliver projects that surpass market expectations.

We sell our homes through our own representatives or through independent real estate brokers. Our marketing team has extensive relationships with our target clientele. Further, we have extensive relationships with large international real estate brokers who normally cater to our target clientele. Sales representatives assist potential buyers by providing them with basic floor plans, price information, development and construction timetables, tours of model homes and the selection of options. Our personnel, along with subcontracted marketing and design consultants, carefully design exteriors and interiors of each home to coincide with the lifestyles of targeted buyers. We use various floor plan types and elevations to provide a more varied street scene and a sense of customization for the buyers.

A full-blown model of the project is available for viewing in the display room of our corporate office, to help our customers better understand the layout and highlights of the project.

We typically sell homes during the construction period using sales contracts that provide for initial down payments by the purchasers. Before entering into sales contracts, we generally pre-qualify our customers.

7. Hand over of the completed project

We pay particular attention to the product design process and carefully consider quality and choice of materials to eliminate building deficiencies. The quality and workmanship of the trade contractors we employ are monitored and we make regular inspections to ensure that our high standards are met.

Our quality and service initiatives include taking customers on a comprehensive tour of their chosen homes prior to closing, and using customer survey results to continuously improve our standards of quality and customer satisfaction.

We employ a Total Delivery Model approach that provides end-to-end integrated services and delivers projects on time and with exceeded expectations in terms of quality. Normally, within three months, we help the buyers form and register the housing society along with formally transferring the property in the name of the society or the association of condominium members, as the case may be.

8. After sales service

We staff each business unit with quality control and customer service staff whose roles are to provide a positive experience for each customer throughout the pre-sale, sale, building, closing and post-closing periods. These employees are also responsible for providing after-sales customer service to help ensure that customers are satisfied with their purchase.

Once the proposed Housing Society is formed, we employ two teams for After Sales Service. One team looks after facility management, billing and initial services of liaisoning to set up the society. The other team comprises technical personnel who take care of the maintenance of the building which would include elevators, facilities and power and also deal with other technical issues at the site for a period of one year.

HUMAN RESOURCES

We believe our employees are key contributors to our success and growth. As of December 31, 2006, we had a team of 77 employees. This consists of 15 employees at the management level and 43 professionals. The recruitment process is conducted by the Human Resources department, which does the manpower planning. We have appointed a recruitment specialization company that does the initial screening of candidates according to the requirements specified by us. We have also begun the practice of campus interviews to appoint management professionals. We impart on-the-job training to our employees. We have an elaborate annual appraisal process, which helps us to evaluate the performance of our employees and ascertain the incentives to be provided. Our employees receive performance-linked incentives and also task-based bonuses.

COMPETITION

In the business of redevelopment of dilapidated buildings, there is very limited organized competition. However, in general the real estate development and homebuilding industries are highly competitive and fragmented. Competitive overbuilding in certain local markets, among other competitive factors, may materially adversely affect homebuilders in that market. Homebuilders compete for financing, raw materials and skilled labor, as well as for the sale of homes. Additionally, competition for prime properties is intense and the acquisition of such properties may become more expensive in the future to the extent of the increase in the demand and competition. We compete with other local, regional and national real estate companies and homebuilders, often within larger subdivisions designed, planned and developed by such competitors. Some of our competitors have greater financial, marketing, sales and other resources than we do.

Assurance

We provide a one- to two-year limited warranty of workmanship and materials for each of our homes, which generally include home visits with the customer during the first year following the purchase of a home. We subcontract our homebuilding work to subcontractors who generally provide us with an indemnity and bank guarantee (defect liability warranty) or through retention of their payments prior to receiving payments for their work and, therefore, claims relating to workmanship and materials are generally the primary responsibility of our subcontractors. In addition, the first year of our warranty covers defects in plumbing, electrical, heating, cooling and ventilation systems, and construction defects; the second year of such warranty covers construction defects and certain defects in plumbing, electrical, heating, cooling and ventilation systems of the home (exclusive of defects in appliances, fixtures and equipment). We have also started providing 20 years' warranty for leakages arising from construction defects in our projects. We intend to support our warranty by way of back-to-back warranty arrangement from our contractors and vendors.

Our Competitive Strengths

We are currently executing nine redevelopment projects and have already completed one such project. We believe the following are our core strengths, which have enabled us to create favorable brand positioning especially in our target locations.

Ability to meet diverse expectations of our business participants:

Our business model involves understanding the roles of key participants and meeting their expectation as detailed below.

Brokers

We believe in symbiotic relationships with the broker community who in turn achieve significant mileage from their association with us. We regularly interact with brokers who are empanelled with us and who are updated on a regular basis on our critical criteria for acquisition of properties under redevelopment. We provide brokers with property pre-requisites, which they satisfy prior to our initial involvement. We provide performance incentives to the brokers based on the time required for complete acquisition of the property.

Landowner/ Landlord/ Co-developer

Most landowners desire to unlock the value of their properties, which are currently impaired due to financial, regulatory or other constraints. While negotiating the terms of the land ownership we ensure that all the requirements of the landowners in terms of consideration, better living conditions and fair value are satisfied. We provide incentives to landowners based on their ability to provide an unencumbered property in the shortest time span. We coordinate with the landowner in negotiations to resolve disputes relating to land ownership, wherever necessary.

Tenants

We address the desire of every tenant to have a self-owned residence. The state of their existing dwellings is such that it lacks illumination, ventilation, proper water supply, toilets within the dwelling units and a play area. We are sensitive to the needs of the tenants and look to exceed their expectations in respect of all the above facilities. In certain cases, we also address future inflationary pressures on the maintenance and upkeep of their new homes through the creation of a corpus, which can sustain these expenses for a long period.

Regulatory Bodies

We liaise with regulatory bodies in meeting the social objectives of the State within the legal frameworks laid out for the same. We successfully manage the public-private partnerships.

We have a sound business model coupled with an entrepreneurial corporate culture that enables us to respond quickly to opportunities

Our business primarily requires us to identify dilapidated structures which have extremely low resale value in their current form but have the potential of realising substantially higher value through the process of redevelopment. The distinct nature of our delivery model further enhances the property value, which altogether creates a better selling proposition.

The redevelopment projects have certain unique attributes in comparison with other real estate development projects, such as: identification of dilapidated structures; multiple rounds of negotiations with the landlord and tenants on various aspects; dealing with several statutory authorities at various stages of the progress of the project; the limited plot size available especially in the Island City of Mumbai, the actual process of rehabilitation of tenants.

Our entrepreneurial corporate culture empowers our personnel at various levels to deal with the delicate aspects of the business. This together with a strong team and processes help us to effectively manage the peculiarities of redevelopment projects.

We are an ISO 9001:2000 certified company and adhere to very high standards of quality management system. We have a detailed quality plan which includes standard operating procedures, quality checklists, etc. We conduct independent testing and quality inspection of materials arriving at the site of construction on a sample basis.

We are focused on the Island City of Mumbai, which is one of the most lucrative property markets in the country

Metrics of Island City of Mumbai

Particulars	2003 – 2004	2004 - 2005	2005 – 2006
Annual Supply (in million Sq.ft)	2.7	3.24	2.61
Annual Demand (in million Sq.Fts)	1.7	4.33	4.25
Average Rate (in Rupees)	6427	6806	8190
Sold Stock (in million Sq.Fts)	3.5	4.22	4.44
Unsold Stock (in million Sq.Fts)	2.68	2.7	2.02
Months Required to sell off unsold stock	19	7	6
Annual Supply (in Crore Rupees)	1622.04	2152.7	2044.09
Annual Demand (in Crore Rupees)	1045.04	2937.63	3457.63

All our projects are located in Island City of Mumbai within an area of 16 square kilometers, which enables us to execute the projects in an efficient and cost effective manner. Co-location projects (projects situated within a limited area) enable us to efficiently monitor them and move men and material effectively between our various projects leading to lower overheads. Further, Co-location enables us to pursue multiple projects with the same offices of BMC, MHADA and other regulatory authorities resulting into significant savings in time and other resources. Since we operate in a focused market we are better able to gauge market dynamics and adapt ourselves accordingly.

Recognition of our brand name in the markets in which we operate

We believe that owing to our focus on redevelopment projects, we are positioned as a high-quality and innovative developer in Island City of Mumbai. We offer a number of distinct product lines and different floor plans and elevations. We also offer a high level of design and construction quality within each of our price ranges. Our selling process focuses on the homes' features, benefits, quality and design as opposed to merely price and square footage. This enhances the selling process and increases the sale of optional features that typically carry higher margins. We believe all of this leads to a more satisfied homeowner, and, a large part of our sales are through referrals of our past homeowners.

In the locations of our presence, tenants distinguish us as developers who provide assured quality and improved living standards. This makes the process of negotiation with tenants and land-owners easier and smoother.

We provide a complete package to the buyers

We cater to the premium end of the market and develop projects that offer high levels of luxury and state-of-the-art amenities.

Our philosophy is to surpass market expectations by creating distinct structures in each of our projects. Our project, 'Shivam', has been appreciated for its elevation, design and layout. The project was designed by Architect Hafeez Contractor with five levels of parking, high speed car elevators and usage of unique materials like onyx in building's elevation.

We are a client of choice for leading housing finance companies who pre approve our projects. This enables us to offer our buyers speedy and competitive financing options.

We provide distinct features in all our projects, *inter alia*,

1. uniquely designed facade
2. aesthetically designed entrance lobbies
3. well equipped health club
4. ample parking space
5. high speed, spacious and good looking elevators
6. convenient entry and exits
7. well designed and ventilated lift lobby areas
8. double glazed windows
9. 20 year warranty on water leakages
10. seismic design
11. sensitivity in designing for providing efficient security, upkeep and maintenance
12. customized interior design
13. multiple level parking using modern systems such as car lifts, mechanical parking etc.

Our management, in consultation with our empanelled team of architects, lays out the set of amenities and concepts to be offered in each project. In keeping with our philosophy, the aim is to provide a unique experience that enhances the comfort and satisfies the lifestyle requirement of the residents.

We provide warranty programs for buyers during the defect liability period.

We focus on managing risk in each stage of the homebuilding and redevelopment process. We attempt to limit development approval risk by conducting significant due diligence before we close acquisitions. When constructing homes, we attempt to ensure our customers are satisfied and limit our product liability risks by:

- carefully selecting the building materials and suppliers to ensure high quality standards;
- emphasizing to our employees and subcontractors that our homes must be built to meet a high standard of quality and workmanship;

- using only insured subcontractors to perform construction activities;
- providing on-site quality control; and
- providing after-sales service.

We have an experienced management team

Our key management personnel comprise well-qualified professionals, having experience in real estate development. They are well-versed with the statutory regulations governing our business and in dealing with the various statutory authorities, which is a major function in our business process. We have a technically qualified team of architects, legal experts, engineers and management professionals. We lay emphasis on the project design and conceptualization, for which there is a dedicated team of professionals that reports directly to our Executive Chairman. We have an esteemed panel of architects and design consultants, having established credentials in the industry including Hafeez Contractor, Won Chiu Man from Singapore, Talati & Panthky and Atul Desai & Associates. We use the services of Mahimtura and Mahimtura, an established name in the industry, as structural consultants for our projects. We appoint experienced and technically competent contractors after an elaborate evaluation exercise.

Our promoter directors have extensive experience in real estate development

Our promoter directors have an experience of over 18 years in the area of real estate development. Our management team is led by our promoter directors who lead our business operations and drive the company's strategy. Ravi Kiran Aggarwal is an engineering graduate from BITS Pilani and an MBA from University of Delhi. Pujit Aggarwal is an alumnus of the Harvard Business School, USA.

Our Projects

Past Project

Name of Project: Shivam

Location: Babulnath Road

Total Project Cost: Rs. 150 million

Executed by: Orbit Cybertech Limited

Nature of Agreement: Conveyance

Date of Signing the Agreement: Property 1: August 1, 2002
Property 2: September 21, 2002

Type of Units: 3 BHK, 5 BHK and a Penthouse

No. of Units: 11

Total Area (Sq. ft): 20455

Date of Completion: March 2005

Average Value per Unit: 17,400,000/-

Highlights of the Project:

Shivam, Babulnath

- Original State of the Dilapidated Building: 2 Dilapidated Building demolished
- Process of Negotiation and Rehabilitation Package Offered: Rehabilitation and settlement
- Time for execution and completion from the date of identification: 3 Years
- Design Specialities: Five Floors of parking with High Speed car elevators
- Current Status: Completed. Society formed and property conveyed in the name of the Registered Society

Current Projects

Name of Project	Location	Total estimated Project Cost (Rs. mn.)	Project executed by	Nature of Agreement	Date of Signing the Agreement	Estimated free sale area (Sq. ft)
Orbit Arya	Napeansea Road	1,341.16	OCL	Deed of Conveyance in OCRPL	Arvind House July 1, 2006 and Noorie Castle May 9, 2006	65000
Orbit Heights	Tardeo Road	676.73	OCRPL	Development Agreement	19/09/2002 (Irani Chawl) 27/07/2001 (Sunkersett blocks)	82500
Orbit Eternia	Lower Parel	185.55	OCRPL	Development Agreement	13/12/2004	25000
Orbit Enclave	Prarthna Samaj	171.23	OCRPL	Letter of intent from the society; (Development Agreement Under Process)	28/10/2005	23000
Hafeez Contractor House	Lower Parel	1,274.57	OCL	Co-development Agreement	22/3/2006	107952
Orbit Haven	Napeansea Road	457.32	OCRPL	Deed of Conveyance	31/10/2006	35000
Orbit Grand I	Lower Parel	144.92	OCRPL	MOU	17/9/2004	24000
Orbit Grand II	Lower Parel	150.96	OCRPL	Deed of Conveyance	29/9/2006	24000
Villa Orb	Napeansea Road	1,127.62	OHPL	Indenture of Conveyance	30/09/2005	52500
Orbit Ambrosia (currently known as Morena House)	Altamount Road	516.59	OCL	Agreement for intended sale	05/05/2006	34000
Orbit View (currently known as Kishori Court)	Worli Sea Face	701.46	OCRPL	MOU	13/04/2006	35000
Orbit Plaza	Bandra Kurla Complex	775.80	OCL	Registered Development Agreement and POA	10/08/2006	75000
Gokuldas Devji Wadi (Bhatia Properties)	Tardeo	111.8	OCL	MOU	29/7/2006	14,375
Jensen Veneers	New Breach Candy Road	96.2	OCL	MOU	23/12/2006	10,500
Iqbal Manzil and Daruwala Chawl	Lower Parel	254.5	OCL	MOU	07/ 10/ 2006	25,000
Mukund Mansion	Napeansea Road	1140.0	OHPL	MOU	09/11/ 2006	52,500

We have emerged as the successful bidder with a bid of Rs.333 crores for a plot of land admeasuring approximately 8763.70 square metres and situated at CST Road, Kalina, Santacruz (East), Mumbai. The property is currently owned by Gujarat Ambuja Cements Limited and the bidding process was managed by Knight Frank India Private Limited, the results for which were declared on March 7, 2007.

We have paid Rs.10 crores towards participation deposit for the aforesaid plot of land. Under the terms of the bid, the successful bidder is required to make the payment of the consideration sum within 10 days from being declared as such. Further, we have not yet made any applications for approvals relating to the said plot of land.

Overall Status of our Projects

Our projects have been bifurcated on the following basis -

Sales process has commenced	Projects in preliminary stages
Orbit Arya	Orbit Eternia
Orbit Heights	Orbit Enclave
Orbit Plaza	Orbit Haven
Villa Orb	Orbit Grand I
Hafeez Contractor House	Orbit Grand II
	Orbit Ambrosia
	Orbit View
	Gokuldas Devji Wadi
	Jensen Veneers
	Iqbal Manzil and Daruwala Chawl
	Mukund Mansion

Highlights of Current Projects

Orbit Arya, Napeansea Road

- Original State of the Dilapidated Building: 2 Dilapidated Bldg. 1 under demolition
- Planned Structure: Ground + 30 Storey tower having multilevel parking
- Time for Execution and Completion: 3 Years
- Design Specialties: Building design by renowned Singapore Architect M/s. WOW Architects, Singapore. Stainless Steel reinforced bars to be used for the project
- Current Status: Micro-piling under progress

Orbit Heights, Tardeo Road

- Original State of the Building: 3 Dilapidated structures, demolished
- Planned Structure: 2 buildings for rehabilitation having separate entrance and a 38 storey tower with multi-level parking and modern amenities
- Time for execution and completion: 4 Years
- Design Specialties: 38 Storey Tower with multi-level mechanized parking and amenities on the upper level floor
- Current Status: Under construction, Super Structure Completed upto 16th Floor

Orbit Eternia, Lower Parel

- Original State of the Building: 1 dilapidated building
- Planned Structure: 1 Rehab Building and 1 Tower of 21 floors for free sale
- Time for execution and completion: 3 Years
- Design Specialties: Multilevel Parking with amenities at upper floor. Eco friendly construction materials used
- Current Status: Tenants rehabilitation completed, permissions awaited for start of construction

Orbit Enclave, Prarthana Samaj

- Original State of the Dilapidated Building: 1 Dilapidated Bldg. With 2 wings
- Planned Structure: 1 Single structure of Ground + 18 which will have rehab component at lower floors with higher floors for free sale
- Time for Execution and Completion: 3Years
- Design Specialties: Multilevel Parking with amenities offered at upper floor
- Current Status: Tenants rehabilitation underway

Hafeez Contractor House, Lower Parel

- Original State of the Building: Slum and 8 to 10 small structures
- Planned Structure: Two Separate Building for rehabilitation, 30 Storey commercial building for freesale with ultramodern amenities
- Time for execution and completion: 3 Years
- Design Specialties: Column less work area, Five Terraces within the building, mechanized parking systems, broad band provision, sound proof windows, glass cladding with double glazing
- Current Status: Tenants rehabilitation underway

Orbit Haven

- Original State of Building: 1 Building with an outhouse
- Planned Structure: Modern, eclectic design with innovative grid structure to give the apartment owner maximum flexibility in terms of planning the interiors
- Time for execution and completion: 4 years
- Design Specialties: Use of stainless steel reinforcement, multi level parking
- Current Status: Tenants rehabilitation completed, property conveyed to us.

Orbit Grand I & II

- Original State of the Building: 3 main+1 Small Structures, dilapidated, exists
- Planned Structure: Ground + 22, two buildings and one separate building for rehab
- Time for execution: 3 years
- Current Status: Tenants rehabilitation underway

Villa Orb, Napeansea Road

- Original State of the Building: 1 Dilapidated Bldg with an outhouse
- Planned Structure: Stilt + 18 Storey building with multilevel car parking
- Time for execution and completion: 2 Years
- Design Specialties: Use of Stainless Steel reinforcement bars of international quality standards and 20 years warranty for leakages
- Current Status: Construction of 8th floor in progress

Orbit Ambrosia at Altamount Road (the existing structure is known as Morena House)

- Original State of the Building: 1 Dilapidated structure, in existence
- Time for execution and completion: 4 Years
- Structure: Under Planning Stage
- Current Status: Process of conveyance underway

Orbit View at Worli Sea face (the existing structure is known as Kishori Court)

- Original State of the Building: 1 Dilapidated structure, existence
- Time for execution and completion: 3 Years
- Structure: Under Planning Stage
- Current Status: MOU signed and the documentation for the completion the conveyance are being finalized

Orbit Plaza, near the Bandra Kurla Complex

- Original State of the Building: Open Plot
- Process of Negotiation: Outright Purchase
- Planned Structure: 12 storey commercial building
- Time for execution and completion: 2 Years
- Current Status: Excavation completed for piling

Gokuldas Devji Wadi, Tardeo

- Original State of the Building: 1 single Dilapidated structure with 2 wings
- Current Status: MOU signed

Jensen Veneers, New Breach Candy Road

- Original State of the Building: Occupied by shed (garage)
- Current Status: MOU signed

Iqbal Manzil and Daruwala Chawl, Lower Parel

- Original State: 2 independent structures on adjacent plots
- Current Status: MOU signed

Mukund Mansion, Napeansea Road

- Original State: Single structure occupied by tenants
- Current Status: MOU signed

Value Realisation

The following table presents the value realization against each of our projects, for which the sales process has commenced, as on December 31, 2006.

Projects	Total Area	Area Sold	Unsold Area	Area Booked	Value	Avg. Cost per SFT	Avg. Realisation Rate per SFT
	SFT	SFT	SFT	SFT	(INR mn)	INR	INR
Orbit Heights - Annexe	18876	18876	-	100%	182.62	5,451	9,675
Orbit Heights	63624	31865	31,759	50%	333.74	9,019	10,474
Orbit Arya	65000	21165	43,835	33%	511.23	20,633	24,155
Hafeez Contractor House	226200	226200	-	100%	3,899.15	11,807	17,238
Villa Orb	52500	15000	37,500	29%	450.00	21,478	30,000
Orbit Plaza	75000	65000	10,000	87%	800.00	10,344	12,308
Orbit Eternia	25000	6600	18,400	26%	66.96	7,422	10,145
TOTAL	526200	384706	141494		6,243.70		

Future Strategy**Increasing our Focus on Redevelopment**

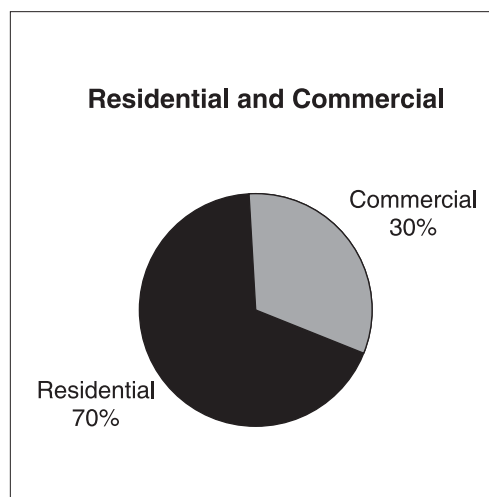
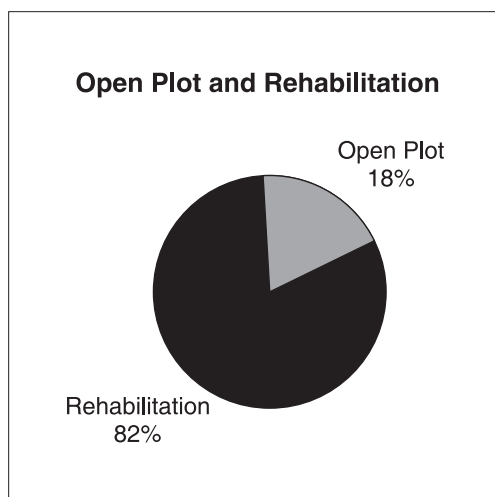
We focus in the redevelopment space. We are looking to enhance our presence in this by adding about 25 more properties for redevelopment over a period of next 12 months.

Below is the potential opportunity being explored by us:

Ward	Total dilapidated Buildings	Redeveloped	Under Process		Scope left over for redevelopment	Our Focus on number of Properties	Current Status of Properties under Negotiation for Residential Projects	Current Status of Properties under negotiation for Commercial Projects
			Under Construction	NOC obtained				
A	936	9	5	8	10	914	0	0
D	2747	71	53	73	30	2550	5	0
F&G-North	2056	212	93	75	50	1676	0	1
F&G- South	1336	35	31	24	50	1246	1	1
Open Plots							2*	0
TOTAL	7075	327	182	180	140	6386	8	2

* One of the Open Plots is in ward “D” while the other is in ward “G-South”.

Diversification of business through development of open land plots both in the Island city and beyond including a mix of Residential and Commercial Projects



We are strategically in process of adding development of bare plots of land to our property portfolio. This will also help us de-risk our business model of redevelopment from our current focus.

In view of the large number of infrastructure improvement projects and governments initiative of increasing connectivity within the MMR (Mumbai Metropolitan Region) region and allowing SEZ's (Special Economic Zones), there exists a huge potential and opportunity for Special township Projects. We plan to acquire large size plots of land within MMR to develop Greenfield projects.

We are also looking forward to venture into new mega cities in India, which have the potential to grow as global business districts.

Residential units developed by us carry unique features and are targeted for premium housing segment, which is done by carefully choosing the location with appropriate attributes. To cater to the emerging market segments in prospering economy by acquiring and developing properties with varied product features in terms of size and attributes.

We in tandem with the changing socio-economic scenario and modern lifestyle, are planning to offer products such as Studio Apartments, Small family and higher income group housing, etc in and around the new Business Districts getting developed within Island City of Mumbai.

The emergence of new business opportunities necessitates commercial development with high-tech facilities with global standards. We plan to look for opportunities to develop such commercial properties with cutting edge innovative designs

We would continue to involve global design firms to bring unique and innovative designs to our properties. We would maintain to provide the unique experience with our deliverables and quality. We are developing a set of standard materials, which would be of proprietary in nature with specifications best suiting, to the requirements of our customers in our structures.

Developing internal capabilities and widening the vendor base to accelerate the growth and raising the scalability

We plan to enhance and strengthen internal capabilities by bringing in innovative technologies. We firmly believe that a successful business model is attributed by strength of its service providers and vendors at large, hence we intend to develop a large base of reputed, credible and reliable vendors and contractors.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of major secured borrowings, as of December 31, 2006, together with a brief description of certain significant terms of such financing agreements.

Name of Lender	Facility & Loan Documentation	Amount Outstanding (Rs. in Mn.)	Interest Rate	Repayment Schedule	Security Created
Orbit Constructions & Realtors Private Limited					
Indian Overseas Bank	Term Loan of Rs.190 million (Rupees One Hundred Ninety Million) vide sanction letter dated January 4, 2005.	169.27	BPLR 12% + 1% with monthly rests	36 monthly installments with moratorium of 24 months	<p>Primary Security: Equitable Mortgage of development rights of the property situated at Malabar Hill Division, Havji Dadaji Marg- D Ward, Nana Chowk, Mumbai.</p> <p>Collateral Security: Equitable Mortgage of property at 1st Floor, Pandey House, Kemps Corner, Mumbai 400 007 in name of Mazda Construction Private Limited. Personal Guarantees: Mr. Ravikiran Aggarwal and Mr. Pujit Aggarwal Corporate Guarantee: Mazda Construction Company Private Limited (Owner of property of primary security)</p>
Orbit Buildcon & Realty Private Limited					
Punjab National Bank ¹	Term Loan of Rs.400 million (Rupees Four Hundred Million) vide sanction letter dated September 26, 2005	386.88	<p>(BPLR) 12%+ 0.50% Term Premium plus 0.75% with monthly rests payable</p> <p>Penal interest at 2% above the normal rate.</p>	One bullet installment of Rs. 400 million at the end of 30 months from the date of disbursement	<p>Primary Security: Equitable Mortgage of the land admeasuring 1061.88 square meters at 16, Darabsha Lane, Off Napeansea Road, Mumbai and development rights together with land aperture thereto.</p> <p>Collateral Security: Equitable Mortgage of 5 flats in the building known as Orbit Heights owned by Orbit Constructions & Realtors Private Limited Personal Guarantees: Mr. Ravikiran Aggarwal and Mr. Pujit Aggarwal Corporate Guarantee: Orbit Constructions & Realtors Private Limited</p>

Canara Bank ²	Term Loan of Rs.75 million (Rupees Seventy Five Million) vide sanction letter dated November 3, 2006	50.00	BPLR 11.75% + 1.25%	One Bullet installment on or before May 31, 2008.	Pari passu charge created on the prime property at Napeansea Road (Villa Orb) between Canara Bank and Punjab National Bank. (The loan from Punjab National bank and Canara Bank is in consortium) Personal Guarantees: Mr. Ravi Kiran Aggarwal -NW Rs. 84.02 lakhs and Mr. Pujit Aggarwal- NW Rs. 153.17 lakhs Corporate Guarantee: Orbit Corporation Limited- NW Rs. 10078.88 lakhs, as per PBS as at 31.03. 2006
Orbit Corporation Limited					
State Bank of India ³	Credit facilities of Rs. 300 million (Rupees Three Hundred Million) vide Sanction letter dated December 27, 2006	Nil	14 % i.e., SBAR 12.5% + 1.5% Penal interest @ 1% subject to a maximum celing of 2%	Two quarterly installments of Rs.200 million to be paid by June 2008 and the remaining, i.e. Rs.100 million to be paid by September 2008.	Registered mortgage of land and proposed building excluding an area of 1500 sq. ft, Personal guarantee of Shri. Ravi Kiran Aggarwal and Shri Pujit Aggarwal and Corporate guarantee of Orbit Constructions and Realtors Pvt Ltd

- (1) Under the terms of the Sanction Letter, our promoters have undertaken that they will not offload their shareholding during the currency of the Bank's loan and that the shareholding shall continue in their name. We have obtained the prior consent of the lender and the lender has duly approved.
- (2) Under the terms of the Sanction Letter, we/ our promoters have undertaken the following:
 - (a) We have undertaken not to divert funds raised or generated from the projects for which finance is sought, to other projects, as well as to speculative activity.
 - (b) Our promoters have that they will not offload their shareholding during the currency of the Bank's loan.
 - (c) We have undertaken that we will not declare or pay any dividends when there are arrears/ overdues in the borrowal account.
 - (d) We have undertaken that without the prior permission of the lender, we will not perform a merger, amalgamation, reconstruction or shifting of premises.
 - (e) We have undertaken that we will not give any corporate or financial guarantee without the permission of the lender.
 - (f) We have subjected ourselves to the condition that we shall not reconstitute OBRPL, without prior specific permission of the lender.
- (3) Under the standard covenants of the credit facilities sanction letter, the borrower will not, without Bank's prior permission in writing-

- (a) effect any change in the borrowers capital structure
- (b) formulate any scheme of amalgamation or reconstruction
- (c) implement any scheme of expansion or acquire fixed assets
- (d) invest by way of share capital in or lend or advance funds to or place deposits with any other concern, normal trade credit, security deposits in the normal course of business or advances to employees can, however, be extended
- (e) enter into borrowing arrangement either secured or unsecured with any Bank, Financial Institution, firm or otherwise accept deposits
- (f) declare dividends for any year except out of profits relating to that year after making all dues and necessary provisions and provided further that no default had occurred in any repayment obligations and stipulated Net Working Capital has been maintained. In any case, firm should obtain Bank's prior approval before declaring any dividends

REGULATIONS AND POLICIES

There are no specific regulations in India governing the real estate industry. Set forth below is certain significant legislations and regulations that generally apply to the real estate industry in India:

General

The Company is engaged in the business of re-development projects. For the purpose of executing the work, the Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant state and/or under local governing bodies such as the Maharashtra Housing and Area Development Authority ("MHADA"), Municipal Corporations, the Fire Department, Environmental Department, etc. For details of such approvals please see "Government and Other Approvals" on page 155 of this Red Herring Prospectus.

The Transfer of Property Act, 1882

The Transfer of Property Act, 1882 ("TPA") was enacted to amend the law relating to transfer of property by act of parties. Thus, TPA applies only to voluntary transfer of property. It does not cover transfer of property by 'will'. It also details the general principles, such as, part-performance, *lis pendens*, sale, exchange, mortgage, lease, gift etc. The Bombay Act, 1954, has amended the TPA in Mumbai. Entry 6 of List III (Concurrent List) of Seventh Schedule to Constitution reads 'Transfer of property other than agricultural land; registration of deeds and documents'. Thus, transfer of property is a 'Concurrent Subject'. Both Central and State Government can take legislative action in respect of transfer of property except that relating to agricultural land. Section 4 of TPA clarifies that the part of TPA, which relates to contracts shall be taken as part of Indian Contract Act and some specified sections should be read as supplemental to Indian Registration Act. Thus, TPA is complimentary to Indian Contract Act and Registration Act. The TPA applies both to movable and immovable property. Under Section 54 of the TPA, a 'Sale' is a transfer of ownership in exchange for a price paid or promised or part-paid and part promised. Such transfer in case of tangible immovable property of value of Rs. 100 or more can be made only by a registered instrument. Delivery of tangible immovable property is made when seller places the buyer, or such person as he directs, in possession of property. Thus, delivery of immovable property can be only by handing over the actual possession of the immovable property to the buyer or to a person authorized by the buyer.

Indian Easements Act, 1882

The Indian Easements Act, 1882 ("IEA") was enacted to define and amend the law relating to easements and licenses. The applicability of the IEA was extended to Mumbai in 1891. The IEA deals with restrictive and prescriptive easements, and licenses (general, irrevocable, and coupled with interest).

Registration Act, 1908

The Registration Act 1908 ("Act") was enacted as a law, which seeks to conserve evidence, assurances, title, publication of documents, and prevention of fraud. It details formalities to register documents. Compulsorily registrable (to be presented to the correct office within 4 months of signing) are documents that record -

1. gifts of immovable property;
2. other non-testamentary documents that create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, to or in immovable property;
3. non-testamentary documents which acknowledge receipt or payment of any consideration on account of instruments in (2) above;
4. leases of immovable property from year to year, or for any term exceeding one year, or reserving a yearly rent.

The Act also specifies that an unregistered document will not (a) affect the property to which it relates; and (b) be received as evidence of the property transaction, which it records (except as evidence of a contract in a suit for specific performance or as evidence of part-performance under the TPA or as a collateral).

Urban Land (Ceiling and Regulation) Act, 1976

The Urban Land (Ceiling and Regulation) Act, 1976 ("ULCR") was enacted to provide for the imposition of a ceiling limit on vacant land in urban agglomerations, acquisition of such vacant land and to dispose of the vacant land to sub-serve the common good, regulating the transfer of vacant land within the ceiling limit, granting exemptions in respect of specific categories of vacant land and for other procedural and miscellaneous matters.

The ULCR was enacted as a social legislation, which seeks to fix the ceilings on vacant and urban lands that a person in urban agglomerations can hold. "Person" includes individual, family, firm, company, or an association or body of individuals, whether incorporated or not.

Maharashtra Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1963.

Maharashtra Ownership Flats (Regulations of the Promotion of Construction, Sale, Management and Transfer) Act, 1963 ("MOFA") was enacted by the State government to regulate the promotion of construction, sale, management and transfer of flats taken on an ownership basis. MOFA applies to the entire State of Maharashtra.

The provisions of MOFA apply to the Promoter/Developer who intends to construct a block or building of flats to be sold on an ownership basis. MOFA prescribes the general liabilities and responsibilities of the Promoter. Under its rules, a model form of Agreement to be entered into between the Promoter and the Flat Purchasers is given. Under MOFA, the Promoter is required to enter into a written Agreement for Sale for each flat with each of the Flat Purchasers. The Agreement contains prescribed particulars with copies of relevant documents. These Agreements are compulsorily required to be registered. MOFA enumerates the offences under the Act and the penalties thereof. MOFA does not apply to the Housing and Area Development Authority and the Boards set up under the Maharashtra Housing and Area Development Act, 1997.

Maharashtra Housing and Area Development Act, 1976

The Maharashtra Housing and Area Development Act, 1976 ("MHAD Act") was enacted to unify, consolidate and amend the laws relating to housing, repairing and reconstructing dangerous buildings and carrying on improvement work in slum areas. The MHAD Act provides for repairs and reconstruction of dilapidated buildings but it has been made applicable only to Greater Bombay. The MHAD Act empowers the Board for Greater Bombay, constituted under the Act, *inter alia*, mainly (1) to repair and reconstruct dilapidated building and (2) to undertake building repairs and building reconstruction schemes. The Board is also given power to acquire any building through the State government for carrying out the aforesaid work.

The Maharashtra Rent Control Act, 1999

The Maharashtra Rent Control Act, 1999 ("MRCA") was enacted to unify, consolidate and amend the law relating to control of rent and repairs to certain premises and of eviction, and for encouraging the construction of new houses by assuring a fair return on the investment by the landlords. The MRCA applies to the entire State of Maharashtra. The MRCA applies to premises let out for purposes of residence, education, business, trade or storage. The provisions of the MRCA govern the mode of recovery of possession of property by the landlord.

The Bombay Stamp Act, 1958

The Bombay Stamp Act, 1958, ("BSA") extends to the entire State of Maharashtra and provides for the applicability of stamp duty in respect of instruments other than the instruments, which are in the Union list Entry 91 of List I of the Constitution of India. Under the BSA, in case of Development Agreement, 1% of Stamp Duty is payable on the amount of consideration or the market value, whichever amount is greater. In the case of a Power of Attorney holder, the stamp duty payable is only Rs. 100-, if it is paid on the Development Agreement as above.

Maharashtra Value Added Tax Act, 2002

- a) Sales Tax is not payable on the sale of flats/offices/shops, etc.
- b) As per various court judgments, a works contract is not applicable in case of construction or ownership of flats / units.

CONSTRUCTION BUSINESS

Development Control Regulations for Greater Mumbai, 1991

The State government of Maharashtra has enacted the Development Control Regulations for Greater Mumbai, 1991 ("DCR"). The DCR apply to all development, redevelopment, erection and/or re-erection of a building, change of user, etc. as well as to the design, construction or reconstruction of, and additions and alterations to a building in areas under the entire jurisdiction of the Municipal Corporation of Greater Bombay. Under the DCR provisions, no person shall commence any of the above activities on any plot or land, or cause the same to be done without first obtaining separate development permission and a commencement certificate from the Commissioner of Mumbai Municipal Corporation. DCR 33 provides for the categories under which additional Floor Space Index ("FSI") is allowed. The redevelopment work carried out by our Company is covered under the categories provided under DCR 33 (6), DCR 33 (7) and DCR 33 (10).

DCR 33 (6): Under this provision, reconstruction in whole or in part of a building, which existed on or after June 10, 1977 which has ceased to exist in consequence of an accidental fire, natural collapse or demolition for the reason of the same having been declared unsafe by or under a lawful order of the Corporation or the Bombay Housing and Area Development Board, shall be allowed with FSI in the new building not exceeding that of the original building.

DCR 33 (7): Under this provision for reconstruction/redevelopment to be undertaken by Co- operative Housing Societies of existing tenants or by Co-operative Housing Societies of Landlords and/or Occupiers of a cessed building of 'A' category in

Island City, which attracts the provisions of the MHAD Act, 1976, the FSI shall be 2.5 on the gross plot area or the FSI required for rehabilitation of existing tenants plus incentive FSI as specified under appendix III to the DCR, whichever is higher.

DCR 33 (10): Under this provision for redevelopment or restructuring of censused slums or slums whose structures and inhabitants whose names appear in the Legislative Assembly voters' list of 1985 by the owners/developers of the land on which such slums are located or by Co-operative Housing Societies of such slums dwellers a total FSI of upto 2.5 may be granted.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") has been enacted to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to make an application to the registered officer in the prescribed manner for registration of the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and is not permitted to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

The Central Government enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 ("BOCWA") as a comprehensive, central legislation governing construction workers. The BOCWA aims at regulating the employment and conditions of service of construction workers and providing for their safety and financial health among other welfare measures.

Under the BOCWA, every employer employing ten or more building workers for building or construction work in the past twelve months must apply for registration of the establishment. The BOCWA vests the responsibility on the Building and Other Construction Workers Welfare Board of providing for immediate assistance in case of accidents, old-age pension, loans for construction of house, premia for group insurance, financial assistance for education, to meet medical expenses, maternity benefits, etc. to beneficiaries under the BOCWA.

The BOCWA also prescribes health and safety measures for the construction workers. For this purpose, comprehensive Central Rules, i.e. Building and other Construction Workers (Regulation of Service and Conditions of Service) Central Rules, 1998 have been notified by the Central Government.

Building and Other Construction Workers' Welfare Cess Act, 1996

The Building and Other Construction Workers Welfare Cess Act, 1996 ("Cess Act") came into force with effect from August 19, 1996 to provide for the levy and collection of cess on the cost of construction incurred by the employer with a view to augmenting the resources of the Building and Other Construction Workers Welfare Board constituted under the BOCWA. Under the Cess Act, the cess amount is levied and collected from the employer within 30 days of completion of construction project, at such rate not exceeding two per cent but not less than one per cent of the cost of the construction.

The Payment of Wages Act, 1936

The object of the Payment of Wages Act, 1936 ("PWA") is to regulate the payment of wages to certain classes of employed persons. The PWA makes every employer responsible for the payment of wages to person employed by him/it. No deductions can be made from the wages nor can any fine be levied on the wages earned by a person employed except as provided under the PWA.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("MWA") came into force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 ("PGA") was enacted with the objective to entitle the payment of gratuity to an employee who has rendered continuous service for not less than five years at the time of retirement or termination of such employee's services, or upon such employee's death or disablement due to accident or disease (in which case the minimum requirement of five years does not apply).

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 ("PBA") was enacted with the objective of providing of payment of bonus to employees on the basis of profit or on the basis of productivity. The provisions of the PBA ensure that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Under the PBA every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs.100/-, whichever is higher.

The Employee State Insurance Act, 1948

The Employee State Insurance Act, 1948 ("ESIA") aims to provide benefits for employees or their beneficiaries in the event of sickness, maternity, disablement and employment injury and to make provisions for the same. Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed under the ESIA. Under the ESIA every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto Rs.7,500/- per month is entitled to be insured. The ESIA contemplates a contribution payable by the principal employer in the first instance and a contribution payable by the employee in respect of an employee to the Employee State Insurance Corporation. The ESIA further states that a principal employer, who has paid a contribution in respect of an employee employed by or through an immediate employer, shall be entitled to recover the amount of the contribution so paid from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.

The Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 ("Standing Orders Act") requires employers in industrial establishments, which employ 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing order proposed by him in the prescribed manner. However until the draft standing orders are certified, the prescribed standing orders given in the Standing Orders Act must be followed.

The Workmen's Compensation Act, 1923

The Workmen's Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute a provident fund for the benefit of employees in factories and other establishments. The EPFA empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit-linked Insurance Scheme" and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. The EPFA also prescribes that contributions to the provident fund are to be made by both the employer and the employee.

REGULATION OF FOREIGN INVESTMENT

FEMA Regulations

Foreign investment in India is governed primarily by the provisions of Foreign Exchange Management Act, 1999 ("FEMA"), which relates to regulation of funds flowing into and out of India primarily by the Reserve Bank of India ("RBI") and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India which is regulated by the Foreign Investment Promotion Board ("FIPB").

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. As laid down by the FEMA Regulations, no prior consent or approval is required from the RBI for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, specific approval may be required from the FIPB and/or the RBI.

FDI Policy

At present, investments in companies engaged in the construction business fall under the RBI automatic approval route for FDI investment upto 100%, subject to the fulfillment of certain terms and conditions including the conditions specified in the Press Note 2 of 2005 issued by Ministry of Commerce and Industry ("**Press Note 2**"). Subject to certain conditions and guidelines, the Economic Policy and FEMA permit up to 100% foreign direct investment in development of townships, infrastructure and development projects which include construction of houses, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities and city and regional level infrastructure. It has been clarified by the Ministry of Commerce and Industry under Press Note 4 of 2006 that NRI investments are not subject to conditions laid down under Press Note 2. At present, our company does not have any project which is compliant with the conditions stated in Press Note 2.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India subject to certain restrictions. We have taken legal advice from the legal counsel to the Issue, that investments by FIIs in initial public offering of Indian companies in the real estate sector are permissible under the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations. FIIs are regulated by FEMA and SEBI. FIIs are required to obtain an initial registration from the Securities and Exchange Board of India ("SEBI") and general permission from the RBI to engage in transactions regulated under FEMA. FIIs are required to comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received by way of interest and any compensation received towards sale or renunciation of rights issues of shares. Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated institutional portfolio managers can invest in this Issue.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of the company. However, the limit of 24% can be raised up to the permitted sectoral cap for that company after approval of the board of directors and shareholders of the company. The offer of equity shares to a single FII should not exceed 10% of the post-issue paid-up capital of the company, or 5% of the total paid-up capital in case such sub-account is a foreign corporate or an individual. In respect of an FII investing in equity shares of a company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that company.

Ownership restriction of VCF and FVCIs

As per the current regulations, the following restrictions are applicable for investments by SEBI registered VCFs and FVCIs:

The SEBI (Venture Capital) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any VCF or FVCI should not exceed 25% of the corpus of the VCF or FVCI, as the case may be.

Participation by OCBs

As per the current regulations, OCBs cannot participate in this Issue.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on March 7, 2000 under the Companies Act as “ORBIT CYBERTECH LIMITED”. We had obtained the Certificate of Commencement of Business on October 12, 2000. Our name was changed to “ORBIT CORPORATION LIMITED” pursuant to which a Fresh Certificate of Incorporation was issued on April 10, 2006.

Our registered office is situated at “The View”, 165, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Acquisition of Subsidiaries

We acquired 10,120 equity shares of Rs. 10 each of “Orbit Constructions & Realtors Private Limited” OCRPL at par on April 1, 2004 from Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal and others. The consideration of Rs. 101,200/- was paid by us to the sellers in cash. The shares are held in our name and in our nominees’ name. Subsequent to the above acquisition, we acquired further equity shares by way of an allotment of 19,489,880 equity shares of Rs 10 each at par in cash.

For details in relation to OCRPL, please see sub-section titled “Our Subsidiaries” of this section.

We acquired 10,000 equity shares of Rs. 10 each of Orbit Buildcon & Realty Private Limited “OBRPL” at par on December 17, 2004 from Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal and others. The consideration of Rs. 100,000/- was paid by us to the sellers in cash. The shares are held in our name and in our nominees’ name. Subsequent to the above acquisition, we acquired further equity shares by way of an allotment of 8,990,000 equity shares of Rs 10 each at par in cash.

For details in relation to OBRPL, please see sub-section titled “Our Subsidiaries” of this section.

A chronology of some key events since the Company was incorporated is set forth below:

Year	Event
Mar, 2000	Our Company was incorporated as a public limited Company.
April, 2002	We acquired the Land for Development of our “Shivam” Project
May, 2002	We got the Sanction of Term Loan of Rs. 45 mn from Canara Bank, Colaba Branch
April, 2004	We got the ISO 9001:2000 certification for Quality Management System from KPMG
April, 2004	We acquired 100% shareholding in OCRPL
December, 2004	We acquired 100% shareholding in OBRPL
February, 2005	Our project “Shivam” was completed
April, 2006	Our Name was changed to “Orbit Corporation Ltd”
May and June, 2006	We acquired three properties at Worli seaface, Altamount Road and Bandra Kurla Complex

Our Main Objects

Our main objects as contained in our Memorandum of Association is

To purchase, acquire, take on lease or in exchange, hire, reclamation or in any other lawful manner any area, land, immovable properties, building, structures or development rights, easement, estate or interest therein and preparing building sites by surveying planning, leveling, planting, paving draining forming and cultivating land, converting and appropriating any such land into and for roads, streets, squares, grounds, gardens and other conveniences and to develop, redevelop, build, erect, construct, reconstruct, alter, improve enlarge, decorate, furnish and maintain buildings, chawls, houses, apartments, flats, residential townships or complexes, offices, office complex, factories, shop offices, garages, warehouses, industrial, institutional or commercial townships, markets, all and any kinds of infrastructure, infrastructure projects, holiday resorts, hotels, motels, shopping malls, swimming pools, entertainment complexes, nursing homes, godowns, and all kinds of structures and by leasing, letting (on building lease or building agreement or otherwise), selling (by installments or otherwise) and otherwise disposing off the same and to carry on the business of promoters, builders, developers, constructors and contractors, and to further manufacture, buy, sell and deal in any materials required for construction and development activities and to carry on the business of civil engineers, architects, surveyors, designers, town planner, estimators, valuers, interior and exterior decorators, general and government civil contractors of immovable properties including buildings, highways, roads, bridges, in general and all types of structural and piling engineering work, interior designing and graphic and to act as consultants for any of the said business activities and to provide all kinds of services in connection therewith.

Changes in Memorandum of Association and Articles of Association of the Company.

Since our incorporation, the following changes have been made to our Memorandum of Association and Articles of Association:

Date of Amendment	Amendment
November 13, 2000	Adoption of new set of Articles of Association.
December 31, 2001	Increase in authorised share capital from Rs. 0.1 million to Rs. 15 million.
April 2, 2004	Increase in authorised share capital from Rs. 15 million to Rs. 110 million.
February 16, 2006	Change of name of the Company from "ORBIT CYBERTECH LIMITED" to "ORBIT CORPORATION LIMITED" vide fresh Certificate of Incorporation dated April 10, 2006.
February 16, 2006	Alteration of Object Clause by substituting existing main object clause 1 and 2 with new Main object clause, additional of new ancillary sub clause no. 1 in Part B. and Insertion of new sub clauses 39 and 40 in Part C in other Object clause.
March 16, 2006	Increase in authorised share capital from Rs. 110 million to Rs. 360 million.
June 5, 2006	Increase in authorised share capital from Rs. 360 million to Rs. 400 million and adoption of new set of Articles of Association.
June 12, 2006	Increase in authorised share capital from Rs. 400 million to Rs. 1 billion.

On March 31, 2006 we have shifted our registered office from 301, The Angel, 2 Krishna Sanghi Path, Gamdevi, Mumbai – 400 007 to "The View", 165, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Insurance

We have taken the following insurance policies:

#	Name	Nature of Insurance	Insurance company	Policy period	Insured amount (Rs Mn)	Total Premium
1.	M/s. Orbit Cybertech Ltd.	Group Mediciam (No. of employees and their family members insured: 133)	The New Indian Assurance Company Limited	10/11/2006 to 09/11/2007	Rs.18.8	Rs. 0.30
2.	M/s. Orbit Cybertech Ltd.	Group Personal Accident(No. of employees insured: 46)	The New Indian Assurance Company Limited	10/11/2006 to 09/11/2007	Rs.29.7	Rs. 0.05
3.	Indian Overseas Bank, Nariman Point a/c Orbit Constructions & Realtors Pvt. Ltd. Contract site: CS 1/521 to 4/521 near Municipal D Ward office, Nana Chowk, Mumbai – 07.	Contractor All Risk Policy with Terrorism Damage Cover. (Contract work: Construction of RCC 37 Storey Building)	The Iffco-Tokio General Insurance Co. Ltd.	18/01/2005 to 17/01/2008	Material damages: Rs.160Third party liability: Rs.8.0 Excess claims: 5% of the claim amount (subject to a minimum of Rs.0.05 for Storage & Construction claims and Rs.0.2 for Maintenance period claims/ Major perils/ AOG)	Rs.1.03

4.	Orbit Buildcon & Realty Pvt. Ltd.	Contractors' All Risks Insurance Policy(Contract work: Residential building 14 storey)	ICICI Lombard General Insurance Co. Ltd.	24/10/2005 to 23/10/2007	Material damage: Rs.380.Third party liability: Rs.0.5 Excess Claims: 5% of the claim amount (subject to a minimum of Rs.5,000 for normal claims and Rs.0.02 for Major perils/ collapse claims/ AOG)	Rs.1.5
5.	Indian Overseas Bank, Nariman Point	Standard Fire and Special Perils Policy (for buildings under construction)	United India Insurance Co. Ltd.	17/01/2006 to 16/01/2007	Rs.20.	Rs.0.01
6.	Punjab National Bank A/c Orbit Buildcon & Realtors Private Limited Contract Site: Orbit Heights, 302, 1001, 1002, 1101, 1102, Nana Chowk, Tardeo Road, Mumbai-07	Standard Fire and Special Perils Policy (Material Damage)	ICICI Lombard General Insurance Company Limited	26/10/2006 to 25/10/2007	Rs.132	Rs.0.08

Our Subsidiaries

Currently, our Company has the following subsidiaries as mentioned below:

1. Orbit Constructions & Realtors Private Limited ("OCRPL")
2. Orbit Buildcon & Realty Private Limited ("OBRPL")
3. Orbit Housing Private Limited ("OHPL")

The financial information of our subsidiaries and associate firm presented below are based on the audited accounts of such entities.

1. Orbit Constructions & Realtors Private Limited

OCRPL was incorporated on August 3, 1995. The main business of OCRPL is real estate development.

Shareholding Pattern

As on December 31, 2006, our Company, directly and through nominees, holds 100% equity share capital of OCRPL.

	No of shares held	Percentage Holding
Orbit Corporation Limited	19499980	99.9999%
Ravi Kiran Aggarwal (nominee of Orbit Corporation Limited)	10	0.0001%
Pujit Aggarwal(Nominee of Orbit Coporation Limited)	10	0.0001%
Total	19500000	100.0000%

The details of increase in equity share capital is as follows:

Date of Allotment	Number of Equity Shares	Face Value per share (Rs.)	Issue price per share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment
August 3, 1995	20	10	10	Cash	Incorporation
July 1, 2001	100	10	10	Cash	Increase in Capital
December 2, 2002	10000	10	10	Cash	Increase in Capital
September 9, 2004	25500	10	10	Cash	Infusion of funds for ongoing projects
March 31, 2006	19464380	10	10	Cash	Infusion of funds for ongoing projects

Board of Directors

The board of directors of OCRPL as on December 31, 2006 comprises Mr. Ravi Kiran Aggarwal, Mr. Pujit Aggarwal, Mr. Shashi Singh and Mr. Harikumar R. Kurup.

Financial Performance

The financial results of OCRPL for the last three fiscals are as follows:

Amount in Rs. million except per share data

	Fiscal 2004	Fiscal 2005	Fiscal 2006
Total Income (Other Income)	0.02	0.43	0.88
Profit/(Loss) after tax	0.01	0.03	0.16
Equity share capital (paid up)	0.10	0.36	195.00
Reserves and Surplus (excluding revaluation reserves)	0.14	0.17	0.33
Earnings/(Loss) per share (basic and diluted) (Rs.)	1.26	0.85	1.76
Book Value per share (Rs.)	22.93	14.63	9.97

2. Orbit Buildcon & Realty Private Limited ("OBRPL")

Orbit Buildcon & Realty Private Limited was incorporated on November 5, 2004. The main business of OBRPL is real estate development.

Shareholding Pattern

As on December 31, 2006 our Company, directly and through nominees, holds 100% equity share capital of OBRPL.

	No of shares held	Percentage Holding
Orbit Corporation Limited	8999980	99.9998%
Ravi Kiran Aggarwal(nominee of Orbit Corporation Limited)	10	0.0001%
Pujit Aggarwal(nominee of Orbit Corporation Limited)	10	0.0001%
Total	9000000	100.0000%

The details of increase in equity share capital are as follows:

Date of Allotment	Number of Equity Shares	Face Value per share (Rs.)	Issue price per share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment
November 5, 2004	10000	10	10	Cash	Incorporation
February 28, 2005	5150000	10	10	Other than Cash	Assignment of loan due from OHPL
March 31, 2006	3840000	10	10	Cash	Infusion of funds for ongoing project

Board of Directors

The board of directors of OBRPL as on December 31, 2006 comprises Mr. Ravi Kiran Aggarwal, Mr. Pujit Aggarwal, Mr. Arvind Shukla, Mr. Raajhesh Shah and Mr. Dinesh Kiran Aggarwal.

Financial Performance

OBRPL was incorporated in November 2004 and hence, the financial results of two years is available for OBRPL which is as follows:

Amount in Rs. Million, except per share data

	Fiscal 2005	Fiscal 2006
Total Income (Other Income)	0.13	0.15
Profit/(Loss) after tax	0.002	0.01
Equity share capital (paid up)	51.60	90.00
Reserves and Surplus (excluding revaluation reserves)	0.002	0.01
Earnings/(Loss) per share (diluted) (Rs.)	0.00	0.00
Book Value per share (Rs.)	9.92	9.97

3. Orbit Housing Private Limited ("OHPL")

OHPL was incorporated on October 26, 2004. OBRPL acquired the 100% holding in OHPL on November 20, 2004. The main business of OHPL is real estate development.

Shareholding Pattern

As on December 31, 2006, we, directly and through nominees, held 100% equity share capital of OHPL.

	No of shares held	Percentage Holding
Nominees	No of shares held	Percentage Holding
Orbit Buildcon & Realty Private Limited	999990	99.999%
Pujit Aggarwal(nominee of Orbit Buildcon & Realty Private Limited)	10	0.001%
Total	1000000	100.000%

The details of increase in equity share capital is as follows:

Date of Allotment	Number of Equity Shares	Face Value per share (Rs.)	Issue price per share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment
October 26, 2004	10000	10	10	Cash	Incorporation
March 31, 2006	990000	10	10	Cash	Infusion of funds for ongoing project

Board of Directors

The board of directors of OHPL As on December 31, 2006 comprises Mr. Ravi Kiran Aggarwal, Mr. Pujit Aggarwal Mr. Deepak Singhai and Mr. Vijay Agarwal.

Financial Performance

The financial results of OHPL for the last three fiscals are as follows:

Amount, Rs. Million except per share data

	Fiscal 2005	Fiscal 2006
Total Income (Other Income)	0.02	0.08
Profit/(Loss) after tax	0.002	0.01
Equity share capital (paid up)	0.10	10.00
Reserves and Surplus (excluding revaluation reserves)	0.002	0.01
Earnings/(Loss) per share (diluted) (Rs.)	0.18	0.82
Book Value per share (Rs.)	9.66	9.89

OUR MANAGEMENT

Board of Directors

Under Articles of Association we are required to have not less than 3 (three) Directors and not more than 12 (twelve) Directors. We currently have 8 (eight) Directors.

The following table sets out the current details regarding our Board of Directors:

Name, Designation, Father's Name and Occupation	Age	Address	Other Directorships
Mr. Ravi Kiran Aggarwal, S/o Surajbhan Aggarwal Designation: Executive Chairman DIN Number: 00133401 Occupation: Business	58	901, The Angel, 2, Krishna Sanghi Path, Gamdevi, Mumbai 400 007, Maharashtra	Orbit Constructions & Realtors Private Limited, Orbit Buildcon & Realty Private Limited, Orbit Housing Private Limited, Emgee Foils Private Limited, Orbit Residency Private Limited, Orbit Shelters Private Limited
Mr. Pujit Aggarwal, S/o Ravi Kiran Aggarwal Designation: Managing Director DIN Number: 00133373 Occupation: Business	34	901, The Angel, 2, Krishna Sanghi Path, Gamdevi, Mumbai 400 007, Maharashtra	Orbit Constructions & Realtors Private. Limited Orbit Buildcon & Realty Private Limited Orbit Housing Private. Limited Emgee Foils Private Limited Brio Academic Infrastructure and Resource Management Private Limited, Mazda Construction Company Private Limited, Property Redevelopers Association (Section 25 company) Apex Hotels Enterprises Private Limited Orbit Shelters Private Limited Pheonix Applicances Private Limited
Mr. Prithvi Raj Jindal S/o. Om Prakash Jindal Designation: Independent Director DIN Number: 00005301 Occupation: Business	54	House No. 6, Prithvi Raj Jindal Road, New Delhi 110 011,	Jindal Saw Limited Assem Travels Limited Jindal Seamless Tubes Limited OPJ Investments and Holdings Limited Salasar Finvest Limited Vrindavan Fintrade Limited Nalwa Farms Private Limited Jindal Synergy Investments Limited Nalwa Fincap Limited Jindal Transworld Private Limited Jindal South West Finance Investments Private Limited Sun Fintrade Private Limited Hisar Fincap Private Limited Jindal Mansaover Investments Private Limited Stainless Finance and Investment Private Limited IUP Jindal Metals & Alloys Limited Saw Pipes INC. USA
Mr. Davendra Ahuja S/o Chetan Das Ahuja Designation: Independent Director DIN Number: 00029622 Occupation: Business	68	B/203, NCPA Apartments, Nariman Point, Mumbai 400 021, Maharashtra	TCFC Finance Limited Essel Propack Limited HB Estate Developers Limited Greenstone Investments Private Limited
Mr. Shailesh S. Vaidya S/o Shankerlal Vaidya Designation: Non Independent Director DIN Number: 00002273 Occupation: Professional	48	1-A Shree Pant Bhuvan, Sandhurst Bridge, Mumbai 400 007, Maharashtra	Dwarikesh Sugar Industries Limited Prabhukripa Overseas Limited Gold Crest Finance (India) Limited Siyaram Silk Mills Limited Suashish Diamonds Limited

Name, Designation, Father's Name and Occupation	Age	Address	Other Directorships
Mr. Hafeez Contractor S/o Sorab Rustomji Contractor Designation: Non Independent Director DIN Number: 00312981 Occupation: Professional	55	794, Jam-E-Jamshed Road, Family Housing CHS, Dadar Parsi Colony, Dadar (East), Mumbai 400 014, Maharashtra	Nil
Mr. Kuldip Bhargava S/o Anand Prakash Bhargava Designation: Independent Director DIN Number: 00011103 Occupation: Business	53	Anand Bhawan, Thakur Das Bhargava Road, Hisar 125001, Haryana	Quality Foils (India) Private Limited Argentum Fashions Private Limited Quality Stainless Private Limited Jindal Saw Limited BPM Industries Limited
Mr. Deepak Dhawan S/o Lachhmandass Dhawan Designation: Independent Director DIN Number: 00508379 Occupation: Business	56	342/22 Jumeira Area DM.33, NR Arenco Villas Post Box 9194	Food Specialities Limited Dohler Middle East FSL Chemical Solutions FZCO UAE Food Specialities LLC (All the above companies are established in United Arab Emirates)

Details of Directors

Mr. Ravi Kiran Aggarwal

Details of Mr. Ravi Kiran Aggarwal our Promoter Director have been provided in the section titled "Our Promoters and Promoter Group" on page 91 of this Red Herring Prospectus.

Mr. Pujit Aggarwal

Details of Mr. Pujit Aggarwal our Promoter Director have been provided in the section titled "Our Promoters and Promoter Group" on page 91 of this Red Herring Prospectus.

Mr. Prithvi Raj Jindal

Mr. Prithvi Jindal is the Vice - Chairman of Jindal Saw Limited, one of the country's leading manufacturers of SAW (Submerged Arc Welded) pipes, Seamless Pipes and Ductile Iron Spun Pipes.

He has served the steel industry for over three decades. He set up a company, SAW Pipes Limited, (now known as Jindal Saw Ltd.) in 1984 with its first state-of-the-art plant in Kosi Kalan in UP. Since then, the company has grown multi-fold and has diversified its product line, offering 'total pipe solutions' across a wide array of sectors - energy, water & sewage transportation and industrial application.

He was instrumental in acquiring the largest DSAW pipe capacity in North America from US Steel in 1992. Christened Saw Pipes USA, Inc, it has an installed capacity of 500,000 MT p.a. He was also instrumental in acquiring a plate mill of North America and named it Jindal United Steel Corporation, which serves the offshore industry in Gulf of Mexico and also feeds the pipe operations of SAW Pipes USA, Inc.

Mr. Davendra Ahuja

Davendra Ahuja is a Masters in Economics and Business Administration from Wayne State of University, Detroit, Michigan, USA. He has over 40 years of experience in the field of financial consulting and banking and was instrumental in introducing the concept of leasing cum financing in India in the late 70s and early 80s. He is currently the Managing Director of TCFC Finance Limited and also on the Board of Essel Propack Limited and HB Estate Developers Limited as a Non Executive Independent Director.

Mr. Shailesh S. Vaidya

Mr. Shailesh Vaidya is a practicing Advocate and Solicitor. He is a partner of Messrs. Kanga and Company, which is one of the largest old firms of Solicitors in Mumbai, being more than 100 years old.

Mr. Shailesh Vaidya specialises in Property and Company Law matters. He is also a Director in several public / private limited companies.

Mr. Hafeez Contarctor

Hafeez Contractor commenced his career in 1968 with T. Khareghat as an Apprentice Architect. In 1977 he became the associate partner of the same firm. It was in 1982 that he began with his own private practise and from that moment onwards there has been no looking back. Between 1977 and 1980 Hafeez has been a visiting faculty at the Academy of Architecture, Mumbai. He is a member of the Bombay Heritage Committee and New Delhi Lutyens Bungalow Zone Review Committee.

Mr. Kuldip Bhargava

Mr. Kuldip Bhargava, aged 53 years, graduate, having more than 25 years of experience in the Steel industry . He is the President of Hisar Industries Association, Hissar, Haryana. He is the Managing Director of Quality Foils (India) Pvt. Ltd which is engaged in the manufacture of Cold Rolled Stainless Steel Strips and Sheets. The unit- M/s Quality Foils (I) Private Limited established in 1982 as a partnership firm. Later on it was registered as Private Limited Company on May 8,1990. He is also a promoter director in Quality Stainless Pvt. Ltd. which is engaged in the manufacturing of Stainless steel Tubes/pipes.

Mr. Deepak Dhawan

Mr. Deepak Dhawan is an Engineer from BITS Pilani and a Post-Graduate Diploma holder in Hotel Management. Mr. Dhawan has been an entrepreneur in the Middle East since 1986. He was previously employed at East India Hotels Limited. He has established several companies outside India involved in food industry. He is a Director of the following companies which are based in the Middle East – Food Specialities Limited, Dohler Middle East, Food Specialities LLC and FSL Chemical Solutions FZCO.

Borrowing Powers of the Board

Pursuant to the resolution passed at the meeting of the shareholders of Orbit Corporation Limited on March 16, 2006, The Board of Directors of the company have been authorized to borrow from time to time any sum or sums of monies which together with monies already borrowed by the company, if any, (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves, not exceeding the limit of Rs. 4000 million.

Appointment and Term of our Directors

Set below are the details of the terms of our Directors:

Name of Directors	Date of Resolution	Term
Mr. Ravi Kiran Aggarwal	April 28, 2006 and May 4, 2006	Reappointed as Managing Director for three years with effect from April 1, 2006 with remuneration and not to retire by rotation. Subsequently in the EGM held on May 4, 2006, he was re-designated as Chairman and Whole-time director with retrospective effect.
Mr. Pujit Aggarwal	April 28, 2006 and May 4, 2006	Reappointed as Executive Director for three years with effect from April 1, 2006 with remuneration and to retire by rotation. Subsequently in the EGM held on May 4, 2006, he was re-designated as Managing Director with retrospective effect and not to retire by rotation.

All other directors are liable to retire by rotation.

Remuneration of our Directors

Remuneration payable to Mr. Ravi Kiran Aggarwal as Chairman and Whole Time Director

The shareholders of the Company in the meeting held on May 4, 2006 had modified their resolution dated April 28, 2006 and approved to pay the following remuneration to Mr. Ravi Kiran Aggarwal as Chairman and Whole Time director for three years with effect from April 1, 2006.

1. Salary: Rs. 1,50,000/- per month.
2. Commission at the rate of 4% of net profits calculated in accordance with section 349 of the Companies Act, 1956.
3. Perquisites in addition to Salary payable:
 - a) Mr. Ravi Kiran Aggarwal shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowances in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilizes such as gas, electricity, water, furnishing and repairs, use of car and Telephone at residence,

Provident Fund and Superannuation Fund and gratuity, Medical Allowance, Medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board of Directors and the concerned Director, such perquisites and allowances to be restricted to an overall limit of 50% of the annual salary payable to him.

- b) For the purpose of the calculating the above ceiling, perquisites shall be evaluated as per the Income tax Rules wherever applicable. In the absence of any such rule, perquisites shall be calculated at the actual cost of the Company and shall not include the reimbursement of expenses incurred by the company for and on account of official purposes i.e. to enable Mr. Ravi Kiran Aggarwal to discharge his official duties.

4. Minimum Remuneration:

In the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Mr. Ravi Kiran Aggarwal, Chairman and Whole Time Director shall be governed by Section II of Part II of Schedule XIII to the Companies Act, as may be approved by the Board from time to time.

The above remuneration is and shall always be within the ceiling laid down in section 198, 269, 310 and 311 read with Schedule XIII to the Companies Act, 1956 as modified from time to time.

Remuneration payable to Mr. Pujit Aggarwal as Managing Director

The shareholders of the Company in the meeting held on May 4, 2006 had modified their resolution dated April 28, 2006 and approved to pay the following remuneration to Mr. Pujit Aggarwal as Managing Director for three years with effect from April 1, 2006.

- 1. Salary: Rs. 1,50,000/- per month.
- 2. Commission at the rate of 4% of net profits calculated in accordance with section 349 of the Companies Act, 1956.
- 3. Perquisites in addition to Salary payable:
 - a. Mr. Pujit Aggarwal shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowances in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing and repairs, use of car and Telephone at residence, Provident Fund and Superannuation Fund and gratuity, Medical Allowance, Medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board of Directors and the concerned Director, such perquisites and allowances to be restricted to an overall limit of 50% of the annual salary payable to him.
 - b. For the purpose of the calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, perquisites shall be calculated at the actual cost of the Company and shall not include the reimbursement of expenses incurred by the company for and on account of official purposes i.e. to enable Mr. Pujit Aggarwal to discharge his official duties.

4. Minimum Remuneration:

In the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Mr. Pujit Aggarwal, Managing Director shall be governed by Section II of Part II of Schedule XIII to the Companies Act, as may be approved by the Board from time to time.

The above remuneration is and shall always be within the ceiling laid down in section 198, 269, 310 and 311 read with Schedule XIII to the Companies Act, 1956 as modified from time to time.

Corporate Governance

Corporate governance is administered through our Board of Directors and the committees of the Board. However, primary responsibility for upholding high standards of corporate governance and providing necessary disclosures within the framework of legal provisions and institutional conventions with commitment to enhance shareholders' value vests with our Board of Directors.

We would be entering into listing agreements with the Stock Exchanges which would necessitate adherence to corporate governance requirements. We are in compliance with the applicable provisions of listing agreements pertaining to corporate governance, including appointment of independent Directors and constitution of the following committees of our Board:

Audit Committee:

The members of the audit committee of the Board currently comprises of four (4) Directors, namely Mr. Ravi Kiran Aggarwal, Mr. Davendra Ahuja, Mr. Kuldip Bhargava and Mr. P.R. Jindal. The quorum shall be two (2) members or one-third of the members of the committee, whichever is higher, so long as at least two (2) members are independent directors. The audit committee shall meet atleast four times in a year and not more than four (4) months shall elapse between two meetings.

The responsibilities of the audit committee include:

- Overseeing our financial reporting process and the disclosure of our financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services;
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices
 - Major accounting entries based on exercise of judgment by management
 - Qualifications in draft audit report
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements
- Any related party transactions i.e. transactions of our Company of material nature, with our Promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of our Company at large;
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with internal auditors any significant findings and follow up there on;
- 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;
- Discussing with external auditors before the audit commences on the nature and scope of audit and after the audit to ascertain any area of concern;
- Reviewing the company's financial and risk management policies;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- To monitor the utilisation of funds to be raised pursuant to the Issue.

Investor Grievance Committee:

The investor grievance committee of our Company comprises of Mr. Pujit Aggarwal, Mr. Ravi Kiran Aggarwal and Mr. Davendra Ahuja. Our Company Secretary shall act as the secretary to the committee. The terms of reference of the investor grievance committee includes:

- Resolving all the complaints received from the investors/shareholders;
- Placing before the Board the status of various complaints received by the committee.

The investor grievance committee shall meet at least once in every quarter of the year.

Remuneration Committee/Compensation Committee:

The remuneration committee of our Company consists of three (3) directors viz., Mr. Davendra Ahuja, Mr. P.R. Jindal and Mr. Kuldip Bhargava. Our Company Secretary shall act as the secretary to the committee. The remuneration committee shall act in accordance with the terms of reference specified in writing by the Board from time to time. The role of the Remuneration Committee shall include the following:

- Remuneration payable to our Executive Directors;
- To superintend and administer any Employee Stock Option Scheme as and when applicable for the benefit of our employees

The Committee shall meet at least once in every quarter of the year. The quorum for the committee shall be the presence of any two members.

Shareholding of our Directors

Our Articles of Association do not require our Directors to hold any Equity Shares as qualification shares. The following table details the shareholding of our Directors other than Promoter Directors:

Name of Directors	Number of Equity Shares (Pre-Issue)
Mr. Davendra Ahuja	125,000

Interest of our Directors

All of our Directors, including independent Directors, 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 and reimbursement of expenses payable to them under our Articles of Association. The executive Directors are interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company and the terms of such remuneration are set forth in contracts executed between our executive Directors and our Company.

Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal hold Equity Shares and hence they may be deemed to be interested to the extent of their shareholding in our Company. Further, all our Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or that may be subscribed for and allotted to them, out of the present Issue in terms of this Red Herring Prospectus. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Company had been incorporated by Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal. For this purpose, Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal had subscribed to our Memorandum of Association and had subscribed to the initial issue of our equity shares.

Our Directors have no interest in any property acquired by us within two years of the date of filing of this Red Herring Prospectus.

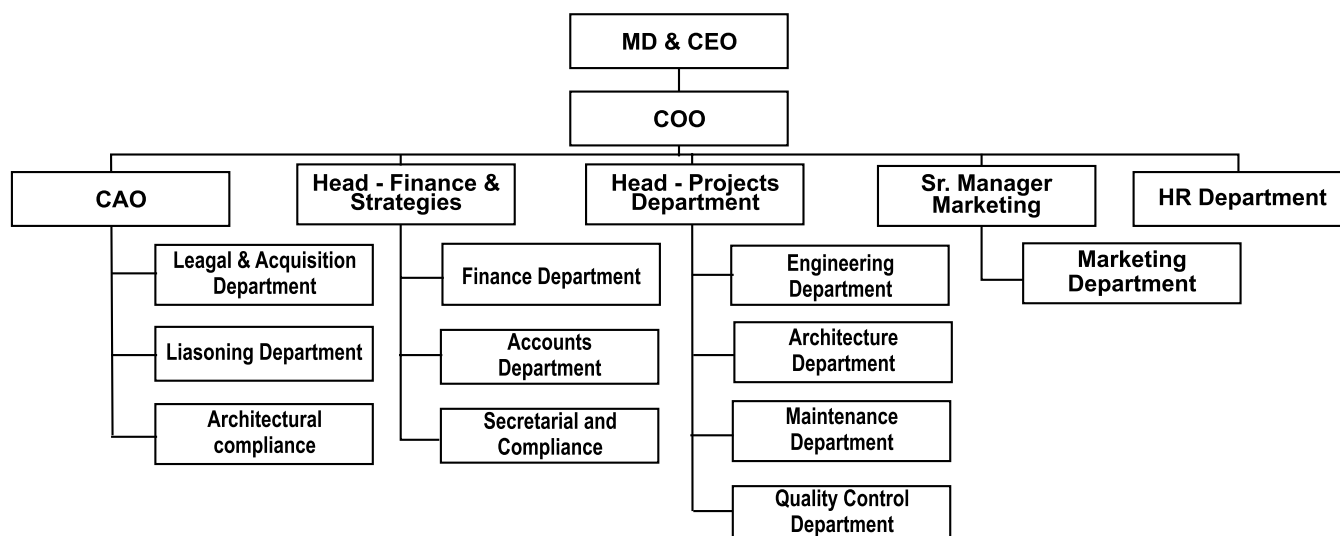
For details of the related party transactions, see section titled "Financial Statements - Related Party Transactions" beginning on page 116 of this Red Herring Prospectus.

Changes in our Board of Directors

The changes in our Board of Directors in the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Vijay P. Agarwal	November 11, 2003	September 6, 2004	Resigned
Mr. Ramashrya R. Yadav	November 11, 2003	February 21, 2006	Resigned
Mr. Kiran M. Jadhav	November 11, 2003	February 21, 2006	Resigned
Mr. Gyandip P. Bhuyan	November 11, 2003	February 21, 2006	Resigned
Mr. Dinesh Kiran Aggarwal	March 07, 2000	February 21, 2006	Resigned
Mr. Prithvi Raj Jindal	February 16, 2006	-	Appointment
Mr. Davendra Ahuja	February 16, 2006	-	Appointment
Mr. Shailesh S. Vaidya	February 16, 2006	-	Appointment
Mr. Hafeez Contractor	February 16, 2006	-	Appointment
Mr. Kuldip Bhargava	February 16, 2006	-	Appointment
Mr. Deepak Dhawan	February 16, 2006	-	Appointment

Management and Organisation Structure



Key Managerial Employees

In addition to our whole-time Directors, following are our key managerial employees. All our key managerial employees are permanent employees of our Company. None of the following key managerial employees are related to each other or to any of our Directors.

Mr. Raajhesh Shah, aged 47 years is designated as Chief Operating Officer. He is a post-graduate in Commerce with vast experience in the commercial operational and business development aspects. He joined us in August, 2005. Prior to joining us he was employed with Tasty Bite Eateables Limited as Head Commercial and Operations and New Business Development. He has twenty years experience in FMCG industry and 1 year experience in real estate business. For the fiscal year 2006, the remuneration paid by us to Mr. Rajhesh Shah was Rs. 830,642/-

Mr. Hari Kumar Kurup, aged 41 years is designated as Chief Acquisitions Officer. He is a graduate in Commerce with twenty years of work experience in land procurement and approvals from various Government authorities for land redevelopment projects. Prior to joining us in October, 2003, he was working with Rohan Group of Companies as Senior Acquisition Officer. For the fiscal 2006, the remuneration paid by us to Mr. Hari Kumar Kurup was Rs. 431,268/-

Mr. Vijay P. Agarwal, aged 60 years, is designated as Head Projects. He is a graduate with Economics Honours and Law Graduate from Delhi University. He has 35 years of extensive experience in general management, marketing and project execution. He has one year experience in the real estate business. He has knowledge of various aspects of land acquisition and leasing of properties. Prior to joining us in February, 2006, he worked with Rolta India Limited as Executive Director. For the fiscal 2006, the remuneration paid by us to Mr. Agarwal was Rs. 150,000/-.

Mr. Ramashrya Yadav, aged 32 years, is designated as Head- Finance and Strategies. He is a Post graduate in Business Administration and has over 8 years of experience in the Steel and Construction Industry. He worked with Shapoorji Pallonji & Company Ltd. He is associated with us since July, 2000. He was appointed as director in our Company from November 2003 and resigned as Director with effect from February 2006. In April 2004 he resigned from our company and served our subsidiary in professional capacity from May 2005 till February 2006. He was appointed with our company from April, 2006. He is responsible for Financial Planning and Project Finance. No remuneration paid to Mr. Ramashrya Yadav in the fiscal year 2006 as he joined in April 2006.

Mr. Rakesh Damani, aged 37 years, designated as Head Sales & Marketing. He holds a degree of Masters in Business Administration (Finance and Marketing) from The Ohio State University, USA. He has an experience of 16 years in organizations including Scana Color (India) Ltd., Philip Morris, USA, Nationwide Financial Services, Merrill Lynch and Mangal Keshav Securities Ltd. and has been involved in devising marketing strategies. He was appointed on October 1, 2006. No remuneration paid to Mr. Rakesh Damani in the fiscal year 2006 as he joined in October 2006.

Mr. Nitin Bavisi, aged 35 years, is designated as General Manager – Finance. He is a Chartered Accountant by qualification and having work experience of 12 years with varied organizations into manufacturing and financial services. His responsibilities involve financial planning, syndication of funding requirements, financial risk assessment and corporate governance compliances. Prior to joining us in March, 2006 he worked with Shyam Ahuja Limited. For the fiscal 2006, the remuneration paid by us to Mr. Nitin Bavisi was Rs. 65,000/-.

Mr. Sharukh Mandroina, aged 38 years, is designated as Deputy General Manager – Projects. He is a diploma holder in construction engineering. He has 19 years of experience in projects having worked with organizations like R Raheja Properties, Tata Housing Ltd. He has experience in planning, monitoring, scheduling of several residential and commercial projects. He is responsible for Project Planning, Execution and Monitoring. He joined us in April, 2006. Before he joined us he was working with R.Raheja Properties as Asistant General Manager. For the fiscal 2006, the remuneration paid by us to Mr. Sharukh Mandroina was NIL..

Mrs. Binita Tejwani, aged 37 years, is designated as Manager – HR. She holds a Masters Degree in Business Administration and has over 13 years experience. She has vast experience in Personnel policy restructuring, mapping key responsibility areas and respective competencies, need based analysis of training requirements and related compliances. Prior to joining us in January, 2006 she worked with Everest Developers Pvt. Ltd. She is responsible for manpower planning, training requirements and compliance with labour laws and other pertinent requirements. For the fiscal 2006, the remuneration paid by us to Mrs. Binita Tejwani was Rs. 120,759/-.

Ms. Vijayita Chowhan, aged 25 years, is designated as Company Secretary and Compliance Officer. She is an Associate member of the Institute of Company Secretaries of India. She has an overall experience of 18 months. She is responsible for corporate compliances of our company. Prior to joining us in June, 2006, she worked with Lowlekar and Barjatya, Chartered Accountants. For the fiscal 2006, the remuneration paid by us to Ms. Vijayita Chowhan was NIL.

Shareholding of the Key Managerial Employees

None of our key managerial employees hold any shares in our Company.

Bonus or Profit Sharing Plan for our Key Managerial Employees

Except for the Employee Stock Option Scheme, 2006, we do not have any other bonus or profit-sharing plan.

Changes in our Key Managerial Employees

Except as stated below, there has been no change in our key managerial employees during the last three years:

Sr. No	Name	Designation	Date of appointment/ resignation	Reason
1.	Mr. Hari Kumar Kurup	Chief Acquisition Officer	October 17, 2003	Appointment
2.	Mr. Gyandip Bhuyan	Marketing & Sales Head	December 1, 2004	Appointment
3.	Mr. Raajhesh Shah	Chief Operating Officer	July 25, 2005	Appointment
4.	Mr. Upendra Bhatmuley	HR Head	October 1, 2005	Resignation
5.	Mr. Hitesh Oza	Manager – Finance	December 232005	Resignation
6.	Ms. Binita Tejwani	Manager-HR	January 5, 2006	Appointment
7.	Mr. Vijay C. Agarwal	Head Projects	February 13, 2006	Appointment
8.	Mr. Nitin Bavisi	General Manager- Finance	March 1, 2006	Appointment
9.	Mr. Sharukh Mandroina	Deputy General Manager – Projects	April 15, 2006	Appointment
10.	Mr. Ramashrya Yadav	Head- Finance and Strategies	April 3, 2006	Appointment
11.	Mr. Anant Parulekar	GM Projects	April 20, 2006	Resignation
12.	Ms. Vijayita Chowhan	Company Secretary and Compliance Officer	June 19, 2006	Appointment
13.	Mr. Gyandip Bhuyan	Marketing & Sales Head	June 30, 2006	Resignation
14.	Mr. Sanjay Bhutani	Senior Manager- Marketing	July 1, 2006	Appointment
15.	Mr. Sanjay Bhutani	Senior Manager- Marketing	October 1, 2006	Resignation
16.	Mr. Rakesh Damani	Head Sales and Marketing	October 1, 2006	Appointment

Payment or benefit to officers of our Company



Except as stated otherwise in this Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees, since incorporation of our Company.

Except as disclosed in the related party transactions under the section titled "Financial Statements" starting page 102 of this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors or Key managerial employees of our Company.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Currently, our Promoters are Mr. Ravi Kiran Aggarwal, Mr. Pujit Aggarwal and M/s Emgee Foils Private Limited.

	<p>Mr. Ravi Kiran Aggarwal, aged 58 years, (passport number: F5237801, voter identity number: not available, driving license number: 1207/sirsa) Directors Identification No. 00133401 is the Chairman and Whole Time Director of our Company. He is an Engineer from BITS Pilani. Subsequently he did his MBA from Delhi University. He promoted a company, Tasty Bite Eatables Limited, which produced and marketed ready to serve food products under the brand name 'Tasty Bite'; which was subsequently sold to Hindustan Lever Limited. Mr. Aggarwal has extensive experience in construction business and has undertaken the development of various properties in Mumbai, which includes office complexes and residential premises. He oversees the design and project execution functions in our company.</p>
	<p>Mr. Pujit Aggarwal, aged 34 years, (passport number: F4656551, voter identity number: not available, driving license number: 88043745/DELHI), Directors Identification Number 00133373 is the Managing Director of our Company. He currently, handles our day-to-day operations. Mr. Pujit Aggarwal, son of Mr. Ravi Kiran Aggarwal is a graduate from the Sydenham College, Mumbai and has completed Owner/ President Management Program from Harvard Business School (U.S.A.). Mr. Pujit Aggarwal has played a significant role in developing the business of our Company. Mr. Pujit Aggarwal is also a member of the Citizens Action Group (CAG), which is headed by the Chief Minister of Maharashtra. He has actively represented the forum at various levels viz., before the State Government and the World Bank, having brought the attention of the Government and Policy makers by bringing his innovative, progressive ideas and strategies for transforming Mumbai into a world class city.</p>

Emgee Foils Private Limited ("Emgee")

Emgee Foils Private Limited was incorporated on February 1, 1999. Emgee is in the business of iron, steel, copper, aluminium and other metals. Emgee Foils Private Limited is promoted by Mr. Ravi Kiran Aggarwal, Mr. Pujit Aggarwal and Ms. Gunjan Aggarwal.

For details of terms of appointment of Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal as our Directors, please see the section titled "Our Management" beginning on page 82 of this Red Herring Prospectus.

Main object:

Emgee Foils Private Limited is engaged in the business of trading of iron, steel, copper, aluminum and other metals. The trading business by nature is high volume (reflected in the turnover /sales of the respective accounting periods) and low margin (reflected in the Net Profit of the respective accounting periods). Besides since the business is carried out against a back-to-back purchase orders from the counter parties, it requires very low investment on behalf of the trading agent and hence can be operated with a low capital base. Apart from certain vehicle loans from ABN AMRO Bank and Risbhh Credit & Capital Private Limited (a company not related to the issuer company and its promoters), there are no outstanding secured/ unsecured debts in Emgee Foils Private Limited. No loans have been advanced to Emgee Foils Private Limited from the Issuer Company or the individual Promoters of the Issuer Company.

Shareholding Pattern

The equity shares of Emgee are not listed on any stock exchange. Set forth below is the shareholding pattern of Emgee as on December 31, 2006.

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Mr. Ravi Kiran Aggarwal	500	50.00
Mr. Pujit Aggarwal	250	25.00
Mr. Gunjan Aggarwal	250	25.00
Total	1000	100.00

Control

Emgee is controlled by Mr. Ravi Kiran Aggarwal, Mr. Pujit Aggarwal and Ms. Gunjan Aggarwal.

Board of Directors

The board of directors of Emgee as on December 31, 2006 comprises of Mr. Ravi Kiran Aggarwal, Mr. Pujit Aggarwal and Ms. Gunjan Aggarwal.

Financial Performance

The financial results of Emgee for the last three fiscals are as follows:

(Rs. in million, unless otherwise stated)

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Operating Income	88.20	416.42	95.63
Other Income	0.00	1.15	1.14
Total Income	88.20	417.57	96.77
Profit/(Loss) after tax	(0.04)	0.22	0.22
Equity share capital (paid up)	0.10	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	1.02	1.06	0.84
Earnings/(Loss) per share (diluted) (Rs.)	(41.05)	216.26	224.44
Book Value per share (Rs.)	1119.52	1160.57	944.31

Emgee Foils Private Limited had sufficient funds (as shown in the Cash Flow Statement forming part of the audited accounts of Emgee Foils for FY2004-2005, presented below) with which the equity contribution in our Company was made. The net cash from operating activities generated by Emgee Foils in FY2004-2005 is Rs.38.54 million, of which Rs.35.08 million was invested in the Company.

Cash Flow Statement

	2004-05	2003-04
	Rupees	Rupees
A. Cash Flow from Operating activities		
Net Profit before tax	453,955.41	642,851.38
Adjustments For:		
Depreciation	521,347.00	110,761.00
Interest		20,410.47
Income from Investment		-
Profit / Loss on sale of fixed assets		(7,810.00)
Operating profit before working capital changes	975,302.41	766,212.85
Adjustments For:		
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Trade and other receivables	(68,830,523.65)	(50,448,306.50)
Increase / (Decrease) in Trade payables	106,400,626.41	49,981,582.00
(Increase) / Decrease in Misc. expenditure written off	-	-
Cash generated from operations	38,545,405.17	299,488.35
Direct taxes paid		
Net cash from operating activities	38,545,405.17	299,488.35

B	Cash Flow from Investing activities		
	Purchase of fixed assets	(2,873,517.00)	(1,091,976.00)
	Sale of fixed assets	-	185,000.00
	Purchase of Investments	(35,084,000.00)	-
	Income from Investments	-	-
	Net cash (used in) / from investing activities	(37,957,517.00)	(906,976.00)
C	Cash Flow from Financing activities		
	Issue of Share Capital	-	-
	Securities Premium	-	-
	Share Application Money	-	-
	Other borrowings	1,239,200.18	852,685.47
	Interest paid	-	(20,410.47)
	Net Cash (used in) / from Financing activities	1,239,200.18	832,275.00
	Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	1,827,088.35	224,787.35
	Cash and cash equivalents at the beginning of the year	273,355.21	48,567.86
	Cash and cash equivalents at the end of the year	2,100,443.56	273,355.21

Notes

Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 Cash Flow Statements.

Cash and cash equivalents represent cash and bank balances

Interest in Promotion of our Company

Our Company had been incorporated by Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal. For this purpose, Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal had subscribed to our Memorandum of Association and had subscribed to the initial issue of our equity shares.

Interest of our Promoters and Payment of Benefits to our Promoters

Except as stated in the section titled "Financial Statements - Related Party Transactions" beginning on page 116 of this Red Herring Prospectus and to the extent of their shareholding in our Company, our Promoters do not have any other interest in our business and there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Red Herring Prospectus.

Other Confirmations

We confirm that the details of the permanent account numbers, bank account numbers, passport numbers and Directors Identification Numbers of our Promoters, namely, Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal will be submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with the Stock Exchanges.

We confirm that the the permanent account number, bank account number and company registration number of Emgee Foils Private Limited and the address of the Registrar of Companies where Emgee Foils Private Limited is registered will be submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with the Stock Exchanges.

Further, Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal, their relatives as per section 6 of the Act, the Company, the group companies and associate companies as mentioned in this Red Herring Prospectus have confirmed that they have not been detained as willful defaulters by the Reserve Bank of India or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Promoter Group

In addition to our Promoters, as specified above, the following individuals, companies and entities shall form part of our Promoter group:

The details of our Promoter group (individuals) are as below:

Name	Relation
Ms. Renu Sharma Aggarwal	Wife of Mr. Ravi Kiran Aggarwal
Mr. Varad V. Kaushal	Son of Ms. Renu Sharma Aggarwal
Ms. Vritika V. Kaushal	Daughter of Ms. Renu Sharma Aggarwal
Mr. Dinesh Kiran Aggarwal	Brother of Mr. Ravi Kiran Aggarwal
Ms. Gunjan Aggarwal	Wife of Mr. Pujit Aggarwal
Ms. Sanniya Aggarwal	Daughter of Mr. Pujit Aggarwal
Mr. Krrish Aggarwal	Son of Mr. Pujit Aggarwal

Our subsidiaries and promoter group companies:

Name of the Company	Relation with our Company
Orbit Constructions and Realtors Private Limited	Wholly owned subsidiary
Orbit Buildcon and Realty Private Limited	Wholly owned subsidiary
Orbit Housing Private Limited	Wholly owned subsidiary
Brio Academic Infrastructure and Resource Management Private Limited	Group Company
Mazda Constructions Company Private Limited	Group Company
Property Redevelopers Association (section 25 company)	Group Company
Apex Hotels Enterprises Private Limited	Group Company
Orbit Shelters Private Limited	Group Company
Pheonix Applicances Private Limited	Group Company
Orbit Residency Private Limited	Group Company
Orbit Dwellings Private Limited	Group Company
Ravi Kiran Aggarwal HUF	Promoter group - HUF

Group Companies

1. Brio Academic Infrastructure and Resource Management Private Limited

Brio Academic Infrastructure and Resource Management Private Limited (BAIRMPL) was incorporated on October 14, 2004. The main business of BAIRMPL is to establish and manage resources and infrastructure in the field of Academic and educational activities. Currently BAIRMPL is assessing the opportunities for setting up international baccalarrate (IB) schools in Mumbai.

Shareholding Pattern

As on September 30, 2006, the shareholding pattern was as follows: -

S. No.	Name of Share Holder	Number of shares	% Shareholding
1	Mr. Pujit Aggarwal	5000	50.00%
2	Mr. Punit Goenka	5000	50.00%
	Total	10000	100.00%

Board of Directors

The board of directors of BAIRMPL as on September 30, 2006 comprises Mr. Pujit Aggarwal, and Mr. Punit Goenka.

Financial Performance

The financial results of BAIRMPL for the last fiscals are as follows:

Amount in Rs. millions except per share data

	Fiscal 2006	Fiscal 2005
Operating Income		0
Other Income		0
Total Income	-	-
Profit/(Loss) after tax	(0.02)	(0.02)
Equity Share Capital (paid up)	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	(0.04)	(0.02)
Earnings/(Loss) per share (diluted) (Rs.)	(1.50)	(2.47)
Book Value per share (Rs.)	(533.97)	(307.23)

2. Mazda Construction Company Private Limited

Mazda Construction Company Private Limited (MCCPL) was incorporated on July 11, 1980. The main business of MCCPL is real estate development. MCCPL owns a property in Mumbai and primary source of income is through the rentals received from various tenants.

Shareholding Pattern

As on September 30, 2006, the shareholding pattern was as follows: -

S. No.	Name of Share Holder	Number of shares	% Shareholding
1	Mr. Pujit Aggarwal	100	50.00%
2	Mr. H.M Mehta	50	25.00%
3	Mr. H.N Mehta	50	25.00%
	Total	200	100.00%

Board of Directors

The board of directors of MCCPL As on September 30, 2006 comprises Mr. Pujit Aggarwal, Mr. H.M Mehta and Mr. H.N. Mehta.

Financial Performance

The financial results of MCCPL for the last three fiscals are as follows:

Amount in Rs. millions except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
Operating Income	-	0	0	0
Other Income	1.71	1.48	0.15	0.14
Total Income	1.71	1.48	0.15	0.14
Profit/(Loss) after tax	0.51	0.23	(0.49)	0.31
Equity Share Capital (paid up)	0.10	0.10	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	(12.61)	(13.12)	(13.35)	(12.86)
Earnings/(Loss) per share (diluted) (Rs.)	509.43	225.02	(492.20)	(305.65)
Book Value per share (Rs.)	(12,512.86)	(13,022.29)	(13,247.31)	(12,755.12)

3. Property Redevelopers Association

Property Redevelopers Association (PRA) was incorporated on October 30, 2003 and is a company under Section 25 of the Companies Act. The main activity of PRA is to protect, promote and encourage property redevelopment and allied trade and industry. PRA forms a part of various forums in Mumbai associated with the issues related to real estate redevelopment.

Shareholding Pattern

As on September 30, 2006, the shareholding pattern was as follows: -

S. No.	Name of Share Holder	Number of shares	% Shareholding
1	Mr. Pujit Aggarwal	260,250	56.30%
2	Orbit Corporation Limited	12,000	2.60%
3	Mr. Jayesh Shah	13,500	2.92%
4	Shree Naman Developers	39,000	8.44%
5	Mr. Haresh Navnit Rai	28,750	6.22%
6	Goodwill Properties Private Limited	83,750	18.12%
7	Haresh Mohanlal Mehta	12,500	2.70%
8	Raj Doshi Exports Private Limited	12,500	2.70%
	Total	462,250	100.00%

Board of Directors

The board of directors of PRA as on September 30, 2006 comprises Mr. Pujit Aggarwal, Mr. Haresh N. Mehta, Mr. Jayesh Shah, and Haresh M. Shah.

Financial Performance

The financial results of PRA for the last two fiscals are as follows:

Amount in Rs. millions except per share data

		Fiscal 2006	Fiscal 2005	Fiscal 2004
Operating Income		4.27	0.01	0.02
Other Income		0	0	0
Total Income		4.27	0.01	0.02
Profit/(Loss) after tax		(0.19)	(3.43)	(0.95)
Equity Share Capital (paid up)		0.50	0.50	0.25
Reserves and Surplus (excluding revaluation reserves)		(4.58)	(4.38)	(0.95)
Earnings/(Loss) per share (diluted) (Rs.)		(3.85)	(68.66)	(38.06)
Book Value per share (Rs.)		(81.54)	(77.69)	(28.06)

4. Apex Hotel Enterprises Private Limited

Apex Hotel Enterprises Private Limited (AHEPL) was incorporated on June 17, 1978. The main business of AHEPL is property development. Currently AHEPL is not pursuing any business.

Shareholding Pattern

As on September 30, 2006, the shareholding pattern was as follows: -

S. No.	Name of Share Holder	Number of shares	% Shareholding
1	Rajesh Baldevbhai Rawal	5000	46.29%
2	Telangana Constructions Private Limited	1250	11.57%
3	Ravi Kiran Aggarwal	2500	23.14%
4	Veer Kumar Bimalchal Jain	1250	11.57%
5	Mr. Pujit Aggarwal	802	7.42%
	Total	10,802	100.00%

Board of Directors

The board of directors of AHEPL as on September 30, 2006 comprises Mr. Pujit Aggarwal and Mr. Dinesh Kiran Aggarwal.

Financial Performance

The financial results of AHEPL for the last three fiscal years are as follows:

Amount in Rs. millions except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
Operating Income	0	0	0.01	0
Other Income	0.13	0.18	0	0
Total Income	0.13	0.18	0.01	-
Profit/(Loss) after tax	0.11	0.15	0.01	(0.02)
Equity Share Capital (paid up)	0.11	0.11	0.11	0.11
Reserves and Surplus (excluding revaluation reserves)	3.84	3.74	3.58	3.57
Earnings/(Loss) per share (diluted) (Rs.)	9.84	14.27	1.21	(1.83)
Book Value per share (Rs.)	365.81	355.97	341.70	340.49

5. Orbit Shelters Private Limited

Orbit Shelters Private Limited (OSPL) was incorporated on October 14, 2004. The main business of AHEPL is real estate development. Currently OSPL is not pursuing any business.

Shareholding Pattern

As on September 30, 2006, the shareholding pattern was as follows: -

S. No.	Name of Share Holder	Number of shares	% Shareholding
1	Mr. Pujit Aggarwal	5000	50.00%
2	Mr. Ravi Kiran Aggarwal	5000	50.00%
	Total	10,000	100.00%

Board of Directors

The board of directors of OSPL as on September 30, 2006 comprises Mr. Pujit Aggarwal, and Mr. Ravi Kiran Aggarwal

Financial Performance

The financial results of OSPL for the last two fiscal years are as follows:

Amount in Rs. millions except per share data

	Fiscal 2006	Fiscal 2005
Operating Income	-	-
Other Income	-	-
Total Income	-	-
Profit/(Loss) after tax	(0.02)	(0.01)
Equity Share Capital (paid up)	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	(0.03)	(0.01)
Earnings/(Loss) per share (diluted) (Rs.)	(2.25)	(0.85)
Book Value per share (Rs.)	6.51	8.63

6. Pheonix Appliances Private Limited

Pheonix Appliances Private Limited (PAPL) was incorporated on 13th January 1984. The main business of PAPL is manufacturing of stainless steel kitchen sinks. PAPL owns a manufacturing facility at Shahad, Maharashtra.

Shareholding Pattern

As on September 30, 2006, the shareholding pattern was as follows: -

S. No.	Name of Share Holder	Number of shares	% Shareholding
1	Mr. Pankaj Somchand Shah	1	0.004%
2	Mr. Ravi Kiran Aggarwal	801	2.96%
3	Mr. Ravi Kiran Aggarwal (HUF)	209	0.77%
4	Satellite Developers Private Limited	8000	29.61%
5	Mr. Dinesh Kiran Aggarwal	7789	28.83%
6	Mr. Pujit Aggarwal	1700	6.29%
7	Mrs. Gunjan Aggarwal	1500	5.55%
8	MLF Haushalts Technik Limited	7020	25.98%
	Total	27,020	100.00%

Board of Directors

The board of directors of PAPL as on September 30, 2006 comprises Mr. Ravi Kiran Aggarwal, Mr. Wolfgang Rolang Schneider, Mr. Frank Karl-Heinz Straub and Mr. Pankaj Somchand Shah.

Financial Performance

The financial results of PAPL for the last three fiscal years are as follows:

Amount in Rs. millions except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Operating Income	58.72	60.99	65.33
Other Income	0	0	0
Total Income	58.72	60.99	65.33
Profit/(Loss) after tax	0.19	0.17	0.56
Equity Share Capital (paid up)	2.7	2.70	2.70
Reserves and Surplus (excluding revaluation reserves)	13.76	13.57	13.40
Earnings/(Loss) per share (diluted) (Rs.)	7.14	6.29	20.83
Book Value per share (Rs.)	609.25	602.12	595.23

7. Orbit Residency Private Limited

ORPL was incorporated on October 15, 2004. The main business of ORPL is real estate development. Currently ORPL is not pursuing any business.

Shareholding Pattern

As on September 30, 2006, the shareholding pattern was as follows: -

S. No.	Name of Share Holder	Number of shares	% Shareholding
1	Mr. Ravi Kiran Aggarwal	5000	50.00%
2	Mrs. Gunjan Aggarwal	5000	50.00%
	Total	10,000	100.00%

Board of Directors

The board of directors of ORPL as on September 30, 2006 comprises Mr. Ravi Kiran Aggarwal and Mrs. Gunjan Aggarwal.

Financial Performance

The financial results of ORPL for the last two fiscal years are as follows:

Amount in Rs. millions except per share data

	Fiscal 2006	Fiscal 2005
Operating Income	-	-
Other Income	-	-
Total Income	-	0
Profit/(Loss) after tax	(0.01)	(0.01)
Equity Share Capital (paid up)	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	(0.02)	(0.01)
Earnings/(Loss) per share (diluted) (Rs.)	(0.69)	(0.85)
Book Value per share (Rs.)	8.07	8.63

8. Orbit Dwellings Private Limited (ODPL)

ODPL was incorporated on October 26, 2004. The main business of ODPL is real estate development. Currently ODPL is not pursuing any business.

Shareholding Pattern

As on September 30, 2006, the shareholding pattern was as follows: -

S. No.	Name of Share Holder	Number of shares
1	Mr. Dinesh Kiran Aggarwal	5000
2	Mrs. Gunjan Aggarwal	5000
	Total	10,000

Board of Directors

The board of directors of ODPL as on September 30, 2006 comprises Mr. Dinesh Kiran Aggarwal and Mrs. Gunjan Aggarwal.

Financial Performance

The financial results of ODPL for the last two fiscal years are as follows:

Amount in Rs. millions except per share data

	Fiscal 2006	Fiscal 2005
Operating Income	-	-
Other Income	-	-
Total Income	-	-
Profit/(Loss) after tax	(0.01)	(0.01)
Equity Share Capital (paid up)	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	(0.02)	(0.01)
Earnings/(Loss) per share (diluted) (Rs.)	(0.69)	(0.85)
Book Value per share (Rs.)	8.07	8.63

9. Ravi Kiran Aggarwal HUF

Mr. Ravi Kiran Aggarwal is the karta of the Ravi Kiran Aggarwal HUF.

Financial Performance

Amount in Rs. millions except per share data

	Fiscal 2006	Fiscal 2005	Fiscal 2004
Gross Income	0.09	0.08	0.08
Capital	NA	NA	NA

Common Pursuits

The following are the companies included under group companies having similar objects of buiseness:

1. Mazda Construction Company Private Limited
2. Apex Hotels Private Limited
3. Orbit Shelters Private Limited
4. Orbit Residency Private Limited
5. Orbit Dwellings Private Limited

Related Party Transactions

For details of related party transactions, please refer to the section titled “Financial Statements - Related Party Transactions” on page 116 of this Red Herring Prospectus .

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

We have not declared any dividends since inception.

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

Some of our financing documents contain certain restrictive conditions such that dividends may not be paid by us if there are dues owed to the lenders, if there are subsisting events of default or would occur as a result of such declaration or payment of dividend in respect of the specified loan facility or other than out of our current year earnings. Further, as per certain other covenants, we are obligated not to declare or pay any dividend or authorize or make any distribution, payment or delivery of property or cash to our shareholders during the financial year beyond a specified extent. For a description of these and other restrictive covenants in the financing documents, see the section titled "Financial Indebtedness" beginning on page 68 of this Red Herring Prospectus.

FINANCIAL STATEMENTS

FINANCIAL INFORMATION OF THE ISSUER COMPANY

Auditors Report

The Board of Directors
Orbit Corporation Limited,
The View,
165, Dr. Annie Besant Road,
Worli,
Mumbai- 400 018

We have examined and found correct the Audited Accounts of Orbit Corporation Limited (*formerly Orbit Cybertech Limited*) for the past five financial years ended on 31st March 2006 and for the nine month ended 31st December, 2006 being the last date up to which the accounts of the Company have been made up and audited. The accounts have been restated to bring uniformity with the accounting policy adopted by the company with effect from 1st April, 2006 of recognizing revenue from construction activities on Percentage Completion method as compared to the Project Completed method used earlier. (The accounts for the financial year ended 31st March, 2002 and 2003 were audited by Anil A.Jain & Co., for the financial year ended 31st March, 2004 and 2005 were audited by B.Ranka & Co., and for the financial year ended 31st March, 2006 and nine month ended 31st December 2006 was audited by us.) At the date of signing this report, we are not aware of any material adjustment, which would affect the result shown by these accounts drawn up in accordance with the requirements of Part II of Schedule II to the Companies Act, 1956.

In accordance with the requirements of Paragraph B (1) of 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 (SEBI Guidelines) for the purpose of the Offering Memorandum as aforesaid, we report that:

- a. The restated profits/losses of the Company for the financial years ended 31st March, 2002, 2003, 2004, 2005, 2006 and for the nine month ended 31st December 2006 as set out in Annexure I to this report. These profits/losses have been arrived at after charging all expenses including depreciation and after making such adjustment and regroupings as in our opinion are appropriate and more fully described in the Significant Accounting Policies and Notes on Accounts appearing in Annexure III and IV respectively to this report.
- b. The restated assets and liabilities of the Company as at 31st March, 2002, 2003, 2004, 2005, 2006 and as at 31st December 2006 are as set out in Annexure II to this report after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the Notes on Accounts appearing in Annexure IV to this report.
- c. We have examined the cash flow statement relating to the Company for the year ended 31st March, 2006 and the nine month ended 31st December, 2006 appearing in Annexure V to this report.
- d. The Company has not declared/paid the dividend since inception. (Annexure VI to this report).
- e. We have examined the following financial information relating to the Company and as approved by the Board of Directors for the purpose of inclusion in the Offer document:
 1. Accounting Ratios as appearing in Annexure VII to this report
 2. Capitalization Statement as at 31st March, 2006 and as at 31st December, 2006 as appearing in Annexure VIII to this report
 3. Statement of tax shelters as appearing in Annexure IX to this report
 4. Details of other income as appearing in Annexure X to this report
 5. Details of sundry debtors as appearing in Annexure XI to this report
 6. Details of loans and advances made to persons or Companies in whom/in which Directors are interested as appearing in Annexure XII to this report
 7. Details of unsecured loans as appearing in Annexure XIII to this report
 8. Details of secured loans as appearing in Annexure XIV to this report
 9. Details of transactions with related parties as appearing in Annexure XV to this report
 10. Details of aggregate value and market value of quoted investments as appearing in Annexure XVI to this report

11. Details of expenditure incurred on the project as appearing in Annexure XVII to this report
12. Details of qualifications appearing in the Audit Report as given in Annexure XVIII to this report
13. Details of changes in Significant Accounting Policies as given in Annexure XIX to this report

In our opinion, the above financial information of the Company read with Significant Accounting Policies and Notes on Accounts attached in Annexure III and IV respectively to this report, after making adjustments and regroupings as considered appropriate has been prepared in accordance with paragraph B (1) Part II of Schedule II of the Act and the SEBI Guidelines.

This report is intended solely for your information and for inclusion in the Offer document in connection with the specific Public Offer of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

SHARP & TANNAN
Chartered Accountants
by the hand of

MILIND P. PHADKE
Partner
Membership No. 33013

Mumbai

Date : February 5, 2007

Annexure – I

Statement of Profit & Loss Account

Rs. in millions

Particulars	For the year ended					For the period ended
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
INCOME						
Sale of tenements/parking	-	-	35.21	156.60	7.18	1.55
Other income	-	0.15	0.23	0.71	0.90	2.84
Total	-	0.15	35.44	157.31	8.08	4.39
EXPENDITURE						
Property Acquisition Cost	-	-	7.94	43.09	2.03	-
Materials Labour & Direct Expenses	-	-	6.96	37.80	1.78	-
Manpower Cost	0.08	0.00	1.90	9.79	0.46	-
Selling General & Administrative Expenses	0.07	0.08	3.99	21.31	1.46	2.07
Total	0.15	0.08	20.79	111.98	5.73	2.07
Profit before Interest, Depreciation and Tax	(0.15)	0.07	14.65	45.33	2.35	2.32
Depreciation	0.39	0.70	0.57	3.11	0.15	-
Profit before Interest and Tax	(0.54)	(0.63)	14.08	42.22	2.20	2.32
Interest & Finance Charges	-	-	1.80	9.77	0.46	-
Net Profit Before Tax	(0.54)	(0.63)	12.28	32.45	1.74	2.32
Provision For Taxation						
Current Tax	-	-	-	3.90	0.38	0.58
Deferred Tax	-	-	-	-	-	-
Fringe benefit tax	-	-	-	-	0.44	1.11
Net Profit After Tax	(0.54)	(0.63)	12.28	28.55	0.92	0.63
Proposed Dividend & Depreciation Written Back	-	-	-	-	-	-
Prior Period Item	-	-	-	-	-	-
Net profit after tax after adjusting prior period item	(0.54)	(0.63)	12.28	28.55	0.92	0.63

Annexure – II

Statements of Assets and Liabilities

Rs. in Millions

	Particulars	For the year ended					For the period ended
		31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
A	FIXED ASSETS						
	Gross Block	1.74	7.32	7.56	4.43	6.89	11.74
	Less: Depreciation	0.67	1.38	2.99	2.51	2.64	3.89
	Net Block	1.07	5.94	4.57	1.92	4.25	7.85
	Capital Work in Progress	-	-	-	-	-	-
	Total Fixed Assets (A)	1.07	5.94	4.57	1.92	4.25	7.85
B	INVESTMENTS (B)	-	-	-	52.02	285.06	335.08
C	CURRENT ASSETS, LOANS AND ADVANCES						
	Work in progress	51.01	86.16	112.68	-	43.12	318.18
	Finished goods	-	-	-	10.08	4.20	4.20
	Sundry Debtors	-	-	-	93.22	55.07	52.86
	Cash and Bank Balances	1.06	0.06	0.24	4.78	19.27	805.29
	Loans and Advances	1.33	12.03	34.47	68.24	707.03	1,045.85
	Total (C)	53.40	98.25	147.39	176.32	828.69	2,226.37
D	LIABILITIES AND PROVISIONS						
	Secured Loans	-	24.47	45.08	32.85	2.49	-
	Unsecured Loans	0.16	4.83	7.54	1.55	13.16	17.64
	Current Liabilities	39.86	60.36	72.54	41.51	89.52	1100.46
	Provisions	-	-	-	4.00	4.95	6.58
	Total (D)	40.02	89.66	125.17	79.91	110.12	1124.68
	Accumulated Profit & Loss	-	-	-	-	-	-
	NET WORTH (A+B+C-D)	14.45	14.53	26.79	150.35	1,007.88	1444.62
	REPRESENTED BY:						
E	Share Capital	15.00	15.00	15.00	110.00	215.96	271.71
F	Application Money Pending Allotment	-	-	-	-	23.00	-
G	Total Reserves and Surplus	-	-	12.21	40.36	770.14	1188.77
	Less: Revaluation Reserves	-	-	-	-	-	-
	Net Reserve and Surplus	-	-	12.21	40.36	770.14	1188.77
H	Miscellaneous Expenditure	0.55	0.47	0.42	0.01	1.22	15.86
	NET WORTH (E+F+G-H)	14.45	14.53	26.79	150.35	1,007.88	1,444.62

Annexure – III

Significant Accounting Policies

1. Basis of Accounting:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ('GAAP') and in compliance with the Accounting Standards referred to in Section 211 (3C) and other requirements of the Companies Act, 1956. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Any revisions to accounting estimates is recognised prospectively in the current and future periods. Wherever changes in presentation are made, comparative figures of the previous year are regrouped accordingly.

2. Revenue Recognition

Revenue from construction and project related activity is recognised by applying Percentage Completion Method (PCM) to sale of tenements. Percentage of completion is determined as a proportion of cost incurred to date (excluding property acquisition cost) to the total estimated project cost (excluding property acquisition cost). Project becomes eligible for revenue recognition when the percentage of completion of project exceeds 25%. Further refer to Annexure XIX, Changes in the Significant Accounting Policies.

3. Fixed Assets

- a. Fixed assets are capitalised at acquisition cost, including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to working condition for use.
- b. Expenditure relating to existing fixed assets is added to the cost of the assets, where it increases the performance / life of the asset as assessed earlier.
- c. Fixed assets are eliminated from financial statements either on disposal or when retired from active use.

4. Intangible assets and Amortisation

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 'Intangible Assets'.

5. Investments

Long term investments are carried at cost, after providing for any diminution in value, if such diminution is of a permanent nature. Current investments are carried at lower of cost or market value.

6. Inventories

Inventory of finished tenements are valued at lower of the cost or net realizable value. Inventories of work in progress are valued at cost.

7. Depreciation

Depreciation on fixed assets has been provided on written down value, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

8. Borrowing costs

- a. Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period over twelve months of time to get ready for its intended use or sale.
- b. All other borrowing costs are recognized as expense in the period in which they are incurred.

9. Retirement Benefits

Provisions for / contributions to retirement benefit schemes are made as follows:

- a. Provident fund on actual liability basis;
- b. Leave encashment benefits on actual basis.

10. Miscellaneous Expenditure

Preliminary expenses are amortised over a period of five years.

11. Taxes on income

- a. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income tax Act 1961, and based on expected outcome of assessments / appeals.
- b. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.
- c. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- d. Deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

12. Provisions, Contingent liabilities and Contingent assets

- a. Provision are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
 - i. the Company has a present obligation as a result of past event,
 - ii. a probable outflow of resources is expected to settle the obligation; and
 - iii. the amount of the obligation can be reliably estimated.
- b. Reimbursements by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtual certain that reimbursement will be received if obligation is settled.
- c. Contingent liability is disclosed in the case of
 - i. a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation;
 - ii. a possible obligation, unless the probability of outflow of resources is remote.
- d. Contingent assets neither disclosed nor recognised.
- e. Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date.

13. Events occurring after the date of balance sheet

Where material, events occurring after the date of the Balance Sheet are considered upto the date of approval of accounts by the Board of Directors.

Annexure - IV

Notes on Accounts

1. In line with Guidance note on 'Recognition of Revenue by Real Estate Developers' issued by the ICAI. The company changed its' revenue recognition policy since 1st April 2006 from Completion of Project Method to Percentage Completion Method. Accounting statement for the period ended on 31st December 2006 has been prepared according to Guidance note. Figures of the earlier years have been recasted on the same lines.

FIFO method has been followed for the determination of cost of units of the project under progress. Further refer to Annexure XIX, Changes in the Significant Accounting Policies.

2. Contingent Liabilities: Nil
3. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.Nil; (*Previous year Rs. Nil*).
4. The Company has changed its name to Orbit Corporation Limited with effect from 10th April, 2006. A fresh certificate of incorporation consequent to change of name has been received from the Registrar of Companies, Maharashtra, Mumbai.
5. Auditors' remuneration and expenses charged to accounts:

Rs. in millions

	Nine Month Period Ended 31.12.2006 Rupees	Year ended 31.03.2006 Rupees
Audit fees	0.09	0.13

6. Remuneration to directors

Rs. in millions

	Nine Month Period Ended 31.12.2006 Rupees	Year ended 31.03.2006 Rupees
Salaries	2.19	3.10

7. Additional information required to be disclosed pursuant to Schedule VI to the Companies Act, 1956.

- a. Value of imports (on CIF basis):

Rs. in millions

	Nine Month Period Ended 31.12.2006 Rupees	Year ended 31.03.2006 Rupees
Capital goods	Nil	Nil

- b. Expenditure in foreign currency:

Rs. in millions

	Nine Month Period Ended 31.12.2006 Rupees	Year ended 31.03.2006 Rupees
Professional fees	Nil	Nil
Other matters – traveling, etc	0.88	0.83

8. Sundry creditors includes Rs. Nil (*Previous year Rs. Nil*) due to Small Scale Industrial Undertakings.
9. Sundry debtors, sundry creditors and loans and advances are subject to confirmation and reconciliation, if any.
10. Segment Reporting

The Company's business activities falls within a single segment, viz. real estate and redevelopment and predominantly operates in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 Segment Reporting, is not applicable.

11. Disclosure of related parties / Related party transactions:

I. List of related parties:

Sr. No	Name of the Related Party	Relationship
(a)	Particulars of subsidiary company 1. Orbit Buildcon & Realty Private Limited 2. Orbit Constructions & Realtors Private Limited 3. Orbit Housing Private Limited	Subsidiary company Subsidiary company Subsidiary company
(b)	Key Managerial Personnel 1. Mr. Ravi Kiran Aggarwal 2. Mr. Pujit Aggarwal	Chairman Managing Director
(c)	Companies in which directors are interested Emgee Foils Pvt. Ltd. Property Redevelopers Association Mazda Construction Company Pvt. Ltd.	Promoter Company Group Company Group Company

II. Disclosure of related party transactions:

Rs. In million

Sr. No.	Nature of relationship/ Transaction	Subsidiary Companies	Directors	Companies in which directors are interested	Total
1.	Loan granted	785.5 (464.80)	Nil (Nil)	1.67 (0.65)	787.18 (465.45)
2.	Loan taken	Nil (Nil)	2.61 (0.12)	9.65 (10.04)	12.26 (10.16)
3.	Deposit for premises	Nil (Nil)	160.00 (150.00)	Nil (Nil)	160.00 (150.00)
4.	Managerial Remuneration	Nil (Nil)	2.19 (3.10)	Nil (Nil)	2.19 (3.10)

12. Earnings Per Share:

	Nine Month Period Ended December 31, 2006	Year ended March 31, 2006
Earnings Per Share (Basic and Diluted) (Rupees)	0.02	0.08
Profit / (Loss) after tax (Rupees in millions)	0.62	0.92
Weighted average number of shares	25,438,851	11,177,195
Shares outstanding	27,171,150	21,596,150
Face Value per Equity Share (Rupees)	10.00	10.00

13. The Company considering *interlia*, the legislative intent of the provisions of the Section 80-IB (10) of the Income Tax Act, 1961, particularly with respect to the deduction of the profits derived from redevelopment of buildings/properties, is of the considered opinion that it shall be entitled to a 100% deduction of its profits derived from such property redevelopment activities undertaken in accordance with Development Control Regulations (DCR) in force in the state of Maharashtra, notwithstanding approvals etc. in terms of provisions of the said Section 80 IB (10). Accordingly the Company does not have any taxable profits computed in accordance with the provisions of the Income Tax Act, 1961 in respect of its property redevelopment activities.

14. The total value of sales is Rs 4699.15 millions out of which no revenue is recognized for the period as per percentage completion method. The remaining amount i.e outstanding book size is Rs 4699.15 millions

15. The following is the summary of the projects.

Rs. In millions

Project	Sale Consideration	Revenue Recognised	% of Project Completion
Hafeez Contractor House	3899.15	Nil	12.72%
Orbit Plaza	800.00	Nil	0.00%
Orbit Ambrosia	Nil	Nil	0.00%
Total	4699.15	Nil	

16. Balance Sheet Abstract and Company's General Business Profile:

A. Registration Details:

Registration Number	11-124729
State Code	11
Balance Sheet Date	31st December, 2006

B. Capital raised during the year

Rs. in Thousands

Public issue	Nil
Right issue	Nil
Bonus issue	Nil
Private Placement	Nil
Preferential Allotment	55,750

C. Position of Mobilization and Deployment of Funds

Rs. in Thousands

Total Liabilities including paid up capital	1,478,112.41
Total Assets	1,478,112.41
Sources of Funds	
Paid up Capital	271,711.50
Application Money Pending Allotment	Nil
Reserves and Surplus	1,188,761.40
Secured Loans	Nil
Unsecured Loans	17,639.51
Application of Funds	
Net Fixed Assets	7,846.69
Investments	335,079.36
Net Current Assets	1,119,325.01
Miscellaneous Expenditure	15,861.36
Accumulated Losses	Nil

D. Performance of the Company

Rs. in Thousands

Turnover including other income	4,387.47
Total Expenditure	2,071.70
Profit before tax	2,315.77
Profit / (Loss) after tax	618.77
Earnings per Share (Rupees)	0.02
Dividend Rate (%)	Nil

E. Generic Names of Three Principal Products / Services of the Company

Product Description	Item code No. (ITC Code)
Construction/Redevelopment of Properties/Buildings	Not Applicable

1. Figures for the previous year have been regrouped wherever necessary.

2. Figures in brackets are in respect of previous year.

Annexure – V

Cash Flow Statement

Rs. in millions

Particulars	31-Dec-06 (9 Months)	31-Mar-06 (12 Months)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & extra ordinary items	2.32	1.74
Adjustments for:		
Depreciation	1.25	0.74
Other income	(0.25)	(0.90)
Interest expenses	0.21	0.02
Miscellaneous expenditure written off	0.97	-
Loss on sale of assets	-	0.03
Operating profits before working capital changes	4.50	1.62
Inventories	(275.06)	(37.24)
Trade & other receivables	(330.45)	(600.43)
Trade payables & other liabilities	1010.88	48.15
Miscellaneous expenditure written off	(15.62)	(1.21)
Cash generated from operations	394.25	(589.12)
Income tax paid	(6.15)	(0.20)
Interest paid	-	-
Cash flow before extraordinary items	388.10	(589.32)
Extraordinary items (prior year adjustment)	-	-
Net cash from Operating Activities (A)	388.10	(589.32)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net)	(4.85)	(3.35)
Sale of fixed assets	-	0.25
Purchase of investment	(50.01)	(233.04)
Income from investments	0.25	0.90
Net cash used for Investing Activities (B)	(54.61)	(235.24)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	55.75	105.96
Securities premium	418.00	728.87
Share application money	(23.00)	23.00
Other borrowings	1.99	(18.75)
Interest paid	(0.21)	(0.02)
Net cash from Financing Activities (C)	452.53	839.06
Net Increase in cash and cash equivalents (A+B+C)	786.02	14.50
Cash and Cash equivalents at the beginning of the year	19.27	4.77
Cash and Cash equivalents at the end of the year	805.29	19.27

Annexure – VI**Statement of dividend paid**

The Company **has** not declared/paid the dividend, since inception

Annexure – VII**Accounting Ratios**

Particulars	For the year ended					For the period ended
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Earnings per share (Basic & diluted) (Rs.)	(1.43)	0.05	8.19	4.15	0.08	0.02
Return on net worth (%)	(3.70)	0.47	45.84	18.99	0.09	0.04
Net Asset Value/ Book value Per share (Rs.)**	9.63	9.68	17.86	13.67	45.60	53.17

1. Earnings per share (Rs.) = Profit available to equity shareholders/ weighted average No. of equity shares

2. Return on Net worth (%) = Profit after taxation/Net worth * 100

3. Net asset value/Book value per share (Rs.) = Net worth /No. of equity shares

(** Based on **shares** issued and paid up as on Balance sheet date)

(** Share Application Money Pending Allotment is not included in net worth, for the calculation of Net Asset Value/ Book Value per Share)

Annexure - VIII**Capitalization Statement**

Rs. in millions

Particulars	As at March 31, 2006	As at December 31, 2006	Post Issue
Total Debt:			
Short Term Debt	-	-	-
Long Term Debt	15.65	17.64	17.64
Total Debt:	15.65	17.64	17.64
Shareholders Funds:			
Share capital	215.96	271.71	*
Reserves & surplus	770.14	1188.77	*
Less: Miscellaneous expenditure	1.22	15.86	*
Total Shareholders Funds	984.88	1444.62	*
Long Term Debt / Shareholder Funds	0.02:1	0.01:1	*

* These figures can be ascertained after the finalization of the issue price.

Annexure – IX

Statement of Tax Shelters

Rs. in millions

Particulars	For the year ended					For the period ended
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Profit before current and deferred taxes, as restated (A)	(0.54)	(0.63)	0.06	44.67	1.73	2.32
Loss brought forward	-	(0.52)	(0.45)	(0.02)	-	-
Balance profit (after adjustment)	(0.54)	(0.45)	(0.40)	44.65	1.77	2.32
Tax rate, %	35.700	36.750	35.875	7.840*	33.660	33.66
Tax impact (A)	-	-	-	3.90*	0.67	0.78
Adjustments:						
Permanent differences						
Deduction u/s 80-IB of the Income Tax Act	-	-	-	-	0.97	1.04
Other adjustments					0.00	(0.46)
Total (B)	-	-	-	-	0.97	0.58
Temporary differences						
Depreciation (As per Income Tax Act)	0.26	1.21	1.00	-	0.64	-
Depreciation (As per Companies Act)	0.39	0.71	1.61	-	0.74	-
Total (C)	(0.12)	0.51	(0.62)	0.00**	(0.10)	0.00**
Net Adjustment (B+C)	(0.12)	0.51	(0.62)	-	0.87	0.58
Tax saving thereon (D)	-	-	-	-	0.29	0.20
Net tax payable as per income tax returns (A-D)	-	-	-	3.90*	0.38	0.58

** Difference between Depreciation (as per Companies Act) and Depreciation (as per Income tax Act) will not have any effect in tax liability as per Provision of under Section 115JB of Income tax Act.

Annexure – X

Details of Other income

Rs. in millions

Particulars	For the year ended						Nature of income
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06	
Interest income	-	-	-	-	-	1.73	Non-recurring
Profit on sale of assets	-	-	-	0.71	-	-	Non-recurring
Miscellaneous income	-	0.15	0.23	-	0.90	1.11	Recurring
Total	-	0.15	0.23	0.71	0.90	2.84	

Annexure – XI**Sundry Debtors**

Rs. in millions

Particulars	As at					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Debtors outstanding for a period exceeding six months	-	-	-	-	53.70	14.70
Others	-	-	-	93.22	1.37	38.16
Total	-	-	-	93.22	55.07	52.86

Note: The above sundry debtors are not related to the directors/promoters/issuer company i.e Orbit Corporation Limited

Annexure – XII**Loans & Advances**

Rs. in millions

Particulars	As at					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Loan to Subsidiary company*	-	-	-	51.77	464.80	785.51
Total	-	-	-	51.77	464.80	785.51

* Loans to companies in which Directors are interested

Rs. in millions

Particulars	As at					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Advances for acquisition of properties	-	-	-	-	47.65	22.95
Advances recoverable in cash or in kind or for value to be received	1.30	11.96	34.30	16.00	44.14	69.13
Advances to suppliers	-	-	-	0.30	0.07	1.30
Deposits	0.03	0.07	0.17	0.17	150.17	160.59
Advance payment of taxes	-	-	-	-	0.20	6.36
Total	1.33	12.03	34.47	16.47	242.33	260.33

Note1 : Of the total deposit of Rs. 160.59 mn, Rs. 150.00mn is towards the lease deposit for the premises and Rs. 10.00 mn towards other moveables given to Mr. Pujit Aggarwal, Managing Director of the issuer company i.e. Orbit Corporation Limited.

Annexure – XIII**Unsecured Loans**

Rs. in millions

Particulars	As at					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Loan from directors	-	0.19	3.74	0.80	0.13	2.61
Loan from bodies corporate in which directors are interested	-	0.54	0.92	0.70	10.04	9.65
Loan from others bodies corporate	-	-	-	0.05	0.50	0.50
Vehicle loans (Taken from the banks) **	0.16	4.10	2.88	-	2.49	4.88
	0.16	4.83	7.54	1.55	13.16	17.64

Note 1: The unsecured loans from directors / bodies corporate in which directors are interested are repayable at call and further no interest was due or paid with respect to such loans as on 31-Dec-06.

Note 2: The unsecured loans from other bodies corporate amounting to Rs.0.50 mn do not carry any interest and payable on call

** Details of Vehicle Loan outstanding as on 31- Dec-06

Name of the Bank from where loan taken	Outstanding Amt (Rs. in mn)	Repayment Schedule	Rate of Interest
ABN Amro	0.27	EMI of Rs. 9302 for 48 Months	7.95%
ICICI Bank Ltd	1.06	EMI of Rs.45792 for 36 Months	7.08%
ICICI Bank Ltd	0.56	EMI of Rs. 21759 for 36 Months	10.10%
ICICI Bank Ltd	1.01	EMI of Rs.38675 for 36 Months	10.52%
ICICI Bank Ltd	1.10	EMI of Rs. 38675 for 36 Months	9.79%
ICICI Bank Ltd	0.28	EMI of Rs.5880 for 60 Months	8.77%
Kotak Mahindra Primus Ltd	0.60	EMI of Rs.19075 for 48 Months	7.00%
TOTAL	4.88		

Annexure – XIV

Secured Loans

Rs. in millions

Particulars	As at					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Term loan	-	24.47	45.08	32.85	2.49	-
Total	-	24.47	45.08	32.85	2.49	-

Principal Terms of Sanctioned Loans and Assets Charged as Security

Sr. No.	Lender & Type of Facility / Sanction letter no. and date/ Terms of repayment	Rate of interest	Amt. Out-standing as on 31st December, 2006 (Rs millions)	Details of Security
	Term Loan			
	<p>State Bank of India Shivsagar Estate, Worli (South), Post Box No. 16555, Mumbai 400 018</p> <p>Fund based Rs. 300 million Non-Fund based-NIL</p> <p>Sanction Letter No. – APS/2006-2007/070 dated : 27th December, 2006</p> <p>Repayment terms: 2 quarterly installments June 2008, Rs. 200 million and September 2008, Rs. 100 million</p>	BPLR + 1.50%	–	Registered Mortgage of Land and proposed building excluding an area of 1500 sq. ft. and personal guarantees of two directors of the Company and corporate guarantee of the subsidiary company i.e. Orbit Constructions & Realtors Private Limited

Annexure – XV

Related Party Transactions

(I) List of Related Parties

Name of the Related Party	Relationship
Mr. Ravi Kiran Aggarwal	Key Managerial Personnel
Mr. Pujit Aggarwal	Key Managerial Personnel
Subsidiary Company	
Orbit Constructions & Realtors Private Limited	Subsidiary company
Orbit Buildcon & Realty Private Limited	Subsidiary company
Orbit Housing Private Limited	Subsidiary company
Companies in which directors are interested	
Emgee Foils Pvt. Ltd	Promoter Company
Property Redevelopers Association	Group Company
Mazda Construction Company Pvt. Ltd.	Group Company

Rs. in millions

Name of Related Party	Nature of Transaction	For the year ended					For the period ended
		31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	
Subsidiary Companies	Loan granted	-	-	-	51.77	464.80	785.51
Key Managerial personnel (Ravi Kiran Aggarwal)	Loan taken	14.03	0.19	3.74	0.80	0.12	2.61
Key Managerial personnel (Ravi Kiran Aggarwal and Pujit Aggarwal)	Loan granted	0.01	-	-	-	-	-
Key Managerial personnel (Pujit Aggarwal)	Deposit for premises	-	-	-	-	150.00	160.00
Key Managerial personnel (Ravi Kiran Aggarwal and Pujit Aggarwal)	Managerial Remuneration	-	-	1.20	2.42	3.10	2.19
Companies in which directors are interested as directors and/or members	Loan granted	0.02	0.24	0.68	0.65	0.65	1.67
Companies in which directors are interested as directors and/or members	Loan taken	-	0.54	0.92	0.05	10.04	9.65

Note: The names of the Key Managerial Personnel in the table above relate to the transactions with them for the latest period applicable, in the relevant nature transaction.

Annexure – XVI**Investments****Long term investments**

Rs. in millions

For the period ended	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
In subsidiary company (unquoted)						
Orbit Buildcon & Realty Private Limited	-	-	-	51.60	90.00	90.00
Orbit Constructions & Realtors Private Limited	-	-	-	0.36	195.00	195.00
Others						
Property Redevelopers Association	-	-	-	0.06	0.06	0.06
Others	-	-	-	-	-	50.02
Total	-	-	-	52.02	285.06	335.08

Annexure – XVII

The Company has incurred expenditure on the Project up to 31st December, 2006 as depicted below.

Rs. in millions

Particulars	Rupees
Deployment of Funds	
Land & Site Development	322.38
Net current assets (excluding inventories)	796.95
Miscellaneous fixed assets	7.85
Investments	335.08
Miscellaneous expenditure	15.86
Total	1478.12
Sources of Funds	
Share capital	
- Equity (existing)	215.96
- Preferential issue	55.75
- Securities premium	1,146.87
Application money pending allotment	-
Surplus in profit & loss account	41.90
Secured term loans	-
Unsecured loans	17.64
Total	1478.12

Annexure – XVIII

Financial year ended 31st March, 2003

The Company has capitalised depreciation amount of Rs. 0.70 mn to the project expenses thereby increasing/ decreasing the profit/ loss in the accounts to the same extent.

Annexure - XIX

Changes in the Significant Accounting Policies

1. In line with Guidance note on 'Recognition of Revenue by Real Estate Developers' issued by the ICAI. The company changed its' revenue recognition policy since 1st April 2006 from Completion of Project Method to Percentage Completion Method. Accounting statement for the period ended on 31st December has been prepared according to Guidance note. Figures of the earlier years have been recasted on the same lines.
2. Expenses charged to profit and loss account have been stated in proportion to the revenue recognised.
3. Details of completion percentage of projects in different years are as follows:-

Orbit Corporation Limited

% Completion of Project

Particulars	Financial Year					Nine Months ended 31st Dec 2006
	01-02	02-03	03-04	04-05	05-06	
Shivam						
%tage completion for the Period	3.75%	20.08%	40.06%	36.11%		
%tage completion - Cumulative	3.75%	23.83%	63.89%	100.00%		
Orbit Arya						
%tage completion for the Period						0.00%
%tage completion - Cumulative						0.00%
Hafeez Contractor House						
%tage completion for the Period						12.72%
%tage completion - Cumulative						12.72%
Orbit Ambrosia						
%tage completion for the Period						0.00%
%tage completion - Cumulative						0.00%
Orbit Plaza						
%tage completion for the Period						0.00%
%tage completion - Cumulative						0.00%

SHARP & TANNAN
Chartered Accountants
by the hand of
MILIND P. PHADKE
Partner
Membership No. 33013

Mumbai

Date : February 5, 2007

Orbit Corporation Limited

(Consolidated)

Auditors Report

The Board of Directors
Orbit Corporation Limited,
The View,
165, Dr. Annie Besant Road,
Worli,
Mumbai- 400 018

We have examined and found correct the Consolidated Audited Accounts of Orbit Corporation Limited (*formerly Orbit Cybertech Limited*) for the past five financial years ended 31st March 2006 and for the nine month ended 31st December, 2006, being the last date up to which the accounts of the Company have been made up and audited. The accounts have been restated to bring uniformity with the accounting policy adopted by the company with effect from 1st April, 2006 of recognizing revenue from construction activities on Percentage Completion method as compared to the Project Completed method used earlier. (The accounts for the financial year ended 31st March, 2002 and 2003 were audited by Anil A.Jain & Co., for the financial year ended 31st March, 2004 and 2005 were audited by B.Ranka & Co., and for the financial year ended 31st March, 2006 and nine month ended 31st December 2006 was audited by us.) At the date of signing this report, we are not aware of any material adjustment, which would affect the result shown by these accounts drawn up in accordance with the requirements of Part II of Schedule II to the Companies Act, 1956.

In accordance with the requirements of Paragraph B (1) of 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 (SEBI Guidelines) for the purpose of the Offering Memorandum as aforesaid, we report that:

- a. The restated consolidated profits/losses of the Company for the financial years ended 31st March, 2002, 2003, 2004, 2005, 2006 and for the nine month ended 31st December 2006 as set out in Annexure I to this report. These profits/losses have been arrived at after charging all expenses including depreciation and after making such adjustment and regroupings as in our opinion are appropriate and more fully described in the Significant Accounting Policies and Notes on Accounts appearing in Annexure III and IV respectively to this report.
- b. The restated consolidated assets and liabilities of the Company as at 31st March, 2002, 2003, 2004, 2005, 2006 and as at 31st December 2006 are as set out in Annexure II to this report after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the Notes on Accounts appearing in Annexure IV to this report.
- c. We have examined the consolidated cash flow statement relating to the Company for the year ended 31st March, 2006 and the nine month ended 31st December, 2006 appearing in Annexure V to this report.
- d. The Company has not declared/paid the dividend since inception. (Annexure VI to this report).
- e. We have examined the following financial information relating to the Company and as approved by the Board of Directors for the purpose of inclusion in the Offer document:
 1. Accounting Ratios as appearing in Annexure VII to this report
 2. Capitalization Statement as at 31st March, 2006 and as at 31st December, 2006 as appearing in Annexure VIII to this report
 3. Statement of tax shelters as appearing in Annexure IX to this report
 4. Details of other income as appearing in Annexure X to this report
 5. Details of sundry debtors as appearing in Annexure XI to this report
 6. Details of loans and advances made to persons or Companies in whom/in which Directors are interested as appearing in Annexure XII to this report
 7. Details of unsecured loans as appearing in Annexure XIII to this report
 8. Details of secured loans as appearing in Annexure XIV to this report
 9. Details of transactions with related parties as appearing in Annexure XV to this report
 10. Details of aggregate value and market value of quoted investments as appearing in Annexure XVI to this report

11. Details of expenditure incurred on the project as appearing in Annexure XVII to this report
12. Details of qualifications appearing in the Audit Report as given in Annexure XVIII to this report
13. Details of changes in Significant Accounting Policies as given in Annexure XIX to this report

In our opinion, the above financial information of the Company read with Significant Accounting Policies and Notes on Accounts attached in Annexure III and IV respectively to this report, after making adjustments and regroupings as considered appropriate has been prepared in accordance with paragraph B (1) Part II of Schedule II of the Act and the SEBI Guidelines.

This report is intended solely for your information and for inclusion in the Offer document in connection with the specific Public Offer of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

SHARP & TANNAN
Chartered Accountants
by the hand of

MILIND P. PHADKE
Partner
Membership No.33013

Mumbai

Date : February 5, 2007

Orbit Corporation Limited (Consolidated)

Annexure – I

Statement of Profit & Loss Account

Rs. in millions

Particulars	For the year ended					For the period ended
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
INCOME						
Sale of tenements/parking	-	-	35.21	156.60	170.90	538.85
Other income	-	0.15	0.23	1.29	2.01	4.15
Total	-	0.15	35.44	157.89	172.91	543.00
EXPENDITURE						
Property Acquisition Cost	-	-	7.94	43.09	12.20	151.30
Materials Labour & Direct Expenses	-	-	6.96	37.80	68.61	160.97
Manpower Cost	0.08	-	1.90	9.79	4.02	6.50
Selling General & Administrative Expenses	0.07	0.08	3.99	21.85	16.41	45.11
Total	0.15	0.08	20.79	112.53	101.24	363.88
Profit before Interest, Depreciation and Tax	(0.15)	0.07	14.65	45.36	71.67	179.12
Depreciation	0.39	0.70	0.57	3.11	0.73	1.05
Profit before Interest and Tax	(0.54)	(0.63)	14.08	42.25	70.94	178.07
Interest & Finance Charges	-	-	1.80	9.77	10.19	24.39
Net Profit Before Tax	(0.54)	(0.63)	12.28	32.48	60.75	153.68
Provision For Taxation						
Current Tax	-	-	-	3.90	0.40	24.14
Deferred Tax	-	-	-	-	-	-
Fringe benefit tax	-	-	-	-	0.81	1.28
Net Profit After Tax	(0.54)	(0.63)	12.28	28.57	59.54	128.26
Proposed Dividend & Depreciation Written Back	-	-	-	-	-	-
Prior Period Item	-	-	-	-	-	-
Net profit after tax after adjusting prior period item	(0.54)	(0.63)	12.28	28.57	59.54	128.26

Annexure – II

Statements of Assets and Liabilities

Rs. in millions

Particulars		As at					
		31-Mar-02 Rupees	31-Mar-03 Rupees	31-Mar-04 Rupees	31-Mar-05 Rupees	31-Mar-06 Rupees	31-Dec-06 Rupees
A	FIXED ASSETS						
	Gross Block	1.74	7.32	7.56	7.41	27.17	54.57
	Less: Depreciation	0.67	1.38	2.99	2.75	3.97	7.47
	Net Block	1.07	5.94	4.57	4.66	23.20	47.10
	Capital Work in Progress	-	-	-	-	0.13	0.14
	Total Fixed Assets (A)	1.07	5.94	4.57	4.66	23.33	47.24
B	INVESTMENTS (B)	-	-	-	0.56	0.56	50.58
C	CURRENT ASSETS, LOANS AND ADVANCES						
	Work in progress	51.01	86.16	112.68	157.70	1,095.87	1869.71
	Finished goods	-	-	-	10.08	4.20	21.32
	Sundry Debtors	-	-	-	93.22	55.07	458.06
	Cash and Bank Balance	1.06	0.06	0.24	50.69	154.70	853.13
	Loans and Advances	1.33	12.03	34.47	217.70	593.53	545.17
	Total (C)	53.40	98.25	147.39	529.39	1,903.37	3747.39
D	LIABILITIES AND PROVISIONS						
	Secured Loans	-	24.47	45.08	179.65	439.69	606.15
	Unsecured Loans	0.16	4.83	7.54	93.33	155.93	165.49
	Current Liabilities	39.86	60.36	72.54	107.43	260.95	1413.03
	Provisions	-	-	-	4.10	5.34	30.72
	Total (D)	40.02	89.66	125.16	384.51	861.91	2215.39
	Accumulated profit & loss	-	-	-	-	-	-
	NET WORTH (A+B+C-D)	14.46	14.53	26.80	150.10	1,065.35	1629.82
	REPRESENTED BY:						
E	Share Capital	15.00	15.00	15.00	110.00	215.96	271.71
F	Application Money Pending Allotment	-	-	-	-	23.00	-
G	Total Reserves and Surplus	-	-	12.22	40.54	828.93	1375.17
	Less Revaluation Reserves	-	-	-	-	-	-
	Net Reserve and Surplus	-	-	12.22	40.54	828.93	1375.17
H	Miscellaneous Expenditure	0.54	0.47	0.42	0.44	2.54	17.06
	NET WORTH (E+F+G-H)	14.46	14.53	26.80	150.10	1,065.35	1629.82

Annexure – III

Significant Accounting Policies

1. Basis of Accounting:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ('GAAP') and in compliance with the Accounting Standards referred to in Section 211 (3C) and other requirements of the Companies Act, 1956. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods. Wherever changes in presentation are made, comparative figures of the previous year are regrouped accordingly.

2. Revenue Recognition

Revenue from construction and project related activity is recognised by applying Percentage Completion Method (PCM) to sale of tenements. Percentage of completion is determined as a proportion of cost incurred to date (excluding property acquisition cost) to the total estimated project cost (excluding property acquisition cost). Project becomes eligible for revenue recognition when the percentage of completion of project exceeds 25%. Further refer to Annexure XIX, Changes in the Significant Accounting Policies.

3. Principles of consolidation

- a. The financial statements of the parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- b. The financial statements of the parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

4. Fixed Assets

Fixed assets are capitalised at acquisition cost, including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to working condition for use.

- a. Expenditure relating to existing fixed assets is added to the cost of the assets, where it increases the performance / life of the asset as assessed earlier.
- b. Fixed assets are eliminated from financial statements either on disposal or when retired from active use.

5. Intangible assets and Amortisation

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 Intangible Assets.

6. Investments

Long term investments are carried at cost, after providing for any diminution in value, if such diminution is of a permanent nature. Current investments are carried at lower of cost or market value.

7. Inventories

Inventory of finished tenements are valued at lower of the cost or net realizable value. Inventories of work in progress are valued at cost.

8. Depreciation

Depreciation on fixed assets has been provided on written down value, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

9. Borrowing costs

- a. Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period over twelve months of time to get ready for its intended use or sale.
- b. All other borrowing costs are recognized as expense in the period in which they are incurred.

10. Retirement Benefits

Provisions for / contributions to retirement benefits schemes are made as follows:

- a. Provident fund on actual liability basis;
- b. Leave encashment benefit on actual basis.

11. Miscellaneous Expenditure

Preliminary expenses are amortised over a period of five years.

12. Segment Reporting

The Company's business activities falls with in single segment, viz. real estate and redevelopment and predominantly operates in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 segment reporting, is not applicable.

13. Taxes on income

- a. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income tax Act 1961, and based on expected outcome of assessments / appeals.
- b. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.
- c. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- d. Deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

14. Provisions, Contingent liabilities and Contingent assets

- a. Provision are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
 - i. the Company has a present obligation as a result of past event,
 - ii. a probable outflow of resources is expected to settle the obligation and
 - iii. the amount of the obligation can be reliably estimated.
- b. Reimbursements by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtual certain that reimbursement will be received if obligation is settled.
- c. Contingent liability is disclosed in the case of
 - i. a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation:
 - ii. a possible obligation, unless the probability of outflow of resources is remote
- d. Contingent assets neither disclosed nor recognised.
- e. Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Annexure – IV

Notes on Accounts

1. In line with Guidance note on 'Recognition of Revenue by Real Estate Developers' issued by the ICAI. The company changed its' revenue recognition policy since 1st April 2006 from Completion of Project Method to Percentage Completion Method. Accounting statement for the period ended on 31st December 2006 has been prepared according to Guidance note.

FIFO method has been followed for the determination of cost of units of the project under progress.

Due to change in accounting policy for recognition of revenue;

Increase in cumulative Profit as at 31st December, 2006 is Rs. 111.89 million

Reduction from Capital Work in Progress is Rs. 406.51 million

Reduction from Advance from flat booking is Rs. 147.69 million

Increase in Sundry Debtors is Rs 370.70 million

Further refer to Annexure XIX, Changes in Significant Accounting Policies

2. Contingent Liabilities: Nil
3. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.Nil; (*Previous year Rs. Nil*).
4. Auditors' remuneration and expenses charged to accounts:

Rs. In million

	Nine Months Ended 31.12.2006	Year ended 31.03.2006
Audit fees	0.22	0.33

5. Basis of preparation

- i. The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India (ICAI). The CFS comprise the financial statement of Orbit Corporation Limited (formally Orbit Cybertech Limited) and its subsidiaries.
- ii. The significant accounting policies and notes to the CFS are intended for better understanding of the Group's financial position. In this respect, the Company has disclosed such policies and notes which represent the required disclosure.

6. The list of Subsidiaries included in the consolidated financial statements are as under

Name of the subsidiary	Country of Incorporation	Proportion of ownership as at 31 st December, 2006
1. Orbit Constructions & Realtors Private Limited	India	100%
2. Orbit Buildcon & Realty Private Limited	India	100%
3. Orbit Housing Private Limited	India	100%

7. Remuneration to directors

Rs. In million

	Nine Months Ended 31.12.2006	Year ended 31.03.2006
Salaries	3.99	5.50

8. Sundry creditors includes Rs. Nil (*Previous year Rs. Nil*) due to Small Scale Industrial Undertakings.
9. Sundry debtors, sundry creditors and loans and advances are subject to confirmation and reconciliation, if any.

10. Segment Reporting

The Company's business activities fall within a single segment, viz. real estate and redevelopment and predominantly operates in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 Segment Reporting, is not applicable

11. Disclosure of related parties / Related party transactions :

I. List of related parties:

Name of the Related Party	Nature of Relationship
Directors	
1. Mr. Ravi Kiran Aggarwal	Chairman
2. Mr. Pujit Aggarwal	Managing Director
3. Mr. Dinesh Kiran Aggarwal	Director
Companies in which directors are interested	
Emgee Foils Pvt. Ltd.	Promoter Company
Property Redevelopers Association	Group Company
Mazda Construction Company Limited	Group Company

II. Disclosure of related party transactions:

Rs. In million

Sr. No	Nature of relationship / Transaction	Subsidiaries	Directors	Companies in which directors are interested	Total
1.	Loan granted	785.51 (1062.37)	Nil (Nil)	24.13 (13.10)	809.64 (1075.47)
2.	Loan taken	Nil (Nil)	2.61 (0.12)	9.65 (10.49)	12.26 (10.61)
3.	Deposit for premises	Nil (Nil)	160.00 (150.00)	Nil (Nil)	160.00 (150.00)
4.	Managerial Remuneration	Nil (Nil)	3.99 (5.50)	Nil (Nil)	3.99 (5.50)

12. Earning Per Share:

Rs. In million

	Nine Months Ended 31.12.2006	Year ended 31.03.2006
Earnings Per Share (Basic and Diluted) (Rupees)	7.34	0.10
Profit after tax (Rupees)	186.67	1.09
Weighted average number of shares	25,438,851	11,177,195
Shares outstanding	27,171,150	21,596,150
Face Value per Equity Share (Rupees)	10.00	10.00

13. The Company considering *interlia*, the legislative intent of the provisions of the Section 80-IB (10) of the Income Tax Act, 1961, particularly with respect to the deduction of the profits derived from redevelopment of buildings/properties, is of the considered opinion that it shall be entitled to a 100% deduction of its profits derived from such property redevelopment activities undertaken in accordance with Development Control Regulations (DCR) in force in the state of Maharashtra, notwithstanding approvals etc. in terms of provisions of the said Section 80-IB (10). Accordingly the Company does not have any taxable profits computed in accordance with the provisions of the Income Tax Act, 1961 in respect of its property redevelopment activities.

14. The total value of sales is Rs 6243.70 mn out of which Rs. 701.02 mn is recognized for the period as per percentage completion method. The remaining amount i.e outstanding book size is Rs 5542.68 million

15. The following is the summary of the projects.

Rs. In million

Projects	Sale Consideration	Revenue Recognised	% of Project Completion
Hafeez Contractor House	3899.15	Nil	12.72%
Orbit Plaza	800.00	Nil	0.00%
Orbit Heights	333.74	243.71	73.02%
Orbit Heights Annexe	182.62	182.62	100.00%
Orbit Arya	511.23	Nil	0.00%
Orbit Eternia	66.96	Nil	0.00%
Villa Orb	450.00	274.69	61.04%
Total	6243.70	701.02	

16. Figures for the previous year have been regrouped wherever necessary.

17. Figures in brackets are in respect of previous year.

Annexure – V

Cash Flow Statement

Rs. in millions

Particulars	31-Dec-06 (9 Months)	31-Mar-06 (12 Months)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	153.68	60.75
Adjustments for:		
Depreciation	3.50	1.83
Other income	(0.35)	(0.90)
Interest expenses	25.07	33.80
Miscellaneous expenditure written off	1.10	-
Loss on sale of assets	-	0.03
Operating profits before working capital changes	183.00	95.50
Adjustments for:		
Inventories	(790.96)	(932.30)
Trade & other receivables	(354.40)	(337.67)
Trade payables & other liabilities	1157.49	153.54
Miscellaneous expenditure written off	(14.52)	(2.10)
Cash generated from operations	180.61	(1,023.02)
Income tax paid	6.80	-
Interest paid	-	-
Cash flow before extraordinary items	173.81	(1,023.02)
Extraordinary items (prior year adjustment)	-	-
Net cash from Operating Activities (A)	173.81	(1,023.02)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net)	(28.57)	(20.77)
Sale of fixed assets	1.17	0.25
Purchase of Investment	(50.02)	-
Income from investments	0.35	0.90
Net cash used for Investing Activities (B)	(77.07)	(19.62)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	55.75	105.96
Securities premium	418.00	728.87
Share application money	(23.00)	23.00
Other borrowings	176.02	322.62
Interest paid	(25.07)	(33.80)
Net cash from Financing Activities (C)	601.70	1,146.65
Net Increase in cash and cash equivalents (A+B+C)	698.43	104.01
Cash and Cash equivalents at beginning of the year	154.70	50.69
Cash and Cash equivalents at end of the year	853.13	154.70

Annexure – VI

Statement of dividend paid

The company has not declared/paid the dividend, since inception

Annexure – VII

Accounting Ratios

Particulars	For the year ended		For the period ended
	31-Mar-05 Rupees	31-Mar-06 Rupees	31-Dec-06 Rupees
Earnings per share (Basic & diluted) (Rs.)	4.15	5.33	5.04
Return on net worth (%)	19.04	5.59	7.87
Net Asset Value/Book value Per share (Rs.)**	13.65	48.26	59.99

1. Earnings per share (Rs.) = Profit available to equity shareholders/ weighted average No. of equity shares

2. Return on Net worth (%) = Profit after taxation/Net worth * 100

3. Net asset value/Book value per share (Rs.) = Net worth /No. of equity shares

(** Based on shares issued and paid up as on Balance sheet date)

(** Share Application Money Pending Allotment is not included in net worth, for the calculation of Net Asset Value/ Book Value per Share)

Annexure - VIII

Capitalization Statement

Rs. in millions

Particulars	As at March 31, 2006	As at December 31, 2006
Total Debt:		
Short Term Debt	-	-
Long Term Debt	595.62	771.64
Total Debt	595.62	771.64
Shareholders Funds:		
Share capital	215.96	271.71
Reserves & surplus	828.93	1375.17
Less: Miscellaneous expenditure	2.54	17.06
Total Shareholders Funds	1,042.35	1629.82

Annexure – IX

Statement of Tax Shelters

Rs. in millions

	As at					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Profit before current and deferred taxes, as restated (A)	(0.54)	(0.63)	12.28	32.48	60.75	153.68
Loss brought forward	-	-	-	-	-	-
Balance profit (after adjustment)	(0.54)	(0.63)	12.28	32.48	60.75	153.68
Tax rate, %	35.700	36.750	35.875	7.840*	33.660	11.22*
Tax impact (A)	-	-	-	3.91*	20.54	24.34*
Adjustments:						
Permanent differences						
Deduction u/s 80-IB of the Income Tax Act	-	-	-	-	58.63	1.04
Other adjustments				-	-	(0.46)
Total (B)	-	-	-	-	58.63	0.58
Temporary differences						
Depreciation (As per Income Tax Act)	0.26	1.21	1.00	-	3.04	-
Depreciation (As per Companies Act)	0.39	0.71	1.61	-	1.82	-
Total (C)	(0.12)	0.51	(0.62)	0.00**	1.22	0.00**
Net Adjustment (B+C)	(0.12)	0.51	(0.62)	-	59.85	0.58
Tax saving thereon	-	-	-	-	20.14	0.20
Net tax payable as per income tax returns (D=A-B-C)	-	-	-	3.91*	0.40	24.14*

* Tax rate and Tax impact is in accordance with Provision of Under Section 115JB of Income tax Act.

** Difference between Depreciation (as per Companies Act) and Depreciation (as per Income tax Act) will not have any effect in tax liability as per Provision of Under Section 115JB of Income tax Act.

Annexure – X

Details of Other income

Rs. in millions

Particulars	For the period ended					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Interest income	-	-	-	-	1.13	2.41
Profit on sale of assets	-	-	-	0.71	-	-
Miscellaneous income	-	0.15	0.23	0.58	0.88	1.74
Total	-	0.15	0.23	1.29	2.01	4.15

Annexure – XI

Sundry Debtors

Rs. in millions

Particulars	As at					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Debtors outstanding for a period exceeding six months	-	-	-	-	53.70	14.70
Others	-	-	-	93.22	1.37	443.36
Total	-	-	-	93.22	55.07	458.06

Note: The above sundry debtors are not related to the directors/promoters/issuer company i.e Orbit Corporation Limited

Annexure – XII

Loans & Advances

Note: Though there are loans to subsidiary companies, however they are eliminated for preparation of Consolidated financial statement

Rs. in millions

Particulars	As at					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Advances for acquisition of properties	-	-	-	131.60	267.65	59.80
Advances recoverable in cash or in kind or for value to be received	1.30	11.96	34.30	21.13	140.06	305.89
Advances for suppliers				36.57	35.33	9.01
Deposits	0.03	0.07	0.17	28.40	150.23	163.46
Advance payment of taxes				-	0.25	7.01
Total	1.33	12.03	34.47	217.70	593.52	545.17

Note :Of the total deposit of Rs. 163.46 mn, Rs. 150.00mn is towards the lease deposit for the premises and Rs. 10.00 mn towards other moveables given to Mr. Pujit Aggarwal, Managing Director of the issuer company i.e. Orbit Corporation Limited.

Annexure – XIII

Unsecured Loans

Rs. in millions

Particulars	As at					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Loan from directors	-	0.19	3.74	28.99	0.16	2.61
Loan from bodies corporate in which directors are interested		0.54	0.92	60.70	10.49	9.65
Loan from other bodies corporate	-	-	-	3.64	141.14	147.07
Vehicle loans (Taken from the banks) **	0.16	4.10	2.88	-	4.14	6.16
Total	0.16	4.83	7.54	93.33	155.93	165.49

Note1 : The unsecured loans from directors / bodies corporate in which directors are interested are repayable at call and further no interest was due or paid on these as on 31- Dec-06

Note 2: Of the total unsecured loans Rs. 147.07 mn from other bodies corporate, Rs. 0.50 mn do not carry any interest payable at call and balance Rs. 146.57 mn carrying interest @ 12% p.a. payable in March 2008

**** Details of Vehicle Loan as on 31-Dec-06**

Name of the Bank from where loan taken	Outstanding Amt (Rs. in mn)	Repayment Schedule	Rate of Interest
ABN Amro	0.27	EMI of Rs. 9302 for 48 Months	7.95%
ICICI Bank Ltd	1.06	EMI of Rs.45792 for 36 Months	7.08%
ICICI Bank Ltd	0.56	EMI of Rs. 21759 for 36 Months	10.10%
ICICI Bank Ltd	1.01	EMI of Rs.38675 for 36 Months	10.52%
ICICI Bank Ltd	1.10	EMI of Rs. 38675 for 36 Months	9.79%
ICICI Bank Ltd	0.28	EMI of Rs.5880 for 60 Months	8.77%
Kotak Mahindra Primus Ltd	0.60	EMI of Rs.19075 for 48 Months	7.00%
ICICI Bank Ltd	0.47	EMI of Rs. 17140 for 48 months	6.48%
ICICI Bank Ltd	0.31	EMI of Rs. 10460 for 48 months	6.60%
ICICI Bank Ltd	0.50	EMI of Rs. 18821 for 48 months	6.70%
TOTAL	6.16		

Annexure – XIV

Secured Loans

Rs. in millions

Particulars	As at					
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Term Loan	-	24.47	45.08	179.65	439.69	606.15
Total	-	24.47	45.08	179.65	439.69	606.15

Principal Terms of Sanctioned Loans and Assets Charged as Security

Sr. No.	Lender & Type of Facility / Sanction letter no. and date/ Terms of repayment	Rate of interest	Amt. Out-standing as on 31st December, 2006 (Rs millions)	Details of Security
	Term Loans			
1	Indian Oversea Bank Nariman point branch, Bakhatawar, 229, Nariman point, Mumbai 400 021 Fund Based Rs. 190 million Non Fund Based Nil Sanction letter No.ADV/F568/04-05 dated : 04 th January, 2005 Repayment terms: 36 monthly installment with holiday period of 24 months	BPLR + 1%	169.27	Secured by an equitable mortgage/pledge of development rights on certain properties and proposed building to be constructed (free saleable area) and also by an equitable mortgage on certain immovable properties of third party and personal guarantee of two directors of the Company and a corporate guarantee by the third party
2	Punjab National Bank Ltd Maker tower, 'E' Ground floor, Cuffe Parade, Mumbai 400 005 Fund Based Rs.400 million Non Fund Based Nil Sanction Letter dated : 26thSeptember,2005 Repayment terms: Bullet installment at the end of 30 months	BPLR+ 1.25%	386.88	Rs. 286,333,500.00 secured by an equitable mortgage of the land and development rights and also on the immovable properties of the company in a group and personal guarantees of two directors of the Company.

Sr. No.	Lender & Type of Facility / Sanction letter no. and date/ Terms of repayment	Rate of interest	Amt. Out-standing as on 31st December, 2006 (Rs millions)	Details of Security
3	Canara Bank Wesley Church Hall, Near Colaba Police Station, Mumbai-39 Fund based Rs. 75 million Non-Fund based-NIL Sanction Letter No. – REF:223-CR/1128/06/NK dated : 3 rd November, 2006 Repayment terms: Bullet installment at the end of 19 months	BPLR + 1.25%	50.00	Secured by a Parri Passu equitable mortgage of the land and development rights and personal guarantees of two directors of the Company and corporate guarantee of the holding company
4	State Bank of India Shivsagar Estate, Worli (South), Post Box No. 16555, Mumbai 400 018 Fund based Rs. 300 Million Non-Fund based-NIL Sanction Letter No. – APS/2006-2007/070 dated : 27th December, 2006 Repayment terms: 2 quarterly installments June 2008, Rs. 200 million and September 2008, Rs. 100 million	BPLR + 1.50%	-	Registered Mortgage of Land and proposed building excluding an area of 1500 sq. ft. and personal guarantees of two directors of the Company and corporate guarantee of the subsidiary company i.e. Orbit Constructions & Realtors Private Limited

Annexure – XV

Related Party Transactions

(I) List of Related Parties	
Name of the Related Party	Relationship
Key Managerial Personnel	
Mr. Ravi Kiran Aggarwal	Director
Mr. Pujit Aggarwal	Director
Subsidiary Company	
Orbit Constructions & Realtors Private Limited	Subsidiary company
Orbit Buildcon & Realty Private Limited	Subsidiary company
Orbit Housing Private Limited	Subsidiary company
Companies in which Directors are Interested	
Emgee Foils Pvt. Ltd.	Promoter Company
Property Redevelopers Association	Group Company
Mazda Construction Company Private Limited	Group Company

Rs. in millions

Name of related party	Nature of Transaction	Balance as at					Balance as at
		31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Subsidiary Companies	Loan granted	-	-	-	103.27	1062.37	785.51
Key Managerial Personnel	Loan taken	-	0.19	3.74	28.97	0.15	2.61
Key Managerial Personnel	Loan granted	0.03	-	-	-	-	-
Key Managerial Personnel	Deposit for premises	-	-	-	-	150.00	160.00
Key Managerial Personnel	Managerial Remuneration	-	-	1.20	4.22	5.50	3.99
Holding Company	Loan taken	-	-	-	103.33	1062.36	785.51
Holding Company	Purchase of material	-	-	-	8.03	-	-
Companies in which directors are interested as directors and/or members	Sale of Material	-	-	-	1.98	1.98	1.98
Companies in which directors are interested as directors and/or members	Loan granted	-	0.24	0.68	0.65	13.10	24.13
Companies in which directors are interested as directors and/or members	Loan taken	-	0.54	0.92	60.05	10.49	9.65

Annexure – XVI**Investments****Long term investments**

Rs. millions

For the period ended	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Dec-06
Non-trade						
Property Redevelopers Association	-	-	-	0.06	0.06	0.06
The Pen Co-operative Urban Bank Limited	-	-	-	0.50	0.50	0.50
Others	-	-	-	(0.00)	-	50.02
Total	-	-	-	0.56	0.56	50.58

Annexure – XVII

The Company had incurred expenditure on the Project up to 31st December, 2006 as depicted below

Rs. millions

Particulars	Rupees
Deployment of Funds	
Land & Site development	1891.03
Net current assets(excluding inventories)	412.61
Miscellaneous fixed assets	47.24
Investments	50.58
Miscellaneous expenditure	17.06
Total	2418.52
Sources of Funds	
Share capital	
- Equity (existing)	215.96
- Preferential issue	55.75
- Securities premium	1,146.87
Application money pending allotment	-
Surplus in profit & loss account	228.30
Secured term loans	606.15
Unsecured loans	165.49
Total	2418.52

Annexure – XVIII**Orbit Constructions and Realtors Private Limited**

Financial year ended 31st March, 2002

Non availability of documents of mortgage deed executed and its registration for the secured loan

Orbit Corporation Limited

Financial year ended 31st March, 2003

The Company has capitalised depreciation amount to Rs. 0.70 mn to the project expenses thereby increasing/ decreasing the profit/ loss in the accounts to the same extent

Annexure – XIX

Changes in the Significant Accounting Policies

1. In line with Guidance note on 'Recognition of Revenue by Real Estate Developers' issued by the ICAI. The company changed its' revenue recognition policy since 1st April 2006 from Completion of Project Method to Percentage Completion Method. Accounting statement for the period ended on 31st December has been prepared according to Guidance note. Figures of the earlier years have been recasted on the same lines.
2. Expenses charged to profit and loss account have been stated in proportion to the revenue recognised.
3. Details of completion percentage of projects in different years are as follows:-

Orbit Corporation Limited

% Completion of Project

	Financial Year					9 Months ended 31 st Dec 2006
	01-02	02-03	03-04	04-05	05-06	
Shivam						
%tage completion for the Period	3.75%	20.08%	40.06%	36.11%		
%tage completion - Cumulative	3.75%	23.83%	63.89%	100.00%		
Orbit Arya						0.00%
%tage completion - Cumulative						0.00%
Hefeez Contractor House						
%tage completion for the Period						12.72%
%tage completion - Cumulative						12.72%
Orbit Ambrosia						
%tage completion for the Period						0.00%
%tage completion - Cumulative						0.00%
Orbit Plaza						
%tage completion for the Period						0.00%
%tage completion - Cumulative						0.00%
Orbit Constructions & Realtors Pvt. Ltd.						
% Completion of Project						
Orbit Heights - Annexe						
%tage completion for the Period			5.00%	20.00%	40.00%	35.00%
%tage completion - Cumulative			5.00%	25.00%	65.00%	100.00%
Orbit Heights - Free sale						
%tage completion for the Period				10.00%	20.00%	43.02%
%tage completion - Cumulative				10.00%	30.00%	73.02%
Orbit Eternia						
%tage completion for the Period						0.00%
%tage completion - Cumulative						0.00%

		Financial Year					9 Months ended 31 st Dec 2006
		01-02	02-03	03-04	04-05	05-06	
	Orbit Enclave						
	%tage completion for the Period						0.06%
	%tage completion - Cumulative						0.06%
	Orbit Haven						
	%tage completion for the Period						2.67%
	%tage completion - Cumulative						2.67%
	Orbit Grand I						
	%tage completion for the Period						0.00%
	%tage completion - Cumulative						0.00%
	Orbit Grand II						
	%tage completion for the Period						0.00%
	%tage completion - Cumulative						0.00%
	Orbit View						
	%tage completion for the Period						0.00%
	%tage completion - Cumulative						0.00%
	Orbit Buildcon & Realtors Pvt. Ltd.						
	% Completion of Project						
	Villa Orb						
	%tage completion for the Period						61.04%
	% Completion of Project						61.04%

SHARP & TANNAN
Chartered Accountants
by the hand of

MILIND P. PHADKE
Partner
Membership No. 33013

Mumbai

Date : February 5, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

The following discussion of our financial condition and results of operations on a consolidated basis should be read together with the restated financial statements for FY2003, FY2004, FY2005, FY2006 and for the nine months ended December 31, 2006 including the Schedules, Annexures and Notes thereto and the Reports thereon, beginning on page 102 of this Red Herring Prospectus. These financial statements are prepared in accordance with Indian GAAP, the Companies Act, and the SEBI Guidelines as described in the Auditor's Report of Sharp and Tannan, Chartered Accountants dated February 05, 2007 in the section with the title 'Financial Information – as restated'.

OVERVIEW

Business Overview

We are a real estate development company with primary focus on redevelopment of existing properties in the Island City of Mumbai. We specialize in developing, designing and managing "Build to suit" high profile residential and commercial properties. Our promoter directors have over 18 years of experience in the real estate sector.

Our core operating philosophy is to provide superior service to homeowners by surpassing their expectations. We believe our expertise in redevelopment projects gives us an advantage in operating at attractive locations at competitive costs. Redevelopment projects have certain unique attributes and we believe our ability to meet the diverse expectations of the various business participants like brokers, landowners, tenants, regulatory authorities, has created a strong reputation and recognition of our brand name in our target market.

We focus on improving profitability while maintaining the high quality of our homes and customer service. We attempt to involve the homeowner in many phases of the building process in order to enhance communication, knowledge and involvement. We offer a number of distinct product lines, different floor plans and elevations as well as a high level of design and construction quality within each of our price ranges. We are thus perceived as a high-quality and innovative developer in the Island City of Mumbai.

Significant Accounting Policies

1. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ('GAAP') and in compliance with the Accounting Standards referred to in Section 211 (3C) and other requirements of the Companies Act, 1956. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods. Wherever changes in presentation are made, comparative figures of the previous year are regrouped accordingly.

2. Revenue Recognition

Revenue from construction and project related activity is recognised by applying Percentage Completion Method (PCM) to sale of tenements. Percentage of completion is determined as a proportion of cost incurred to date (excluding property acquisition cost) to the total estimated project cost (excluding property acquisition cost). Project becomes eligible for revenue recognition when the percentage of completion of project exceeds 25%.

3. Principles of consolidation

The financial statements of the parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and are presented to the extent possible, in the same manner as the Company's independent financial statements.

The financial statements of the parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

4. Fixed Assets

Fixed assets are capitalised at acquisition cost, including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to working condition for use.

Expenditure relating to existing fixed assets is added to the cost of the assets, where it increases the performance / life of the asset as assessed earlier.

Fixed assets are eliminated from financial statements either on disposal or when retired from active use.

5. Intangible assets and Amortisation

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 Intangible Assets.

6. Investments

Long term investments are carried at cost, after providing for any diminution in value, if such diminution is of a permanent nature. Current investments are carried at lower of cost or market value.

7. Inventories

Inventory of finished tenements are valued at lower of the cost or net realizable value. Inventories of work in progress are valued at cost.

8. Depreciation

Depreciation on fixed assets has been provided on written down value, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

9. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period over twelve months of time to get ready for its intended use or sale.

All other borrowing costs are recognized as expense in the period in which they are incurred.

10. Retirement Benefits

Provisions for / contributions to retirement benefits schemes are made as follows:

- a. Provident fund on actual liability basis;
- b. Leave encashment benefit on actual basis.

11. Miscellaneous Expenditure

Preliminary expenses are amortised over a period of five years.

12. Segment Reporting

The Company's business activities falls with in single segment, viz. real estate and redevelopment and predominantly operates in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 segment reporting, is not applicable.

13. Taxes on income

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income tax Act 1961, and based on expected outcome of assessments / appeals.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

14. Provisions, Contingent liabilities and Contingent assets

Provision are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a. the Company has a present obligation as a result of past event,
- b. a probable outflow of resources is expected to settle the obligation and

- c. the amount of the obligation can be reliably estimated.

Reimbursements by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtual certain that reimbursement will be received if obligation is settled.

Contingent liability is disclosed in the case of

- d. a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation:
- e. a possible obligation, unless the probability of outflow of resources is remote

Contingent assets neither disclosed nor recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Material Developments after December 31, 2006

1. We have obtained a sanction for a term loan of Rs.300 mn, vide letter dated December 27, 2006 from State Bank of India in Orbit Corporation Limited. For further details on the terms of this loan, refer to the section titled "Financial Indebtedness" on page 68 of this Red Herring Prospectus.

Operating Results

Particulars	FY2003	FY2004	FY2005	FY2006	9 Months Ended December 2006
Total Revenues	0	35.21	156.60	170.90	538.85
% Increase			344.76%	9.13%	
CAGR	120.31%				
Property Acquisition Cost	-	7.94	43.09	12.20	151.30
% to Revenue		22.55%	27.52%	7.14%	28.08%
Material Labour & Direct Cost	0	6.96	37.80	68.61	160.97
% to Revenue	0.00%	19.77%	24.14%	40.25%	29.87%
Manpower Costs	0.00	1.90	9.79	4.02	6.50
% to Revenue	0.00%	5.40%	6.25%	6.41%	1.21%
Operating cost	-	16.80	90.68	84.83	318.77
% to Revenue	0.00%	47.71%	57.91%	49.64%	59.16%
Growth %	439.76%	(6.45%)			
Selling & General Administrative Cost	0.08	3.99	21.85	16.41	45.11
% to Revenue	0.00%	11.33%	13.95%	9.60%	8.37%
EBITDA	(0.08)	14.42	44.07	69.66	174.97
% to Revenue	0.00%	40.95%	28.14%	40.76%	32.47%
Growth %	205.61%	58.06%			
CAGR	119.79%				
Financial Expenses	-	1.80	9.77	10.19	24.39
% to Revenue	0.00%	5.11%	6.24%	5.96%	4.53%
Depreciation	0.70	0.57	3.11	0.73	1.05
% to Revenue	0.00%	1.62%	1.99%	0.43%	0.19%
Other Income	0.15	0.23	1.29	2.01	4.15
Profit Before Tax	(0.63)	12.28	32.48	60.74	153.68

Particulars	FY2003	FY2004	FY2005	FY2006	9 Months Ended December 2006
% to Revenue	0.00%	34.86%	20.74%	35.54%	28.52%
Current Tax	-	-	3.90	0.40	24.14
Deferred Tax	-	-	-	-	-
Fringe Benefit Tax	-	-	-	0.81	1.28
Net Profit before Adjustments	(0.63)	12.28	28.57	59.55	128.26
Extra ordinary items/ Adjustments	-	-	-	-	-
Net Profit after Extra ordinary items/ Adjustments	(0.63)	12.28	28.57	59.55	128.26
% to Revenue	0.00%	34.86%	18.25%	34.84%	23.80%
Growth %	132.77%	108.41%			
CAGR	120.25%				
Inventory	86.16	112.68	167.78	1,100.07	1891.03
% to Revenue	0.00%	320.02%	107.14%	643.69%	350.94%
Growth %	48.90%	555.68%			
Finished Goods	-	-	10.08	4.20	21.32
Work in Progress	86.16	112.68	157.70	1,095.87	1869.71
Sundry Debtors	-	-	93.22	55.07	458.06
% to Revenue	0.00%	0.00%	59.53%	32.22%	85.01%
Outstanding More than 6 months	-	-	-	53.70	14.70
Others	-	-	93.22	1.37	443.36
Other Current Assets (cash and bank balances)	0.06	0.24	50.69	154.70	853.13
Total Current Assets	86.22	112.92	311.69	1,309.84	3,202.22
Loans and Advances	12.03	34.47	217.70	593.52	545.17
Current Liabilities and Provisions (if any)	60.36	72.54	111.53	266.30	1,443.75
Secured Loans	24.47	45.08	179.65	439.69	606.15

* There is no prior period audit undertaken for the comparable nine month ended December 31, 2006. Hence these results are not comparable with any other prior period.

The CAGR in the above table has been computed for the period FY 2004 to FY 2006.

Sales

Summary of operating results

Projects on Hand

	FY 2003		FY 2004		FY 2005		FY 2006	
	No. of projects	Total saleable area of projects (SFT)	No. of projects	Total saleable area of projects	No. of projects	Total saleable area of projects (SFT)	No. of projects	Total saleable area of projects (SFT)
Opening position	1	20,455	2	102,955	2	102,955	2	107,510
Projects acquired during the year	1	82,500	-	-	1	25,000	6	266,452
Projects completed during the year	-	-	-	-	1	20,445	-	-
Closing position	2	102,955	2	102,955	2	107,510	8	373,962
Average saleable area per project		51,477.50		51,477.50		53,755.00		46,745.25

Note: The average saleable area is based on the closing position

We have acquired over the last four financial years a total of 9 projects, having a total saleable area of 394,407 SFT. In FY2003, we acquired Orbit Heights, Nana Chowk, which has almost twice the average saleable area of approximately 43,824 SFT. The acquisition process for this project began in late FY2003 and continued for a significant part of FY2004. We accelerated our acquisition process over FY2005 and FY2006 by acquiring a number of properties in premium segments of our target market.

Sale of tenements

Particulars	FY 2003	FY 2004	FY 2005	FY 2006
No. of units sold (tenements)	1	2	20	18
Total area of units sold (SFT)	1850	3125	29,520	48,620
YOY growth	100.00%	493.37%	64.70%	
Average area per unit sold (SFT)	1850	1562.5	1,476	2,860
Average rate per SFT of unit sold (Rs.)	10,302.70	11,536.00	9,552.51	13,947.96
Average value per tenement sold (Rs. mn)	19.06	36.05	14.10	39.89
% completed (cumulative)				
Shivam	24%	64%	100%	
Orbit Heights – Annex	5%	25%	65%	
Orbit Heights - Free Sale	10%	30%		
Total value of area sold (Rs. mn)	19.06	36.05	281.99	678.15
Total Amount Received*	35.11	55.14	83.44	315.03

Particulars	FY 2003	FY 2004	FY 2005	FY 2006
Revenue Recognized (Rs. mn)				
Shivam	-	35.21	156.60	-
Orbit Heights – Annex	-	-	-	109.20
Orbit Heights – Free sale	-	-	-	54.52
Total Revenue Recognized	-	35.21	156.60	163.72

* Total amount received includes advances against sale made in the current year, balance payment against the sale in previous year and the booking amounts against unsold flats

We have been steadily increasing the area sold in our projects which began with our project “Shivam” where we have sold the entire area of 20455 SFT by FY 2005. Given our quality of construction and premium locations we have also managed to steadily increase the rate per square feet. In line of the requirements of our clients we have also gradually increased the average area per unit.

Sale of parking spaces

Particulars	FY 2003	FY 2004	FY 2005	FY 2006
No. of parking spaces sold	-	-	-	7
Proceeds from sale of parking spaces	-	-	-	7.18
Total area of parking spaces sold	-	-	-	2,800.00
Average proceeds per SFT of parking space	-	-	-	2,564.64
Average proceeds per parking space sold	-	-	-	1.03

The sale of parking spaces form an alternate revenue stream for our business. Sale of parking typically commences at the end of the project and hence we have sold parking spaces in our completed project “Shivam” in FY 2006.

Analysis of Costs

Project-wise break-up

Project Name	FY 03				FY 04			FY 05			FY 06		
	Total estimated project cost	Advances paid towards Acquisition	Capital Work in Progress (CWIP)	Cost Charges to Profit & Loss A/c.	Advances paid towards	Acquisition Capital Work in Progress (CWIP)	Cost Charges to Profit & Loss A/c.	Advances paid towards Acquisition	Capital Work in Progress (CWIP)	Cost Charges to Profit & Loss A/c.	Advances paid towards Acquisition	Capital Work in Progress (CWIP)	Cost Charges to Profit & Loss A/c.
Shivam	147.81	-	86.15	-	-	49.52	-	-	22.22	147.81	-	-	5.88
Orbit Heights	676.73	-	17.21	-	-	28.65	-	-	110.67	-	-	207.18	-
Orbit Eternia	185.55	-	-	-	-	-	-	-	0.37	-	-	0.10	-
Orbit Enclave	171.23	-	-	-	-	-	-	-	-	-	-	-	-
Orbit Arya	1341.16	-	-	-	-	-	-	-	-	-	153.40	-	-
Hafeez Contractor House	1274.57	-	-	-	-	-	-	-	-	-	61.00	43.12	-
Villa Orb	1127.62	-	-	-	-	-	-	-	0.59	-	-	793.08	-
Orbit Haven	457.32	-	-	-	-	-	-	-	-	-	44.50	-	-
Orbit Grand I	144.92	-	-	-	-	-	-	-	0.20	-	0.15	-	-
Orbit Grand II	150.96	-	-	-	-	-	-	-	-	-	-	-	-
Orbit Ambrosia	516.59	-	-	-	-	-	-	-	-	-	7.50	-	-

Project Name	FY2003				FY04			FY05			FY06		
	Total estimated project cost	Advances paid towards Acquisition	Capital Work in Progress (CWIP)	Cost Charges to Profit & Loss A/c.	Advances paid towards	Acquisition Capital Work in Progress (CWIP)	Cost Charges to Profit & Loss A/c.	Advances paid towards Acquisition	Capital Work in Progress (CWIP)	Cost Charges to Profit & Loss A/c.	Advances paid towards Acquisition	Capital Work in Progress (CWIP)	Cost Charges to Profit & Loss A/c.
Orbit View	701.46	-	-	-	-	-	-	-	-	-	1.10	-	-
Orbit Plaza	775.8	-	-	-	-	-	-	-	-	-	-	-	-
Total	7671.72	-	103.36	-	-	78.17	-	-	134.05	147.81	267.65	1,043.48	5.88

We account for our costs on a percentage completion basis. We charge the costs incurred on our projects beyond a threshold of 25% completion. Till such completion is attained we continue to build up the costs as Capital Work in Progress. On attainment of our threshold the costs are accounted for only on the revenue recognized, with the balance being added to our Capital Work in Progress (CWIP).

In certain cases prior to completely acquiring the project and starting the construction thereon we separately account for Advances against Acquisition of the projects till the time of start of construction of such project. Subsequently these amounts are transferred to Capital Work in Progress. The acquisition cost of a project comprises of the cost of land, which is paid to the landowner (in the form of development rights in case of a development agreement signed with the landowner or in the form of ownership rights in case of outright purchase of the land from the landowner), and the cost of rehabilitation which is paid to the existing tenants.

Liquidity and Capital Resources

Summary of Cash flow

(Rs. mn)

Particulars	FY 2003	FY 2004	FY 2005	FY 2006
Cash flows from:				
Operating activities	(24.09)	(16.16)	203.84	(1,023.03)
Investing activities	(5.58)	(0.24)	0.74	(19.62)
Financing activities	27.83	23.06	256.21	1,146.65
Net increase (decrease) in cash	(1.84)	6.66	52.09	104.01
Cash at beginning of year	1.06	(0.78)	(1.40)	50.69
Cash at end of period	(0.78)	5.87	50.69	154.70

Between FY 2003 to FY 2005 we have completed one project and commenced construction in two other projects. We have commenced sale in our projects only in FY 2004 for "Shivam" and towards the end of FY 2006 in the other one project. Hence, we experienced negative cash flows from operations for certain periods.

Long Term Debt

(Rs. in mn)

Particulars	FY 2003	FY 2004	FY 2005	FY 2006
Particulars	2003	2004	2005	2006
Secured Debt	24.47	45.08	179.65	439.69
Unsecured Debt	4.83	7.54	93.33	155.93
Total	29.30	52.62	272.98	595.62
% increase		79.59%	418.78%	118.19%

Adverse Events

There are no adverse events, which have occurred in our company since December 31, 2006.

Defaults

We have not defaulted in fulfillment of our financial obligations.

Details of any encumbrances over the properties of our company and guarantees given by our company to any other party:

There are no other encumbrances on the properties other than the ones mentioned in the section titled 'Financial Indebtedness' on page 68 of this Red Herring Prospectus.

a. Comparison of Performance and Analysis of Developments for the financial year ended March 31, 2006 vis-à-vis Financial Year ended March 31, 2005

Major Events during the year

During FY 2006 we acquired 6 projects having saleable area of 266,452 SFT. We also commenced the construction of one of our projects "Villa Orb" during FY 2006. We secured a Term Loan of Rs. 400 mn from Punjab National Bank against our project "Villa Orb".

We started use of Stainless Steel bars in our project "Villa Orb" as our distinct initiative towards quality construction.

During FY 2006 our capital was increased from Rs. 110 mn to Rs. 215.96 mn by way of subscription to the equity by the promoters.

Sales

During the year ended March 31, 2006, our recognised revenues have increased from Rs. 156.60 million in FY05 to Rs. 170.90 million in FY06 translating into a growth rate of 9.13 %.

Other Income

Other income has increased from Rs. 1.29 million in FY05 to Rs. 2.01 million in FY06.

Expenditure

Operating Costs

The Operating Cost includes Property Acquisition Cost, Material, Labour & Direct Expenses and Manpower Cost. Operating costs have decreased from Rs. 90.68 million in FY05 to Rs. 84.83 million in FY06 translating into a decline of 6.45%

Finance charges

Finance charges have increased marginally in value terms from Rs. 9.77 million in FY05 to Rs. 10.19 million in FY06.

Depreciation

Depreciation has decreased from Rs. 3.11 million in FY05 to Rs. 0.73 million in FY06.

Profit after tax

Profit after tax has increased from Rs. 28.57 million in FY05 to Rs. 59.55 million in FY06 registering a growth of 108.41%

Inventory

Inventory comprises of work in progress and finished goods as at the year end and has increased from Rs. 167.78 million in FY05 to Rs. 1100.07 million in FY06, translating into a growth of 555.68%

Sundry Debtors:

Sundry debtors have decreased from Rs. 93.22 million in FY05 to Rs. 55.07 million in FY06

Loans and Advances

Loans and advances have increased from Rs. 217.70 million in FY05 to Rs. 593.52 million in FY06.

Current Liabilities & Provisions

Current liabilities have increased from Rs. 111.53 million in FY05 to Rs. 266.30 million in FY06.

Secured Loans

Secured loans comprise of long term borrowings towards financing of our project. Secured loans have increased from Rs. 179.65 million as on March 31, 2005 to Rs. 439.69 million as on March 31, 2006.

b. **Comparison of Performance and Analysis of Developments for Financial year ended March 31, 2005 vis-à-vis March 31, 2004**

Major Events during the year

During the year, we completed our project “Shivam” located at Babulnath, Mumbai. We acquired a property at Lower Parel having saleable area of 25,000 SFT.

We secured a Term Loan of Rs. 190 mn from Indian Overseas Bank against our project “Orbit Heights”.

During FY 2005 our capital was increased from Rs. 15.00 mn to Rs. 110.00 mn by way of subscription to the equity by the promoters.

Sales

During the year ended March 31, 2005, our recognised revenues have increased from Rs. 35.21 million in FY04 to Rs. 156.60 million in FY05 translating into a growth rate of 344.76 %.

Other Income

Other income has increased from Rs. 0.23 million in FY04 to Rs. 1.29 million in FY05.

Expenditure

Operating Costs

Operating costs have increased from Rs. 16.80 million in FY04 to Rs. 90.68 million in FY05, translating into a growth of 439.76%

Finance charges

Finance charges have increased from Rs. 1.80 million in FY04 to Rs. 9.77 million in FY05.

Depreciation

Depreciation has increased from Rs. 0.57 million in FY04 to Rs. 3.11 million in FY05.

Profit after tax

Profit after tax has increased from Rs. 12.28 million in FY04 to Rs. 28.57 million in FY05 translating into a growth of 132.77%.

Inventory

Inventory comprises of work in progress and finished goods as at the year end and has increased from Rs. 112.68 million in FY04 to Rs. 167.78 million in FY05, registering a growth of 48.90%.

Sundry Debtors:

Sundry debtors have increased from Nil in FY04 to Rs. 93.22 million in FY05

Loans and Advances

Loans and advances have increased from Rs. 34.47 million in FY04 to Rs. 217.70 million in FY05.

Current Liabilities & Provisions

Current liabilities have increased from Rs. 72.54 million in FY04 to Rs. 111.53 million in FY05.

Secured Loans

Secured loans comprise of long term borrowings towards financing of our project Secured loans have increased from Rs. 45.08 million as on March 31, 2004 to Rs. 179.65 million as on March 31, 2005.

c. **Comparison of Performance and Analysis of Developments for Financial year ended March 31, 2004 vis-à-vis March 31, 2003**

Sales

During the year ended March 31, 2004, our recognised revenues have increased to Rs. 35.21 million in FY04.

Other Income

Other income has increased from Rs. 0.15 million in FY03 to Rs. 0.23 million in FY04.

Expenditure

Operating Costs

Operating costs have increased to Rs. 16.80 million in FY04.

Finance charges

Finance charges have increased from Nil in FY03 to Rs. 1.80 million in FY04.

Depreciation

Depreciation has decreased from Rs. 0.70 million in FY03 to Rs. 0.57 million in FY04.

Profit after tax

Profit after tax has increased from Rs. (0.63) million in FY03 to Rs. 12.28 million in FY04.

Inventory

Inventory comprises of work in progress and finished goods as at the year end and has increased from Rs. 86.16 million in FY03 to Rs. 112.68 million in FY04, translating into a growth of 30.79%.

Loans and Advances

Loans and advances have increased from Rs. 12.03 million in FY03 to Rs. 34.47 million in FY04.

Current Liabilities & Provisions

Current liabilities have increased from Rs. 60.36 million in FY03 to Rs. 72.54 million in FY05.

Secured Loans

Secured loans have increased from Rs. 24.47 million as on March 31, 2003 to Rs. 45.08 million as on March 31, 2004.

Information required as per clause 6.10.5.5(a) of the SEBI Guidelines:

Unusual or infrequent events or transactions:

There have been no unusual or infrequent transactions that have taken place during the last three years.

Significant Economic changes that materially affected or are likely to affect income from continuing operations:

Other than as stated in the section titled "Risk Factors" on page xi of this Red Herring Prospectus there are no Significant Economic changes that materially affected or are likely to affect income from continuing operations

Known trends or uncertainties

Apart from the risks as disclosed in the section titled "Risk Factors" on page xi of this Red Herring Prospectus, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

Future relationship between costs and revenues

In view of the growing scale of our operations, we expect the operating overheads to decrease on a per project basis.

Total turnover of the Industry in which we operate

We operate in the real estate development sector. Relevant published data, as available, for the industry has been included in the heading titled "Industry" on page 43 of this Red Herring Prospectus.

New projects acquired in FY 2006

We have acquired six projects, details of which have been provided in the section titled "Our Business" on page 51 of this Red Herring Prospectus.

Seasonality of business

The business of our Company is not seasonal in nature. However due to the nature of the business and revenue recognition norms, we may experience extreme fluctuations in our quarterly and annual sales and net profit.

Over dependence on Single supplier/Customer

We appoint a number of contractors and source our raw materials from a number of suppliers and we are not under threat from excessive dependence on any single supplier/ contractor.

Competitive conditions

We face competition from both organised and unorganized players in the real estate industry. However, we have developed a strong reputation for redevelopment of properties in the Island City of Mumbai and are recognised as innovative and quality conscious developers. Hence we are in a sound position to meet the competitive conditions in the real estate sector in the Island City of Mumbai.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

OUTSTANDING LITIGATION

Except as described below, there is/are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, the Directors of the Company, the Promoters of the Company and Group Companies that would have a material adverse effect on the business of the Company and there are no defaults, non- payments or overdue of statutory dues, institution/bank dues and the dues other than unclaimed liabilities against our Company or the Directors or the Promoters or the Group Companies as on the date of the RHP.

The monetary claims under these litigations aggregate to an amount of Rs. 8,700,000/-.

Litigation Against our Company

A. Contingent liabilities as on March 31, 2006

We do not have any contingent liabilities as on March 31, 2006.

B. Pending litigation

i. Our Company

a. Pending cases filed against our Company

Criminal Cases

There are no criminal cases pending against our Company.

Civil Cases

The Income Tax department had conducted a search and seizure on our company, our subsidiaries and our promoters, on November 22, 2006 under Section 132 of the Income Tax Act, 1961, pursuant to which certain records, articles and cash belonging to our Company, our subsidiaries' and our promoters' as detailed in the '*panchnama*' dated November 22, 2006, were seized. Further, we have submitted to the Income Tax Authorities to account the profits of the company on a percentage completion basis from the current financial year, i.e. from the Assessment year 2007-08. Further, we have undertaken to pay an advance tax of Rs. 100 million as may be payable as per the provisions of the Income Tax Act, 1961. Further, our Promoter Mr. Pujit Aggarwal in his personal capacity has declared an additional income of Rs. 150 million including cash seized of Rs. 30.7 million. The Income Tax Officer has passed an order under Section 153 A of the Income Tax Act, 1961, dated December 29, 2006 whereby the assessment proceedings for the Assessment Year 2004-05 is abated, as per proviso of Section 153(A). The matter is pending.

b. Pending cases filed by our Company

Criminal Cases

There are no pending criminal cases filed by our Company

Civil Cases

There are no pending civil cases filed by our Company

ii. Promoters

a. Pending cases filed against our Promoters

Criminal cases

There are no criminal cases pending against our Promoters.

Civil Cases

1. Two Appeals being First Appeal No. 1744 of 2005 and First Appeal No. 1755 of 2005 in L.C. Suit No. 2840 of 1996 and Suit No. 4677 of 1998 respectively have been filed by the legal heirs of Mr. H.D. Sawant against Municipal Corporation of Greater Mumbai, MHADA, Mr. Ravikiran Aggarwal, Mr. Pujit Aggarwal and others, in September 2005 before the High Court of Judicature at Bombay. The Appeals challenges the common judgment dated August 12, 2005 passed by Bombay City Civil Court dismissing L.C. Suit No. 2840 of 1996 and partly decreeing Suit No. 4677 of 1998 whereby the claim of the tenancy since 1966 of the Appellant over the property being Mehta Mansion No.2, at Krishna Sanghi Path, Mumbai in Room No.1 was rejected. The Appeals have

been admitted by the Hon'ble High Court and the matter will be taken up for final hearing, after it was adjourned, in due course.

In the event, that the claims of the Appellants are upheld by the Hon'ble High Court, Mr. Ravikiran Aggarwal and Mr. Pujit Aggarwal as developers may have to compensate/rehabilitate the Appellants in terms of the prayers as granted by the Hon'ble High Court in the respective suits.

2. A suit being Suit No. 1169 of 2005 has been filed by Registhan Private Limited and others against Mazda Construction Company Private Limited, Mr. Pujit Aggarwal and others on April 20, 2005 before the High Court of Judicature at Bombay for specific performance of the obligations by Mazda Construction Company Private Limited under the various agreements entered into with the Plaintiffs viz. executing and registering the declaration as contemplated under Section 2 of the Maharashtra Apartment Ownership Act, 1970, for submitting the property comprising the building known as Pandey House and the land appurtenant thereto and to constitute a Condominium in respect to the said property. Mr. Pujit Aggarwal has been joined in the matter as a director Mazda Construction Company Private Limited. The suit is pending for hearing.

A written statement was filed by the Defendants on August 4, 2005. And consequently as the consent terms dated September 25, 2006, were drawn up between the Plaintiffs and the Defendants and filed in the Honourable High Court of Judicature at Bombay.

A cognate writ petition being Writ Petition No. 1236 of 2005 has been filed by the Registhan Private Limited and others against Municipal Corporation of Greater Mumbai, MHADA, Mazda Construction Company Private Limited and others on April 19, 2005. The Petition challenges the warrant of attachment issued by Municipal Corporation of Greater Mumbai for non-payment of property tax, repair tax, etc., in respect to the aforesaid property, which according to the Petitioners are the unfulfilled liabilities of Mazda Construction Company Private Limited before High Court of Judicature at Bombay. Mr. Pujit Aggarwal is not made party to this petition. The Hon'ble High Court vide its order dated June 6, 2005 has admitted the Petition and Petition will now come up for final hearing in due course. The order has noted that in view of the pro rata payments made by the Petitioners pertaining to their units in the property known as Pandey House, against the claims of the Municipal Corporation of Greater Mumbai, the warrant of attachment will not be further executed against the Petitioners.

Subsequently, the High Court, through its order dated June 16, 2005 directed that if Mazda Construction Company Private Limited fails to pay the Municipal Commissioner of Greater Mumbai, Assessor and Collector, the Property tax & Repairs Cess, the Petitioners shall have to pay Municipal Corporation of Greater Mumbai, Assessor and Collector their share of the Property tax and Repair Cess. The suit was to come up for directions. But since Consent Terms dated September 25, 2006 in Suit No. 1169 of 2005 have been filed between the Plaintiffs and the Defendants in the Honourable High Court of Judicature at Bombay, nothing survives in the present Writ Petition. The Writ Petition is to be disposed off in due course of time.

b. Pending cases filed by the Promoters

Criminal cases

There are no pending criminal cases filed by our Promoters.

Civil cases

1. A complaint being Complaint No. 229 of 2004 has been filed by Mr. Pujit Aggarwal on September 29, 2004 against the Citibank Cards, before the Consumer Dispute Redressal Forum, Bombay 04 praying for the relief for rectifying the defect in the services and reactivating the credit card after giving due credit effect of Rs. 34,879.59 (Rupees Thirty Four Thousand Eight Hundred Seventy Nine and Paise Fifty Nine Only). Further, Mr. Pujit Aggarwal has claimed Rs. 515,000 (Rupees Five Hundred Fifteen Thousand Only) from the Accused as compensation for the mental agony caused and the legal expenditure incurred. The matter is scheduled for the hearing of the arguments on November 14, 2006.

In this matter the Written Arguments have been accordingly filed by the Mr. Pujit Aggarwal and by the Opposite Parties. This matter is now adjourned for Oral Arguments by the Advocate for the Complainant. The opposite parties have been directed by the Honourable Court on February 20, 2007 to file their bank statement. The next hearing is scheduled for March 21, 2007.

iii. Directors (other than Promoters, who are Directors of our Company)

a. Pending cases filed against our Directors

Criminal cases

There are no criminal cases pending against our Directors.

Civil cases

There are no civil cases pending against our Directors.

b. Pending cases filed by our Directors

Criminal cases

There are no pending criminal cases filed by our Directors.

Civil cases

There are no pending civil cases filed by our Directors.

iv. Subsidiaries/Group Companies

a. Pending cases filed against our Subsidiaries/ Group Companies

Criminal cases

There are no criminal cases pending against our Subsidiaries/Group Companies.

Civil cases

Orbit Construction and Realtors Private Limited (OCRPL)

1. A suit being RAD Suit No. 1535 of 2004 has been filed by Mr. Surendra Vinayak Sunkersett and others on August 6, 2004 against OCRPL and others before the Court of Small Causes at Bombay claiming that the OCRPL had illegally destroyed the suit premises where the Plaintiffs' reside, being Room No.6 in the Sunkersett Chawl situated at Jawaji Dadaji Road Mumbai – 400 007. The Plaintiffs have prayed for relief that the Defendants be restrained from dealing with, disposing off, transferring and from alienating the alternative accommodation in the new building agreed to be provided to the occupants of the demolished suit premises. The Notice of Motion was heard and disposed off by the Hon'ble Court on November 25, 2004 denying any relief to the Plaintiffs. The Plaintiffs have filed an Appeal dated 30th August 2006, before the Small Causes Court, Division Bench against the said Order. The Appeal is pending for hearing. The main suit being suit no. 1535 of 2004 is adjourned to August 30, 2006 for framing of Issues in the suit.

Further, in this matter, the Written Statement of OCRPL in answer to the Plaint had been filed on 8th September 2006. The matter is adjourned for framing of issues on the basis of which evidence will have to be given by the plaintiffs. The next hearing is scheduled for April 4, 2007.

In the event that the suit is ruled in favour of the Plaintiffs, then OCRPL may have to compensate/rehabilitate the Plaintiffs in terms of the suit and/or the prayers granted by the Hon'ble Court in the suit.

2. Four suits being RAD Suits No. 975 to 978 of 2002 have been filed by Mr. Suresh Krishna Sorap and others on May 13, 2002 against Mr. Alman Sunkersett, OCRPL and others before the Court of Small Causes at Bombay, in respect of four different rooms situated at Chawl No. 30, Sunkersett Block, Jawaji Dadaji Road, Tardeo Road, Mumbai- 400 007, C.S. No. 4/521, Municipal Ward No. D-3658 (1A) (2), 3659(2), Malabar Cumballa Hill Division. Two of the rooms are numbered as 2 and 3 and two are unnumbered. Room nos. 2 and 3 admeasure approximately 250 square feet and the unnumbered rooms admeasure 325 square feet. Each of the four suits seek a declaration that the said Plaintiffs are the tenants of the said property and each contains a prayer that OCRPL be restrained from developing or transferring the said property. No temporary injunction or interim orders have been granted to the Plaintiffs.

At the present stage, the examination-in-chief of the second witness in the witness summons namely Deputy Engineer, D-2 Division D Ward MBR&R Board has been recorded by the Advocate for Defendant No. 4 and the cross examination of the said witness has been concluded by the Advocate for the Plaintiffs. The suit presently stands adjourned for recording of the Examination in Chief and cross examination of the other witnesses in the Witness Summons. The next hearing is scheduled for March 9, 2007. In the event that the suit is ruled in favour of the Plaintiffs, then OCRPL may have to compensate/rehabilitate the Plaintiffs in terms of the order passed by the Hon'ble Court in the suits.

3. A Suit being R.A.D. Suit No. 677 of 2003 has been filed by Sudha Manohar Gawde against Samati Narayan Shetty, Pujit Agarwal on behalf of OCRPL and another on March 24, 2003 before Court of Small Causes at Mumbai in respect of a

room situated at 306/B, Ramesh Bhuvan, Nana Chowk, Mumbai 400 007 claiming tenancy right over the said property and seeking a relief of restraining Defendant No.1 from disposing the Plaintiffs from the said property.

In the event that the suit is ruled in favour of the Plaintiffs, then OCRPL may have to provide to the Plaintiffs the area to which the Plaintiffs are entitled to in the project known as "Orbit Heights" or compensate the Plaintiffs by paying them the market value of the suit premises in terms of the order passed by the Court.

Application taken out by the Plaintiffs for amendment of the plaint on March 7, 2007. Copy of the Application for amendment of the plaint to be served upon the Defendants. The next hearing is scheduled for March 28, 2007.

4. Yousuf Gulamhussain Dewji & another (Plaintiffs) V/s Orbit Constructions & Realtors Pvt. Ltd (Defendant), before High Court Of Judicature At Bombay.

Plaintiffs are the legal heirs of Ms. Khairunissa Devji, who expired earlier at Mumbai. The Plaintiffs are in possession of a flat on the 2nd floor of the Building known as Aravind House. Ms. Khairunissa Devji was a monthly tenant of the premises and the Defendant are the owner-cum-developers of the said building known as Aravind House, situated at 9, Dharbasha Road, Off. Napean Sea Road, Mumbai-400 006. Defendant expressed their wish to renovate and reconstruct the Property and a Memorandum of Understanding (MoU) was signed between them on August 30, 2006, wherein the Defendant promised to pay the Plaintiffs an amount of Rs.2,50,000/- per month towards the compensation for arranging temporary alternate accommodation for the Plaintiffs. It was also mentioned under the MoU that 36 months will be needed for reconstruction and 15% less carpet area shall be provided by the Defendant while providing the Permanent Alternate Accommodation. After the execution of the MoU, the Defendant requested for an amendment to the MoU, wherein the Defendant wanted to reduce the area of permanent alternate accommodation to 30% less from the existing carpet area and a reduction of monthly compensation from Rs.2,50,000 to 2,00,000. The Plaintiffs filed a suit before the Honorable High Court of Bombay as the Defendant expressed the unwillingness to go by the terms of the first MoU. Later a consent terms were reached between the two parties declaring the MOU signed on August 30, 2006 to be valid and binding on both the parties. Defendant agreed to provide alternate permanent accommodation to Plaintiff no.1 and Plaintiff no.2. The Plaintiffs agreed to co-operate with the Defendant for the development of the said property. The compensation amount was fixed to be Rs.2,50,000 per month and on the completion of the 24th month it shall be increased to Rs.2,75,000 per month. The Plaintiffs will surrender their tenancy rights and move to a temporary alternate location and shall bear the cost of it. After the reconstruction, a permanent alternate accommodation of two adjoining residential flats each admeasuring 1346 sq. feet carpet area (inclusive of balcony and architectural projections) on the second residential floor in the building shall be given to the Plaintiffs. Roshani Yousuf, wife/of Shri Yousuf Gulamhussain Ahemed Dewji has signed the consent terms on behalf of her husband. The matter stands disposed off accordingly.

M/s Apex Hotel Enterprises Private Limited (AHEPL)

A Darkhast (request) being Darkhast No. 36 of 1999 has been filed by M/s Ranchhoddas Purshottamdas Company against M/s Apex Hotels Enterprises Private Limited (AHEPL) before the Civil Judge (S.D.) Thane, at Thane for execution of the decree dated November 21, 1998 passed in favour of the Applicant in Special Civil Suit No. 653 of 1994, whereby AHEPL was ordered to handover the peaceful possession of the suit flat nos. 3 and 4 on the 3rd Floor in Pujit Plaza, at C.B.D. Belapur, New Bombay upon the Applicant depositing the balance amount on or before December 30, 1998.

In this matter as directed by the Honourable Court by its Order dated February 18, 2006 the Plaintiffs /Decree Holders have filed their Affidavit dated March 6, 2006 declaring that there is no stay in the execution of the decree and there is no Appeal filed or pending pertaining to the Decree of the Special Darkhast.

The Defendants / Judgment Debtors by their letter dated 13th Dec. 2006 have offered a one time payment of Rs. 21, 00,000 to the Plaintiffs / Decree Holders. The Plaintiffs / Decree Holders have by their reply dated 24th December 2006 are ready and willing to settle the above Darkhast for Rs. 60,00,000. The Defendants / Judgement Debtors by their letter dated 31st Jan. 2007 have in the alternative offered the Plaintiffs / Decree Holders Office No. 705, Pujit Plaza, Plot No. 67, Sector No. 11, CBD Belapur, New Bombay free from all encumbrances. The Defendants / Judgment Debtors have by their letter dated March 6, 2007 informed the Plaintiffs/Decree- Holders, that the Defendants / Judgment Debtors are ready and willing to buy back office no. 703 & 704 in Pujit Plaza, Plot No. 67, Sector No. 11, CBD Belapur, New Bombay and give the possession of the same to the Plaintiffs / Decree Holders in mid week of March 2007.

The next hearing is scheduled for March 22, 2007

In a cognate matter, M/s Standard Synthetics has filed a suit being Special Civil Suit No. 169 of 2001 against M/s Ranchhoddas Purshottamdas Company and AHEPL before Civil Judge (S.D.) Thane, at Thane claiming peaceful possession of the suit premises being flat nos. 3 and 4 on the 3rd Floor in Pujit Plaza, at C.B.D. Belapur, New Bombay in consideration of payments made to AHEPL in 1991. In an interim order passed by the Court in the said suit, M/s Ranchhoddas

Purshottamdas Company has been directed to maintain the status quo in respect to the execution proceedings in Darkhast No. 36 of 1999.

Presently, in this matter an Application has been made by the M/s. Ranchhoddas Purshottamdas Company to dismiss the suit of the Plaintiffs, to which a reply would have to be filed by the Plaintiffs and the Defendant and AHEPL. This matter is adjourned for hearing when the Plaintiffs will have to file their Affidavit of Examination in Chief and List of documents.

The Plaintiffs have filed their Affidavit of Examination in Chief and List of documents. The Defendant No. 1 has given their say to the admissibility of the documents filed by the Plaintiff. The Defendant No. 2 has to give their say to the admissibility of the documents filed by the Plaintiff. After the documents filed by the Plaintiffs are marked as Exhibits by the Honourable Court, Plaintiffs witness to be cross examined by the Advocate for the Defendant No. 1 and subsequently by the Advocate for the Defendant No. 2. The next hearing is scheduled for March 22, 2007.

b. Pending cases filed by our Subsidiaries/Group Companies

Criminal cases

1. A Criminal Complaint bearing Complaint No 376/ SS / 2006 has been filed by M/s. Orbit Constructions & Realtors Pvt. Ltd., Mr. Ravikiran Aggarwal and Mr. Pujit Aggarwal the complainants against Mahmood M. H. Chunawala the accused praying that the Hon'ble Metropolitan Magistrate 29th Court, Dadar Mumbai be pleased to issue process against Mr. Mahmood M. H. Chunawala the accused for commission of the offence under Section 500 of the Indian Penal Code. The above Criminal Complaint is adjourned to August 31, 2006 for arguments by the advocate for the Complainants on the question of issuance of process against Mr. Mahmood M. H. Chunawala the accused.

Verification statements of Mr. Ravi Kiran Aggarwal and Mr. Pujit Aggarwal have been duly filed in court on September 20, 2006. Pursuant thereto Advocate for the Complainant has argued for the issuance of process against the accused. By order dated September 20, 2006 the process was issued by the Honourable Court against the accused under Section 500 of the Indian Penal Code 1860. The Summons and a true copy of the Complaint are yet to be served upon the Accused before the returnable date. The next hearing is scheduled for November 15, 2007.

Civil cases

1. A suit being Suit Lodging No. 1402 of 2006 has been filed by M/s. Orbit Constructions & Realtors Pvt. Ltd., Mr. Ravikiran Aggarwal and Mr. Pujit Aggarwal against Mahmood M. H. Chunawala praying that Mr. Mahmood M. H. Chunawala the defendant be ordered and decreed to pay to the Plaintiffs a sum of Rs.20,00,00,000/- (Rupees Twenty Crores only) being the damages caused to them by the Defendant for making false, malicious and defamatory imputations and for permanent injunction restraining the Defendant from in any manner making, circulating publishing or stating defamatory allegations such as or similar to those contained in the impugned undated letter against the Plaintiffs in future in any manner defamatory of Plaintiffs character. The Notice of Motion is to come up before the Hon'ble High Court after the pleadings are complete i.e. after the Affidavit in reply is filed by the defendant and the Affidavit in rejoinder is filed by the plaintiffs.

Presently, the notice of motion is to come up for hearing in due course of time after the Affidavit in Reply is filed by the Defendant and the Affidavit in Rejoinder is filed by the Plaintiffs. The next hearing is yet to be scheduled.

Mazda Construction Company Private Limited

There exists a building consisting of ground and five upper floors and out houses No, 1,2 and 3. The property in dispute is situated at 94-94B, August Kranti Marg, Mumbai-400007, hereinafter referred to as the "Suit Property". The Suit Property is assessed under ward No. D3397(1) and the total rateable value of the same was Rs.30,425. Respondents proposed a revision from October 1, 2004 on account of repairs, renovations, additions and alterations. Respondents served a notice under sections 167 and 162(2) of the Mumbai Municipal Corporation Act, 1888 to which Appellants made a complaint registered under No.DCR/392/04-05. The Appellants made written submissions before the Investigating Officer on November 14, 2005. On August 10, 2006 the Investigating Officer with out considering the written and oral submissions made by the Appellants confirmed the proposed total rateable value at Rs.9,22,060/- with effect from October 1, 2004. The Appellants submitted before the court that the Suit Property is very old and contested the repair cess that was levied. The mere repair does not attract any enhancements in the value. Flat no 101 was used by the owner himself and was repaired and renovated but no additions were made. The Appellants submitted that the provisions of the Maharashtra Rent (Control) Act, 1999 are applicable to the Suit Property and the rent originally estimated will become the standard rent of the flat. As for the outhouse no.3, Appellants argued that it was simply repaired and the wooden loft mentioned as an addition by the Respondents, was not an addition but had existed earlier. The Respondents have never taken the same into consideration while the estimates for the Suit Property were prepared. Further, there is no new construction of shop in outhouse no.2. Any new construction requires the permission of the Municipal commissioner, and the Appellant made no such application. The Investigating Officer did not demand any documents in this regard for the revision of the total rateable value. Therefore, the Appellants submitted that the Investigating Officer acted in an arbitrary and discriminatory manner, and did not consider

various judicial pronouncements applicable to the case in hand. He did not consider the submissions of the Appellants, and therefore erred in fixing the total rateable value of the Suit Property. The Appellants prayed to set aside the order dated August 10, 2006 and restore the rateable value to original Rs.30, 425, as it existed prior to October 1, 2004 or that the Honorable Court on the basis of evidence should determine the same.

Further, Respondent Nos 1 & 2 have filed their affidavit dated October 6, 2006 of Shri P B Parkar working as an Asst. Assessor and Collector in the employment showing the outstanding property tax payable by the Appellants upto the date of the lodging of the above Municipal Appeal. After the outstanding property tax is paid by the Appellants to the Respondents up to the date of lodging of the above Municipal Appeal then the aforesaid Appeal will be numbered. The case is pending and the next hearing is scheduled for March 24, 2007.

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, except as disclosed below, there have not arisen, since the date of last financial statement disclosed in the RHP, any circumstances that materially or adversely affect or are likely to affect the profitability of the Company or value of the assets or its ability to pay its liabilities within the next twelve months:

1. The Draft Red Herring Prospectus was filed on August 16, 2006 with SEBI by Edelweiss Capital Limited. Subsequently, we appointed Enam Financial Consultants Private Limited as a BRLM vide Letter of Appointment dated November 27, 2006 and entered into a MoU dated December 6, 2006. Enam Financial Consultants Private Limited was responsible for Non-Institutional and Retail Marketing of the Issue as per the said MoU and did not have any due diligence responsibility. Enam Financial Consultants Private Limited has through a mutual communication with us dated March 8, 2007 indicated that in view of the proposed Issue schedule and prevailing market conditions, they are not in a position to continue to be associated with the Issue and market the same to the Retail and Non Institutional categories. Edelweiss Capital Limited continues to be associated with the Issue as BRLM.
2. We have issued 5,575,000 shares to promoters, friends and associates aggregating to Rs. 473.75 million since March 2006.
3. We have acquired seven new projects since March 31, 2006. For details on these projects, refer to the section titled "Our Business" on page 51 of this Red Herring Prospectus.
4. The Council of the Institute of Chartered Accountants of India has introduced the Guidance Note as published in monthly journal of the Institute of Chartered Accountants of India, "The Chartered Accountant" June 2006 on Recognition of Revenue by Real Estate Developers with effect from April 1, 2006. Consequently we have changed our policy for recognition of revenue from "Project Completion" Method to "Percentage of Completion" Method in terms of Accounting Standard 9 "Revenue Recognition" and Accounting Standard (AS) 7 "Construction Contracts" for projects in which we are obliged to perform any substantial acts after the transfer of all significant risks and rewards of ownership.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current and proposed business activities and no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue/undertake our current and proposed business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

A. Approvals for the Issue

We have received the following approvals relating to the Issue:

The Board of Directors have, pursuant to a resolution passed at its meeting held on June 9, 2006, authorised the fresh issue subject to approval by the shareholders of our Company under Section 81(1A) of the Companies Act.

The shareholders have, pursuant to a resolution passed at Extraordinary General Meeting held on June 12, 2006 under Section 81(1A) of the Companies Act, authorised the Issue.

B. Approvals for our Business

We have received the following major Government and other approvals pertaining to our business:

1. Approvals Related to our Construction Business

We have received the following approvals/ licenses pertaining to our construction business:

Description (Projects)	Issue Date	Valid till
Orbit Eternia		
No Objection Certificate issued to (1) Shri Unus Ismail Umrethia, (2) Smt. Maimoona Yunus Umrethia (3) Smt. Salma Mohd. Shafi Haji Ahmed (4) Smt Noorjehan Ashraf Taki (5) Smt. Tahera M. Yusuf (6) Smt. Anwari Begum Shaukatali and (7) Smt. Aisha Mohd. Iqbal ("Owners") by Mumbai Building Repairs and Reconstruction Board (A MHADA Unit) for redevelopment of property bearing CS No. 826 of Lower Parel Division, Ward No. GS-2464-65, 2466 (1) and 2666 (2), Building Nos. 35-35C-37-37D, N.M Joshi Marg, Mumbai with FSI 2.5 or the FSI required to rehabilitation of existing occupiers plus 50% incentive FSI, whichever is higher, in accordance with the modified DCR 33(7) and Appendix III to the DCR sanctioned vide Notification published in Govt. gazette dated January 25, 1999 on the terms and conditions as stated in the No Objection Certificate. Orbit Constructions & Realtors Private Limited has acquired the development cum sale rights of the said property from Owners through a Development Agreement. The said NOC has been extended upto June 20, 2006 vide renewal letter from MHADA bearing No.R/NOC/F-1342/4297/MBRRB-05. We have applied for further renewal of the NOC.	June 21, 2006	June 20, 2007
Villa Orb		
No Objection Certificate from MHADA issued to Orbit Housing Private Limited for reconstruction of the property situated at C.S. No. 12/593 admeasuring 1061.88 square meters with a building thereon known as "Zen Palace" at Darbsha Lane, Off. Napean Sea Road, Mumbai 400 036 with FSI as admissible under the DCR 33(6) subject to terms and conditions as mentioned in the certificate.	August 10, 2005	NA
No Objection Certificate from Urban Development Department, Government of Maharashtra issued permitting redevelopment of the aforesaid property with existing authorised FSI or 2.4 times the permissible FSI whichever is less on land under reference from CRZ point of view.	January 16, 2006	NA

Description (Projects)	Issue Date	Valid till
Orbit Heights		
No Objection Certificate issued by MHADA for obtaining occupation certificate to the newly constructed building "A" Wing situated at C.S. No. 1/521 and 4/521 of Malbar Hill Division at Javji Dadaji Road D Ward, Mumbai subject to the fulfillment of the terms and conditions mentioned in the certificate.	June 29, 2005	NA
Orbit Arya		
NOC for reconstruction of property bearing C.S.No. 3/593 of Malabar Hill Division situated at 9-Darabsha Road, D-1 Ward, Mumbai.	February 2, 2007	February 1, 2009
Application for NOC under DCR 33 (6) for redevelopment of property bearing C.S.No. 4/593 of Malabar Hill Division situated at 14, Napeansea Road, D-1 Division, Mumbai.	February 14, 2006	February 13, 2008
Orbit Grand I and II		
Application for NOC for proposed redevelopment of property situated at C.S. No. 2/901, 1/901 and 901, Lower Parel Division under DCR 33 (7) has been made to the Executive Engineer, MHADA.	December 29, 2004	NA
Orbit Enclave		
Application for NOC for proposed redevelopment of property situated at C.S. No. 1282 Girgaon Division under DCR 33 (7) has been made to the Executive Engineer, MHADA.	December 29, 2004	NA
Orbit Haven		
Application for NOC for proposed redevelopment of property situated at C.S. No. 8/593 of Malabar Hill and Cumbala Hill division bearing Municipal Ward D-26 House No. 3326 (4) and Street No. 76 (a) under DCR 33 (6) has been made to the Executive Engineer, MHADA.	December 29, 2004	NA

Besides the approvals as obtained for the above, we are yet to receive approvals or renewal of approvals for the remaining properties, the details of which have been provided under the section titled "Our Business" on page 51 of this Red Herring Prospectus.

2. Sales Tax Registrations

have received the following registrations as Dealer under Section 22/ 22A of the Bombay Sales Tax Act, 1959.

Description	Reference/ License Number	Issue Date	Effective Date	Expiry Date
Certificate of registration issued to M/s. Orbit Corporations Limited (formerly known as Orbit Cybertech Limited)	400007/ S/ 5425	February 13, 2004	January 16, 2004	Until cancelled
Certificate of registration issued to M/s. Orbit Constructions & Realtors Private Limited	400007/ S/ 5465	April 5, 2004	March 18, 2004	Until cancelled
Certificate of registration issued to M/s. Emgee Foils Private Limited.	400007/ S/ 5466	April 5, 2004	August 1, 2003	Until cancelled

3. Central Sales Tax Registrations under the Central Sales Tax Act, 1956

The Certificate states that under sub-sections (1) and (3) of Section 8 of the said Act the sales of any of the specified goods in the course of inter-State trade to the Dealer shall be taxable at the rate specified in that sub-Section subject to the provisions of sub-section (4) of Section 8.

We have received the following registrations as Dealer under Section 7(1)/ 7(2) of the Central Sales Tax Act, 1956.

Description	Reference/ License Number	Issue Date	Effective Date	Expiry Date
Certificate of registration issued to M/s. Orbit Corporations Limited (formerly known as Orbit Cybertech Limited)	400007/ C/ 4432	February 13, 2004	January 16, 2004	Until cancelled
Certificate of registration issued to M/s. Orbit Constructions & Realtors Private Limited	400007/ C/ 4470	April 5, 2004	March 18, 2004	Until cancelled
Certificate of registration issued to M/s. Emgee Foils Private Limited	400002/ C/ 4471	April 5, 2004	August 1, 2003	Until cancelled

Other Registrations

Description	Registration/License No.	Issue Date	Expiry Date
Registration under the Bombay Shops and Establishments Act, 1948 of Orbit Cybertech Ltd.	D-II/ 015137	May 31, 2004	December 31, 2007.
Registration under the Bombay Shops and Establishments Act, 1948 of M/s. Orbit Constructions & Realtors Private Limited	GS-II/ 012231	April 28, 2006	December 31, 2007
Registration under the Bombay Shops and Establishments Act, 1948 of M/s. Orbit Buildcon & Realty Private Limited	GS-II/ 012232	April 28, 2006	December 31, 2007
Registration under the Bombay Shops and Establishments Act, 1948 of M/s. Orbit Housing Private Limited	GS-II/ 012228	April 27, 2006	December 31, 2007
Registration under the Bombay Shops and Establishments Act, 1948 of M/s. Emgee Foils Private Limited	GS-II/ 012233	April 28, 2006	December 31, 2007
Certificate of Importer – Exporter Code (IEC) issued by the Ministry of Commerce, Office of Jt. Director General of Foreign Trade, Mumbai to Orbit Constructions & Realtors Pvt. Ltd.	IEC No. 0305052209	October 25, 2005	Until Cancelled or any change in the name/ address of the IEC holder and after expiry of 90 days from the date of such change unless such changes are effected in the IEC by the concerned authority.

Description	Registration/License No.	Issue Date	Expiry Date
Certificate of Importer – Exporter Code (IEC) issued by the Ministry of Commerce, Office of Jt. Director General of Foreign Trade, Mumbai to M/s. Orbit Corporation Limited (formerly known as Orbit Cybertech Limited)	IEC No. 0306006600	April 27, , 2006	- do -
Certificate of Importer – Exporter Code (IEC) issued by the Ministry of Commerce, Office of Jt. Director General of Foreign Trade, Mumbai to M/s. Orbit Housing Private Limited.	IEC No. 0306005662	April 26, 2006	- do -
Certificate of Importer – Exporter Code (IEC) issued by the Ministry of Commerce, Office of Jt. Director General of Foreign Trade, Mumbai to M/s. Orbit Buildcon & Realty Private Limited.	IEC No. 0306005778	April 26, 2006	- do -
Permanent Account Number (PAN) allotted to Orbit Cybertech Limited	AAACO-3920-A	December 18, 2000	Not Applicable
Permanent Account Number (PAN) allotted to Orbit Constructions & Realtors Private Limited	AAACO-4306-J	-	Not Applicable
Permanent Account Number (PAN) allotted to Orbit Housing Private Limited	AAACO-7138-E	-	Not Applicable
Permanent Account Number (PAN) allotted to Orbit Buildcon & Realty Private Limited	AAACO-7139-F	-	Not Applicable
Permanent Account Number (PAN) allotted to Emgee Foils Private Limited	AAACE-3990-N	January 25, 2000	Not Applicable
Tax Deduction Account Number (TAN) allotted to Orbit Cybertech Limited	MUMO-02853-E	-	Not Applicable
Tax Deduction Account Number (TAN) allotted to Orbit Constructions & Realtors Private Limited	MUMO-02852-D	-	Not Applicable
Tax Deduction Account Number (TAN) allotted to Orbit Housing Private Limited	MUMO-03524-D	-	Not Applicable
Tax Deduction Account Number (TAN) allotted to Orbit Buildcon & Realty Private Limited	MUMO-03527-G	-	Not Applicable

Description	Registration/License No.	Issue Date	Expiry Date
Tax Deduction Account Number (TAN) allotted to Emgee Foils Private Limited	MUME-05363-B	-	Not Applicable
Registration under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 of Orbit Cybertech Limited	Code No. M.H./ BAN/ 47123	April 1, 2004	Until cancelled
Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 of Orbit Cybertech Limited	PT/E/1/1/21/18/13980	June 29, 2000	Not Applicable
Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 of Orbit Constructions & Realtors Private Limited.	PT/E/1/1/24/18/4747	March 23, 2004	Not Applicable
Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 of Emgee Foils Private Limited.	PT/R/1/1/24/17557	July 17, 1999	Not Applicable
Certificate of Registration under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 for Orbit Buildcon & Realty Private Limited	MH/48256	June, 21, 2006	Until cancelled
Certificate of Registration under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 for Orbit Housing Private Limited.	MH/48255	June 21, 2006	Until cancelled
Certificate of Registration under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 for Emgee Foils Private Limited.	MH/BAN/48343	August 1, 2006	Until cancelled
Certificate of Registration under Section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for M/s. Orbit Housing Private Limited.	Asst. Commissioner of Labour, Tardeo	June 14, 2006	Until cancelled

Other Registrations applied for and not yet received:

Description	Concerned authority	Date of Application
Application for Registration under Maharashtra Value Added Tax Act, 2002 and for Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 for M/s. Orbit Housing Private Limited.	Sales tax office, Mazagaon	May 8, 2006
Application for Registration under Maharashtra Value Added Tax Act, 2002 and for Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 for M/s. Orbit Buildcon & Realty Private Limited.	Sales tax office, Mazagaon	May 8, 2006
Application for Registration under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 for Orbit Constructions & Realtors Private Limited.	Regional Provident Fund Commissioner	May 19, 2006
Certificate of Registration issued under Section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 to Orbit Constructions & Realtors Pvt. Ltd.	Asst. Commissioner of Labour, Tardeo	December 4, 2005

Applications with Reserve Bank of India:

Description	Concerned authority	Date of Application
Report and Form FC-GPR along with application for condonation of delay filed pursuant to issuance of 397300 shares at a issue price of Rs. 110/- each to Non Resident Indians on June 13, 2006	Reserve Bank of India	August 11, 2006
Report and Form FC-GPR filed pursuant to issuance of 99325 shares at an issue price of Rs. 10/- each to Non Resident Indians on August 10, 2006	Reserve Bank of India	August 16, 2006

Registered/pending Trade Marks

Trade Mark applications made by OCRPL for registration of 'Orbit' as a word mark and logo/device. Out of 22 classes, registrations for 9 classes are pending before the Registrar of Trademarks, Mumbai.

OCRPL vide agreement dated August 10, 2006 has agreed to assign to OCL, the device/logo along with the name Orbit and Orbit Assurance as and when such registrations are granted. Further, vide agreements dated October 30, 2006, OCRPL has assigned the said registered trademarks to OCL and OCL has licensed the use of said trademarks to its subsidiaries.

As on date the following registered trademarks have been assigned to OCL. OCRPL vide agreement dated August 10, 2006 has assigned OCL the right to use device/logo along with the name Orbit and Orbit Assurance as and when such registrations are granted. Further, vide agreements dated October 30, 2006, OCRPL has assigned the said registered trademarks to OCL and OCL has licensed the use of said trademarks to its subsidiaries.

Sr. No.	Registration of	Trade mark Application No.	TM Class No.	Goods & Services to be registered
1	Device/Logo alongwith the name Orbit	1375209	Class – 02	Paints, Varnishes, Lacquers, Preservatives against rust and against deterioration of wood, colouring matters, dyestuffs, Inordants resins, Metals in foils & Powder from for painters & Decorators.
2	Device/Logo alongwith the name Orbit	1375208	Class – 06	Unwrought & partly wrought common metals and their alloys, anchors, anvils, bills rolled & cast building materials, rails and other metallic materials for railway tracks, chains, cables, and wires (non electric)
3	Device/Logo alongwith the name Orbit	1375210	Class-16	Paper & paper articles, Card Board and card board articles, printed matter, news papers and periodicals, books, binding materials, photographs, stationary, adhesive materials (stationary), artist materials, paint brushes, typewriter and office require.
4	Device/logo alongwith the name Orbit Assurances	1379543	Class-19	Building materials, natural and artificial stone, cement, lime, mortal plaster and garvel pipes of earthenware and cement, road making material asphalt, pitch and bitumen, portable building, stone monuments and chimney pots.
5	Device/logo alongwith the name Orbit	1371466	Class – 36	Accommodation, Bureaux, apartment house management, apartment, banking, brokerage, capital investment, collection, estate agencies, estate management, financing services, fund raising, installment loans, leasing of real estate, lending against security, real estate brokers, rental of offices, renting of flats, stock exchange quota, trusteeship, valuation, valuables
6	Device/logo alongwith the name Orbit	1371467	Class – 37	Building Insulating, Construction Information, Demolition of Buildings, Exterminating (Vermin) other than for agriculture, Fire alarm installation and repair, Freezing equipments installation and repair, maintenance & repair, painting, pipe line construction and maintenance, plastering, plumbing, rental of bulldozers and rental of construction equipment, roofing services, rust proofing, supervision, wells (drilling of).
7	Orbit Device alongwith the name Orbit Assurances	1379538	Class-38	Services provided communications by computer terminals, Communications by fiber optic networks, Computer aided transmission of messages and images, electronic mail, Providing user access to global computer network included in Class 38.
8	Device/logo along with the name Orbit	1372591	Class -39	Air Transport Arranging of tours, Brokerage (Fright), Brokerage (Transport), Fright Forwarding, Fright (Shipping of Goods), Freight, Furniture (Transporting), Packaging of goods, Railways transport, rental of Warehouses, Reservation (Transport), Reservation (Travel), Shipbrokerage, ships (refloating of), storage, tours (arranging of), transporting furniture, unloading cargo, wrapping of goods included in Class 39.

Sr. No.	Registration of	Trade mark Application No.	TM Class No.	Goods & Services to be registered
9	Orbit Device alongwith the name Orbit Assurances	1379541	Class – 40	Galvanization, Information (Material treatment), Metal Casting, Metal Plating Metal tempering, Metal treating, rental of generators, waste & trash (recycling of) water treating, water proofing (cloth), window tinting treatment, being surface coating, Wood working.
10	Device/logo along with the name Orbit	1371465	Class-42	Architecture, Computer Software Design, Creating and Maintaining web sited for other, décor (design of interior -), Hosting Computer Sites [web sites] Legal research, Packaging design, Studies (Technical projects-), Survey (lands-), Urban Planning, Works of Arts (Authenticating), Accommodation bureaux [Hotels, Boarding Houses], Accommodation (Rental of Temporary-), Boarding Houses, Buildings (Rental of transportable-), Cafes, Cafeterias, canteens, catering (food & drink-), Homes (Retirement), Homes (Tourist-), Hotel Reservations, Hotels, Motels, Rental of meeting rooms, Restaurants
11	Orbit Device alongwith the name Orbit Assurances	1379542	Class-42	Architecture, Computer Software design, creating and maintaining web sites for others, décor, hosting computer sited, legal research packaging design, studies, surveys urban planning, works o arts, accommodation bureaux, boarding houses, building cafes, canteens, carting, homes, hotel reservation, Hotel, Motel, rental of meeting rooms, Restaurants.

Trademarks registered in the name of OCRPL:

Sr. No.	Registration of	Trade mark Application No.	TM Class No.	Goods & Services to be registered
1	Device/Logo along with the name Orbit	1371463	Class-19	Building material, natural and artificial stone, cement, lime, mortal plaster and gravel pipes of earthenware or cement; road making material; asphalt, pitch and bitumen; portable building; stone monuments; chimney pots.
2	Device/logo along with the name Orbit	1371461	Class-28	Games and playthings; gymnastic and sporting articles (except clothing); ornaments and decorations.

Trademarks pending registration:

With regard to the following pending trademark applications, OCRPL vide agreement dated October 30, 2006 has agreed to assign the device/logo along with the name Orbit and Orbit Assurance to OBRPL and OHPL respectively until the said trademarks are assigned to OCL.

Sr. No.	Registration of	Trade mark Application No.	TM Class No.	Goods & Services to be registered
1	Device/Logo along with the name Orbit	-	Class - 07	-
2	Device/logo alongwith the name Orbit	1372590	Class – 35	Advertising, Business Management of hotels, computer databases, Evaluation of Standing timber, exhibitions for commercials or advertising purposes, hotels, import export agencies, managements, marketing research, marketing studies, organization of trade fairs for commercial or advertising purpose, procurement services for others, publicity, sales promotion, timber, trade fairs.
3	Device/logo alongwith the name Orbit	1379540	Class 36	Accommodation bureaux (apartments), Apartments house management, apartments (renting of -), Banking (home-), Brokerage, Capital Investments, Collection (Rent-), Estate Agencies (real-) Estate Management (Real-), Financing Services
4	Old Application	1290432	Class 36	-
5	Orbit Device alongwith the name Orbit Assurances	1379539	Class – 37	Building Insulating, Construction Information, Demolition of Buildings, Exterminating (Vermin-) other than for agriculture, Fire alarm installation and repair, Freezing equipments installation, maintenance & repair, painting, pipe line construction and maintenance, plastering, plumbing, rental of bulldozes and construction equipment, roofing services, rust proofing, supervision, wells.
6	Old Application	1290431	Class – 37	-
7	Device/logo along with the name Orbit	1371469	Class-38	Communications by computer terminals. Communications by fiber optic networks, Computer aided transmission of messages and images, Electronic mail, Providing services [radio, telephone or other means of electronic communications], Providing user access to a global computer network.
8	Device/logo along with the name Orbit	1371468	Class – 40	Galvanization, Information (Material treatment), Mental Casting, Metal Plating Metal tempering, Metal treating, rental of generators, waste & trash (recycling of) water treating, water proofing (cloth), window tinting treatment, being surface coating.
9	Device/logo along with the name Orbit	1371464	Class – 41	Academies [Education], Amusement arcade services (Providing -) Amusement, Books (Publication of -), Camp services (Holiday -) [Entertainment], Camp Services (Sport-), Club services [Entertainment or Education], Competitions (Organization of -) [Education of Entertaining], Educational Service, Exhibition (organization of) for cultural or educational purpose. Health Club Services, Parks (amusement), Providing on-line electronic publications (Non downloadable), Recreation Facilities (Providing-), Schools (Boarding), Seminars (arranging and conducting of), teaching.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors has, pursuant to resolutions dated June 9, 2006, authorised the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.

Our shareholders have, pursuant to a resolution dated June 12, 2006 under Section 81(1A) of the Companies Act, authorised the Issue in accordance with law.

Prohibition by SEBI

Our Company, our Promoters, Directors or our subsidiaries, our affiliates and companies with which our Directors are associated as directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Eligibility of the Issuer

Our Company is not eligible for the Issue in accordance with Clause 2.2.1 of the SEBI Guidelines as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- Our Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.1.1(a) of the SEBI Guidelines;
- Our Company does not have a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three of the immediately preceding five years and is compliant with Clause 2.1.1(b) of the SEBI Guidelines;
- Our Company has a net worth of at least Rs. 10 million in each of the three preceding full years and is compliant with Clause 2.1.1(c) of the SEBI Guidelines;
- Our company has changed its name within the last one year, and atleast 50% of the revenue for the preceding 1 full year is earned by the company from the activity suggested by the new name; and
- The aggregate of the proposed Issue size and all previous issues made in the same financial year is not expected to exceed five times the pre-Issue net worth of our Company and is compliant with Clause 2.1.1(e) of the SEBI Guidelines.

The accounting policy followed by the Company for Revenue Recognition was earlier computing profits using the Project Completion Method whereunder the criteria of clause 2.2.1 of SEBI (DIP) Guidelines, 2000 were not being met w.r.t to the distributable profits as described below.

(Rs. In Millions)

	For the year ended				
	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06
Net Tangible Assets*	14.45	14.52	14.58	98.34	722.82
Monetary Assets**	1.06	0.06	0.24	4.78	19.27
% of Monetary Assets to Net Tangible Assets	7.3%	0.4%	1.6%	4.9%	2.7%
Net Profits, as restated	-0.53	-0.63	0.06	44.67	1.73
Lower of Accumulated Depreciation / Losses	-0.53	-1.16			
Distributable Profits (as per Section 205 of the Companies Act)	-1.1	43.57	1.73		
Net Worth, as restated	14.46	14.53	14.58	150.35	1007.88

* Net Tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities),

** Monetary assets include cash on hand and bank. Detailed figures are given in the section titled "Financial Statements" on page 102 of this Red Herring Prospectus.

Clause 2.2.2 of the SEBI Guidelines states as follows:

"2.2.2 An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:

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

Or

- (a) (ii) The "project" has at least 15% participation by Financial Institutions/ Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded

And

- (b) (i) The minimum post-issue face value capital of the company shall be Rs. 10 crores.

Or

- (b) (ii) There shall be a compulsory market-making for at least 2 years from the date of listing of the shares, subject to the following:

- (a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;
- (b) Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;
- (c) The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5% of the proposed issue of the company.)"

We are an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and are, therefore, required to meet both the conditions detailed in Sub-Clauses (a) and (b) of Clause 2.2.2 of the SEBI Guidelines.

We are complying with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 50% of the Issue is proposed to be Allotted to QIB Bidders and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

We are also complying with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-Issue face value capital of the Company shall be Rs. 362.71mn) after the Issue, before the Warrant Exercise (Rs. 453.71mn, after the Issue, post the Warrant Exercise), which is more than the minimum requirement of Rs. 10 crore (Rs. 100 million).

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we undertake that the number of allottees, i.e., Persons receiving Allotment in the Issue shall be at least 1,000, otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, EDELWEISS CAPITAL LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER ARE EXPECTED TO

EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, EDELWEISS CAPITAL LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 14, 2006 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, DISPUTES WITH TENANTS, ETC. AND OTHER MATERIAL MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO, IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF 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:

- THE DRAFT RED HERRING PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
- ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.
- WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
- WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
- WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

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

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

Disclaimer from our Company and the BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.orbitcorp.com would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the memorandum of understanding entered into among the BRLM and us dated August 11, 2006, and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by us and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

We shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds). This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares and Warrants offered 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 Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

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

Disclaimer clause of CARE

CARE's IPO Grading is a one-time assessment and the analysis draws heavily from the information provided by the Issuer as well as information obtained from the sources believed by CARE to be accurate and reliable.

However, CARE does not guarantee the adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO Grading does not take cognizance of the price of the security and it is not a recommendation to buy/sell/ hold shares/ securities.

It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospect of the Issuer ; also does not indicate compliance/ violation of various statutory requirements.

CARE shall not be liable for any losses incurred by the users from any use of the IPO Grading.

Disclaimer clause of the BSE

As required, a copy of this Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated October 30, 2006, permission to the Company to use BSE's name in this Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. BSE has scrutinised this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

- (i) warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; or
- (ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; 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 to mean that this Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of this Red Herring Prospectus has been submitted to NSE. NSE has given vide its letters dated October 31, 2006, permission to us to use NSE's name in this Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed, subject to the Company fulfilling the various criteria for listing including the one related to paid up capital and market capitalization (i.e., the paid up capital shall not be less than Rs 10. crores and the market capitalization shall not be less than Rs 25. crores at the time of listing). The NSE has scrutinised this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that this Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

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

Filing

A copy of this Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, SEBI Bhavan, Bandra Kurla Complex, Mumbai 400 051.

SEBI has vide its letter dated January 31, 2007 given its observations on the Draft Red Herring Prospectus.

Submission of the Offer Document 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 project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. It is responsibility of Edelweiss Capital Limited to certify the disclosures made in the offer document are generally adequate and in conformity with SEBI guidelines for disclosure and investor protection in force for the time being. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, is being delivered for registration to the ROC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration with ROC situated at Mumbai.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares and Warrants of our Company. BSE shall be the Designated Stock Exchange with which the basis of allocation will be finalised for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares and Warrants is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e., from the date of refusal or within 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then our Company shall, on and from expiry of eight days, be 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.

Our Company shall ensure that all steps for the completion of the 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.

Consents

Consents in writing of our Directors, the Company Secretary and Compliance Officer, the auditors, the domestic legal counsel to the Issue, the Bankers to the Issue, Bankers to the Company and the Book Running Lead Manager, the Syndicate Member, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the ROC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the ROC.

M/s. Sharp & Tannan, Chartered Accountants, our auditors have given their written consent to the inclusion of their report and statement of tax benefits in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the ROC.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The expenses of the Issue are as follows:

Activity	Expense (in Rs. Millions)*	Expense (% of Issue size)
Lead management Fees, underwriting and selling commission	[●]	[●]
Advertisement and marketing expenses	[●]	[●]
Printing, stationery including transportation of the same	[●]	[●]
Others (Registrar's fees, legal fees, listing fees, etc.)	[●]	[●]
Total estimated Issue expenses	[●]	[●]

* Will be incorporated after finalisation of Issue Price.

Fees payable to the Book Running Lead Manager and Syndicate Member

The total fees payable by us to the Book Running Lead Manager (including underwriting commission and selling commission) will be as per engagement letter dated January 6, 2006 a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding signed with our Company dated June 5, 2006.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by us to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Previous Rights and Public Issues

We have not made any public issue Equity Shares and Warrants and rights issue either in India or abroad in the five years preceding the date of this Red Herring Prospectus.

Issues Otherwise than for Cash

Except as disclosed in the section titled "Capital Structure" on page 17 of this Red Herring Prospectus, we have not issued any Equity Shares and Warrants for consideration otherwise than for cash.

Commission and Brokerage paid on previous Equity Issues by us

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares and Warrants since our inception.

Companies under the Same Management

Except as mentioned in the section titled "Our Promoters and Promoter Group", we do not have any other company under the same management within the meaning of erstwhile Section 370(1B) of the Companies Act. For details of our Promoter Group, please refer to the section titled "Our Promoters and Promoter Group" starting page 91 of this Red Herring Prospectus.

Promise v/s Performance – Last Issue of Group Companies

None of our Promoter group companies are listed and consequently we are not required to furnish details of promise v/s performance in respect of the last issues of our Promoter group companies.

Outstanding debentures or bonds or redeemable preference shares

There are no outstanding debentures or bonds or redeemable preference shares issued by us as of the date of this Red Herring Prospectus.

Stock market data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares and Warrants are not listed on any stock exchange.

Mechanism for redressal of investor grievances

The memorandum of understanding between the Registrar to the Issue and us, will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of Allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, depository participant, and the bank branch or collection center where the application was submitted.

Disposal of investor grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Ms. Vijayita Chowhan, our Company Secretary as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems. She can be contacted at the following address:

Orbit Corporation Ltd.
1st Floor, The View,
165, Dr. Annie Besant Road,
Worli, Mumbai – 400 018

Changes in Auditors during last 3 years

Name of the Firm	Date of Change	Nature of Change	Reason
B Ranka & Co	December 26, 2005	Retired	Voluntary
Sharp & Tannan	March 23, 2006	Appointment	Casual Vacancy

Capitalisation of Reserves or Profits

There has been no Capitalization of Reserves or Profits by our Company.

Revaluation of assets

There has been no revaluation of assets by our Company.

Capitalisation of Reserves or Profits

Revaluation of assets

There has been no revaluation of assets by our Company.

For details of the terms of the Issue see the section titled “Terms of the Issue” on page 31 of this Red Herring Prospectus.

ISSUE STRUCTURE

The Issue of 9,100,000 Equity Shares at a price of Rs. [●] for cash and 9,100,000 Warrants aggregating up to Rs. [●] million is being made through a book building process. The Issue will aggregate 9,100,000 Equity Shares amounting to Rs. [●] million.

Where the context so requires, in this section, all references to Equity Shares in this section shall mean “Equity Shares in the Issue” as defined in the section titled “Definitions and Abbreviations” on page i hereto.

	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares and Warrants*	At least 4,550,000 Equity Shares and 4,550,000 Warrants or the Issue less allocation to Non- Institutional Bidders and Retail Individual Bidders	Up to 1,365,000 Equity Shares and 1,365,000 Warrants or the Issue less allocation to QIB Bidders and Retail Individual Bidders	Up to 3,185,000 Equity Shares and 3, 185, 000 Warrants or the Issue less allocation to QIB Bidders and Non- Institutional Bidders
Percentage of Issue size available for Allocation	At least 50% of the Issue or the Issue less allocation to Non Institutional Bidders and Retail Individual Bidders	Upto 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 35% of the Issue or the Issue less allocation to QIB Bidders and Non Institutional Bidders.
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of 50 Equity Shares so that the Bid Amount exceeds Rs 100,000	Such number of Equity Shares in multiples of 50 Equity Shares so that the Bid Amount exceeds Rs 100,000	50 Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of 50 Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of 50 Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of 50 Equity Shares so that the Bid Amount does not exceed Rs. 100,000/-
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Bid/Allotment lot	50 Equity Shares in multiples of 50 Equity Shares	50 Equity Shares in multiples of 50 Equity Shares	50 Equity Shares in multiples of 50 Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share

	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
Who can Apply**	Public financial institutions, as specified in section 4A of the Companies Act: scheduled commercial banks, Mutual Funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, and State Industrial Development Corporations, venture capital funds and foreign venture capital investor registered with SEBI, 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, Eligible NRIs and HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts	Individuals, including Eligible NRIs and HUF (in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the Syndicate Member.***	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Member.
Margin Amount	10% of Bid Amount	100% of Bid Amount	100% of Bid Amount

* Subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any category other than by QIB Bidders, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, if the aggregate demand by Mutual Funds is less than 227,500 Equity Shares (assuming QIB Portion is 50% of the Issue size, i.e. 4,550,000 Equity Shares and 4,550,000 Warrants), the balance Equity Shares and Warrants available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

*** After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Withdrawal of the Issue

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

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allocation. Applicants residing at 15 centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit & RTGS. We shall extend the same facility i.e. electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India; to those centres where the same is available but not specified by the Board. Further, where such facility is not available, we shall ensure despatch of refund orders, if any, of value up to Rs.1, 500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500 if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closure of Issue.

Interest in Case of Delay in Despatch of Allotment Letters/ Refund Orders.

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

Allotment shall be made only in dematerialised form within 15 days from the Bid/ Issue Closing Date;

Despatch of refund orders shall be done within 15 days from the Bid/ Issue Closing Date; and

We shall pay interest at 15% per annum, if Allotment is not made, refund orders are not despatched and/ or demat credits are not made to investors within the 15 day time prescribed above.

We will provide adequate funds required for despatch 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.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	MARCH 20, 2007
BID/ISSUE CLOSES ON	MARCH 23, 2007

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/Issue Closing Date, the Bids shall be accepted only between 10 a.m. and 1 p.m. (Indian Standard Time) and uploaded till such time as permitted by the NSE and the BSE on the Bid/Issue Closing Date.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the price band advertised at least one day prior to the Bid/Issue Opening Date.

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

ISSUE PROCEDURE

Where the context so requires, in this section, all references to Equity Shares in this section shall mean “Equity Shares in the Issue” as defined in the section titled “Definitions and Abbreviations” on page i hereto.

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders, including up to 5% of the QIB Portion which shall be available for allocation to the Mutual Funds only. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, up to 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and up to 15% of the Issue 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. Further, QIB Bids can be submitted only through the BRLM. In case of QIB Bidders, our Company, in consultation with the BRLM, may reject Bid at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same are provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders our Company would have a right to reject the Bids only on technical grounds.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares and Warrants, dispatch of the CAN, and filing of the Prospectus with the ROC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Indian public and Eligible NRIs applying on a non-repatriation basis	[White]
Eligible NRIs or FIIs applying on a repatriation basis	[Blue]

Who can Bid?

1. Indian nationals resident in India who are majors in single or joint names (not more than three);
2. Hindu undivided families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs would be considered at par with those from individuals;
3. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue;
4. Companies and corporate bodies registered under the applicable laws in India and authorized to invest in equity shares;
5. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;
6. Scientific and/or industrial research authorized to invest in equity shares;
7. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);
8. Mutual funds registered with SEBI;
9. FIIs registered with SEBI;
10. Multilateral and bilateral development financial institutions;
11. Foreign venture capital investors registered with SEBI;

12. Venture capital funds registered with SEBI;
13. State industrial development corporations;
14. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
15. As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in equity shares; and
16. Pension funds with a minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in equity shares.

Participation by Associates of the BRLM and Syndicate Member:

The BRLM and the Syndicate Member shall not be entitled to participate in this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM and Syndicate Member are entitled to bid and subscribe to Equity Shares and Warrants in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors, where the allotment will be on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of 50 Equity Shares and in multiples of 50 Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non Institutional Portion. The option to bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.
- (b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 50 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin of atleast 10% of the Bid Amount, upon submission of Bid.

In case of revision in Bids, the Non Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders are not entitled to the option of bidding at Cut-off Price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the Bidders:

- (a) Our Company will file the Red Herring Prospectus with the ROC at least three days before the Bid/Issue Opening Date.
- (b) The Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX-A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/17/2005/11/11 dated November 11, 2005.
- (c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors. Any investor (who is eligible to invest in our Equity Shares and Warrants) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Registered Office or from any of the members of the Syndicate.
- (d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.

- (e) The Bidding/Issue Period shall be a minimum of three working days and shall not exceed seven working days. The members of the Syndicate shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement.
- (f) The Price Band has been fixed at Rs. 108 to Rs. 117 per Equity Share. The Bidders can bid at any price within the Price Band, in multiples of Rs. 1 (One). In accordance with the SEBI Guidelines, our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- (g) In case the Price Band is revised, the Bidding/ Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/ Issue Period not exceeding 10 working days. The revised Price Band and Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, and by issuing published in two national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.
- (h) We, in consultation with the BRLM, can finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

Method and Process of Bidding

- (a) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details, see the section titled "Issue Procedure - Bids at Different Price Levels" beginning on page 176 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- (b) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to a member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure - Build up of the Book and Revision of Bids" beginning on page 177 of this Red Herring Prospectus.
- (c) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (d) During the Bidding Period, Bidders may approach a member of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and this Red Herring Prospectus.
- (e) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Issue Procedure - Terms of Payment and Payment into the Escrow Accounts" beginning on page 180 of this Red Herring Prospectus.

Bids at different price levels

- (a) The Price Band has been fixed at Rs. 108 to Rs. 117 per Equity Share of Rs. 10 each, Rs. 108 being the Floor Price and Rs. 117 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of 50.
- (b) In accordance with the SEBI Guidelines, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- (c) In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of ten working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

- (d) Our Company in consultation with the BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Bidders.
- (e) 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 applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non Institutional Bidders in excess of Rs. 100,000 and such Bids from QIBs and Non Institutional Bidders shall be rejected.
- (f) Retail Individual Bidders who bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price 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 Retail Individual Bidders, who Bid at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account or the Refund Account, as the case may be.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), 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. 100,000, the Bid by a Retail Individual Bidder will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or the Refund Account, as the case may be.
- (i) The minimum application size shall be in the range of Rs. 5,000 to Rs. 7,000, even in case of revision in the Price Band, if any.

Build up of the Book and Revision of Bids

- (a) Bids registered through the members of the Syndicate shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.
- (c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed Revision Form which is a part of the Bid cum Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form.
- (e) 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. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (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 member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (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 Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid 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 previous Bid.
- (i) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLM, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.
- (j) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
- (k) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.**
- (l) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (m) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians and Eligible NRIs applying on a non repatriation basis and blue colour for Eligible NRIs or FIIs applying on a repatriation basis).
- (b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form.
- (d) The maximum and minimum size of the Bid shall be as described under the section titled "Issue Structure" beginning on page 171 of this Red Herring Prospectus.
- (e) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 227,500 Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

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 equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Insurance Companies

In case of the Bids made by insurance companies which are 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 reject such Bids.

Bids by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be submitted along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids.

Bids by Eligible NRIs and FIIs on a repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (White colour for Resident Indians and Eligible NRIs applying on a non repatriation basis; blue colour for Eligible NRIs, FIIs applying on a repatriation basis) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. For further details, see the section titled "Issue Structure" beginning on page 171 of this Red Herring Prospectus.
4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Eligible NRIs and FIIs they will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the government of India, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Issue

Bids by Eligible NRIs

Eligible NRI Bidders to comply with the following:

1. Individual Eligible NRIs can obtain the Bid cum Application Forms from the Registered Office, our head office, members of the Syndicate or the Registrar to the Issue.
2. Eligible NRI Bidders may note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (white in color).

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares and Warrants to a single FII should not exceed 10% of our post-Issue capital (i.e. 10% of 36,271,150. In respect of an FII investing in the Equity Shares and Warrants on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the

Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favor of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

The information above is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

PAYMENT INSTRUCTIONS

Escrow Mechanism

We shall open Escrow Accounts with the Escrow Collection Banks for collection of Margin/ Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in this Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the 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 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 for refunds. Payments of refunds to the Bidders shall also be made from the Refund Account(s) with the Refund Bank(s) as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall pay the applicable Margin Amount at the time of submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account as per the below terms.

- (a) The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account shall be transferred to the Refund Account.
- (b) Each category of Bidders i.e. QIB Bidders, Non Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form by way of 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 details please see the section titled "Issue Procedure - Payment Instructions" beginning on page 180) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 171 of this Red Herring Prospectus. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid Price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.
- (c) Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. QIB Bidders will be required to deposit the QIB Margin Amount at the time of submitting of their Bids. After the Bid Closing Date, the level of subscription in all categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called for from the QIB Bidders. If such additional margin money is not paid into the appropriate Escrow Account within the time and in the manner stipulated above, the Bid of the Bidder is liable to be rejected.

- (d) Where the Bidder has been allocated lesser number of Equity Shares and Warrants than he or she had bid for, the excess amount paid on bidding or additional Margin Amount, as the case may be, if any, after adjustment for Allotment, will be refunded to such Bidder in terms of the Red Herring Prospectus.
- (e) The payment instruments for payment into the Escrow Account should be drawn in favour of:
- (i) In case of Resident QIB Bidders: **“Escrow Account – Orbit Corporation Limited – Public Issue-QIB-R”**
 - (ii) In case of non resident QIB Bidders: **“Escrow Account – Orbit Corporation Limited – Public Issue-QIB-NR”**
 - (iii) In case of other resident Bidders: **“Escrow Account – Orbit Corporation Limited – Public Issue”**
 - (iv) In case of other Eligible Non-Resident Indian Bidders: **“Escrow Account – Orbit Corporation Limited – Public Issue - NR”**

In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of non-resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR account.

In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Special Rupee Account.

- (f) Where a Bidder has been allocated a lesser number of Equity Shares and Warrants 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 and Warrants allocated, will be refunded to the Bidder from the Refund Account.
- (g) The money deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account.
- (h) On the Designated Date and not later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
- (i) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub member of the banker's clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

In terms of the 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.

Electronic registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of the NSE and the BSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid /Issue Closing Date, the members of the Syndicate shall upload the Bids 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 the NSE and the BSE will be displayed on-line at all bidding centers and at the websites of NSE and BSE. 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 members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the Bidder(s)
 - Investor category – individual, corporate, or Mutual Fund etc.

- Numbers of Equity Shares bid for
 - Bid price
 - Bid cum Application Form number
 - Whether Margin Amount, as applicable, has been paid upon submission of Bid cum Application Form
 - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares and Warrants shall be allocated either by the members of the Syndicate or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) In case of QIB Bidders, the Company, in consultation with the BRLM, has the right to accept the bid or reject it. A rejection can be made only at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case on Non-Institutional Bidders and Retail Individual Bidders who Bid, Bids should not be rejected except on the technical grounds as listed on page 188 of this Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by the NSE and the BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of 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 the NSE and the BSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the NSE and the BSE.
- (j) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation. In case of discrepancy of data between the NSE or the BSE and the members of the Syndicate, the decision of the BRLM, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLM will analyse the demand generated at various price levels.
- (b) We, in consultation with the BRLM, shall finalise the "Issue Price" and the number of Equity Shares and Warrants to be allocated in each investor category.
- (c) QIB Bidders will be required to deposit the QIB Margin Amount at the time of submitting of their Bids. After the closure of bidding, the level of subscription in the various categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called for from the QIB Bidders. The QIB Bidders shall pay such additional Margin Amount within a period of two days from the date of the letter communicating the request for such additional margin money.
- (d) The allocation under the Issue shall be on proportionate basis, in the manner specified in the SEBI Guidelines and this Red Herring Prospectus and in consultation with Designated Stock Exchange.
- (e) Undersubscription, if any, in any category of the Issue, other than the QIB Portion, would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 227,500 Equity Shares and Warrants, the balance Equity Shares and Warrants available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders.
- (f) The BRLM, in consultation with us, shall notify the other members of the Syndicate of the Issue Price.
- (g) We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Allotment without assigning any reasons whatsoever.
- (h) Allocation to Eligible NRI and FIIs applying on repatriation basis will be subject to the applicable law.
- (i) In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Signing of Underwriting Agreement and ROC Filing

- (a) We, the BRLM and the Syndicate Member shall enter into an Underwriting Agreement upon finalisation of the Issue Price
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price and Issue size and would be complete in all material respects.
- (c) We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60, and Section 60B of the Companies Act.
- (d) After filing of the Prospectus with the ROC, a statutory advertisement will be issued by our Company in a widely circulated English and Hindi national newspapers, regional language newspaper with wide circulation in the place where our Registered Office is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Letter for Additional Margin Money

In case of QIB Bidders, who have submitted their Bids with the QIB Margin Amount, additional Margin Amount may be called for by our Company, in consultation with the BRLM. The amount of such additional Margin Amount called for shall depend on the level of subscription in various categories, as determined on the basis of the electronic registration of Bids. The allotment of shares to QIB Bidders shall be finalized by our Company, in consultation with the BRLM and the Designated Stock Exchange.

Issuance of CAN

- (a) Upon approval of the basis of allocation by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares and Warrants in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. Investors should note that the Company shall ensure that the demat credit of Equity Shares and Warrants pursuant to Allotment shall be made on the same date to all investors in this Issue;
- (b) The BRLM or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares and Warrants in the Issue. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares and Warrants allocated to such Bidder. Those Bidders who have paid the Margin Amount into the Escrow Account at the time of bidding shall pay the balance amount payable into the Escrow Account by the Pay-in Date specified in the CAN; and
- (c) Such Bidders who have been allocated Equity Shares and Warrants and who have already paid the Margin Amount for the said Equity Shares and Warrants into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.
- (d) The issuance of CAN is subject to "Allotment Reconciliation and Revised CANs" as set forth below.

Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares and Warrants that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares and Warrants in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares and Warrants. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares and Warrants allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares and Warrants

- (a) Our Company will ensure that the Allotment of Equity Shares and Warrants is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Issue Account and the Refund Account on the

Designated Date, our Company would ensure the credit to the successful Bidders' depository accounts of the allotted Equity Shares and Warrants to the allottees within two working days from the date of Allotment.

- (b) As per the SEBI Guidelines, **Equity Shares and Warrants will be issued and allotted only in the dematerialised form to the allottees.** Allottees will have the option to re-materialise the Equity Shares and Warrants so allotted, 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 and Warrants that may be allocated to them pursuant to this Issue.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following 15 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds through ECS is mandatory for applicants having a bank account at any of the abovementioned 15 centers, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.
3. Direct Credit – Applicants having bank accounts with the Refund Bank(s), in this case being, HDFC Bank shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
4. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

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) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated, as Equity Shares and Warrants will be allotted in the dematerialized form only.
- (d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate.
- (e) Ensure that you have been given a TRS for all your Bid options.
- (f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS.
- (g) Where Bid(s) is/are for Rs. 50,000 or more, each of the Bidders, should mention their Permanent Account Number (PAN)

allotted under the IT Act. The copies of the PAN card or PAN allotment letter should be submitted with the Bid cum Application Form. If you have mentioned “Applied For” or “Not Applicable”, in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.

- (h) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form
- (i) Ensure that the Demographic Details are updated, true and correct, in all respects.
- (j) QIB bidders should submit their bid only to the BRLM

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size.
- (b) Do not Bid/revise Bid price to less than Floor Price or higher than the Cap Price.
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate.
- (d) Do not pay the Bid amount in cash, by money order or by postal order or by stockinvest.
- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only.
- (f) Do not Bid at Cut-off Price (for QIB Bidders, Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 100,000).
- (g) Do not fill up the Bid cum Application Form such that the Equity Shares and Warrants bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares and Warrants that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
- (h) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Bidder's Depository Account Details and Bank Account Details

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition (“MICR”) code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue, the Syndicate Member nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES AND WARRANTS IN DEMATERIALIZED 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 and 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 (“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 CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), the Syndicate Member nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

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 reject such Bids in whole or in part, without assigning any reasons therefor.

The Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

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 and conditions that we or the BRLM may deem fit.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication 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 and Warrants required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
3. The Registrar will obtain, from depositories, details of the applicants' address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. The addresses of all the applicants in the multiple masters will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of addresses and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the application processed. A print-out of the addresses will be taken to check for common names. The application with same name and same address will be treated as multiple applications.
5. The applications will be scrutinized for their DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
6. Subsequent to the aforesaid procedures, a print out of multiple master will be taken and applications physically verified to tally signatures as also father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **The copy of the PAN card(s) or PAN allotment letter(s) is required to be submitted with the Bid cum 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 of the Income Tax Rules, 1962), 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 of the Income Tax Rules, 1962), 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 licence (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 by a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

Unique Identification Number ("UIN") - MAPIN

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/quote UIN under the SEBI MAPIN Regulations/Circulars vide its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume

registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs.100, 000 to Rs.500, 000 or more. The limit will be reduced progressively. For trade order value of less than Rs.500, 000, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of the Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations.

Right to Reject Bids

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has the right to reject Bids based on technical grounds only. 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, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares and Warrants bid for;
2. Age of first Bidder not given;
3. In case of partnership firms, Equity Shares and Warrants may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
4. Bids by Non Residents, if not in compliance with the appropriate foreign and Indian laws;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;
6. **PAN not stated if Bid is for Rs. 50,000 or more or copy of PAN, Form 60 or Form 61, as applicable, or GIR number furnished instead of PAN. See the section titled "Issue Procedure - Permanent Account Number" on page 187 of this Red Herring Prospectus;**
7. Bids for lower number of Equity Shares and Warrants than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-off Price by Non-Institutional Bidders and QIB;
11. Bids for number of Equity Shares and Warrants, which are not in multiples of 50;
12. Category not ticked;
13. Multiple Bids as defined in this Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by stockinvest/money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid cum Application Form does not have the stamp of the BRLM or the Syndicate Member;
18. Bid cum Application Form does not have the Bidder's depository account details;
19. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Form;
20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure – Bids at Different Price Levels" beginning on page 176 of this Red Herring Prospectus;
22. Bids by OCBs;
23. Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act; and
24. Bids by QIBs not submitted through the BRLM or members of the Syndicate.
25. Non-disclosure/ incomplete disclosure of bank account details in the Bid cum Application Form.

Equity Shares and Warrants in dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares and Warrants in this Issue shall be allotted only in a de-materialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- (a) an agreement dated June 6, 2006 between NSDL, us and Registrar to the Issue;
- (b) an agreement dated August 1, 2006 between CDSL, us and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares and Warrants must have at least one beneficiary account with 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 and Warrants 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 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- (g) It may be noted that Equity Shares and Warrants 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 and Warrants are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) The trading of the Equity Shares and Warrants would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

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

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be 15 days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Ms. Vijayita Chowhan, Company Secretary as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue-related problems. She can be contacted at the following address:

Ms. Vijayita Chowhan
1st Floor, The View,
165, Dr. Annie Besant Road,
Worli, Mumbai – 400 018, India
Email: vijayita@orbitcorp.com
Tel: +91-22-30446900
Fax: +91-22-24911028

IMPERSONATION

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

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

Basis of Allocation.

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 3,185,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the valid Bids in this category are for more than 3,185,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 50 Equity Shares and Warrants and in multiples of 50 Equity Shares and Warrants thereafter. For the method of proportionate basis of allocation, 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 allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 1,365,000 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- In case the valid Bids in this category are for more than 1,365,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 50 Equity Shares and Warrants and in multiples of 50 Equity Shares and Warrants thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- At least 50% of the Net Issue shall be allotted to the QIB Bidders, failing which the full subscription monies shall be refunded.
- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to 227,500 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled “Illustration of Allotment to QIBs” appearing below. If the valid Bids by Mutual Funds are for less than 227,500 Equity Shares, the balance Equity Shares and Warrants available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 50% of the Issue size, i.e. 4,550,000 Equity Shares.

- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - (iii) Equity Shares and Warrants remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
 - (b) In the second instance allocation to all QIBs shall be determined as follows:
 - (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Issue Price shall be allotted Equity Shares and Warrants on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares and Warrants on a proportionate basis along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Except for any Equity Shares and Warrants allocated to QIB Bidders due to undersubscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis of at least 4,550,000 Equity Shares. For the method of proportionate basis of allocation refer below.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue details

Sr. No	Particulars	Issue details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (at least 50% of the Issue)	100 million Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	5 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	95 million Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	500 million Equity Shares

B. Details of QIB Bids

S. No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	TOTAL	500

A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 5 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	5	95	42.42

Please note:

- The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 171 of this Red Herring Prospectus.
- Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 shares in the QIB Portion.
- The balance 95 million Equity Shares [i.e. 100 - 5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 Equity Shares (including 5 Mutual Fund applicants who applied for 200 Equity Shares).
- The figures in the fourth column titled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
 - For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 95 /495
 - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495
 - The numerator and denominator for arriving at allocation of 95 million Equity Shares to the 10 QIBs are reduced by 5 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.**

Method of Proportionate basis of allocation in the Issue

In the event of the Issue being over-subscribed, our Company shall finalize the basis of allocation in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM, and the Registrar to the Issue shall be responsible for ensuring that the basis of allocation is finalized in a fair and proper manner.

Bidders will be categorized according to the number of Equity Shares applied for by them and the allotment shall be made on a proportionate basis as explained below.

- (a) The total number of Equity Shares and Warrants to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares and Warrants applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares and Warrants applied for) multiplied by the inverse of the over-subscription ratio.
- (b) Number of Equity Shares and Warrants to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- (c) In all Bids where the proportionate allotment is less than 50 Equity Shares per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be allotted a minimum of 50 Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- (d) If the proportionate allotment to a Bidder is a number that is more than 50 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares and Warrants arrived at after such rounding off.
- (e) If the Equity Shares and Warrants allocated on a proportionate basis to any category are more than the Equity Shares and Warrants allotted to the Bidders in that category, the remaining Equity Shares and Warrants available for allotment shall be first adjusted against any other category, where the allotted Equity Shares and Warrants are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares and Warrants, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS

We shall ensure dispatch of allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment. 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 and adequate funds for this purpose shall be made available to the Registrar for this purpose.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days finalisation of the basis of Allotment.

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

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

Refunds will be made by ECS, RTGS, NEFT, Direct credit, cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Undertaking by our Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- that the funds required for dispatch of refund orders or allotment advice as per the modes disclosed shall be made available to the Registrar to the Issue by us;
- that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within specified time;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund; and
- that no further issue of Equity Shares shall be made till the Equity Shares issued through this Red Herring Prospectus are listed or until the Bid Amounts are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue proceeds

Our Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime including after the Bid/ Issue Opening Date, without assigning any reason thereof. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in India is governed primarily by the provisions of Foreign Exchange Management Act, 1999 ("FEMA"), which relates to regulation of funds flowing into and out of India primarily by the Reserve Bank of India ("RBI") and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India which is regulated by the Foreign Investment Promotion Board ("FIPB").

Under the provisions of FEMA and the regulations made thereunder, subscription to shares of an Indian company is permitted, provided that such investment is covered under either (i) a general permission from the RBI issued under FEMA and the regulations thereunder; or (ii) a specific approval obtained from the RBI or FIPB, as the case may be.

Press Note No. 2 (2005 series), published by the Government of India has permitted foreign direct investment ("FDI") of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects, subject to certain conditions enumerated therein. A short summary of the conditions is as follows:

- (a) Minimum area to be developed is 10 hectares in case of serviced housing plots and 50,000 square metres in case of construction development projects. Where the development is a combination project, it can be either 10 hectares or 50,000 square metres.
- (b) Minimum capitalization of US\$10 million for wholly owned subsidiary and US\$5 million for a joint venture has been specified and it is required to be brought in within 6 months of commencement of business of the company.
- (c) Further, the investment is not permitted to be repatriated before 3 years from completion of minimum capitalization except with prior approval from FIPB.

- (d) At least 50% of the project is required to be developed within 5 years of obtaining all statutory clearances and the responsibility for obtaining it is cast on the foreign investor. Further, the sale of undeveloped plots is prohibited.

Subscription by Non-Residents

The Equity Shares and Warrants have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares and Warrants are only being offered and sold outside the U.S. to certain person in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

There is no reservation for any FIIs or Eligible NRIs and such FIIs or Eligible NRIs will be treated on the same basis with other categories for the purpose of allocation.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of our post-Issue paid up capital (i.e. 10% of 36,271,150 Equity Shares in case the Warrants are not converted or 10% of 45,371,150 Equity Shares in case all the Warrants are converted).

In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FIIs holding in our Company cannot exceed 24% of the total issued capital of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, an FII or its sub account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

As per the current regulations, the following restrictions are applicable for investments by SEBI registered VCFs:

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI. Accordingly, the holding by any VCF should not exceed 25% of the corpus of the VCF.

As per the current regulations, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However, we shall update this Red Herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Section 2 of the Companies Act, 1956 and the SEBI Guidelines the main provisions of the Articles of Association relating to, inter alia, the share capital, voting rights, dividends, lien, forfeiture, restriction on transfer of equity shares or dividend shares and/or their consolidation/stock splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding Article number in the Articles of Association and defined terms herein have the same meaning giving in the Articles of Association.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

4. The Authorized share capital of the company shall be as per paragraph V of the memorandum of association of the company with rights to alter the same in whatever way as deemed fit by the company. The company may increase the authorized capital which may consist of equity and / or preference shares as the company in general meeting may determine in accordance with the law for the time being in force relating to companies with power to increase or reduce such capital from time to time, in accordance with the regulations of the company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into equity share capital or preference share capital and to attach thereto respectively and preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.
5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares, which are or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
7. On the issue of Redeemable Preference Shares under the provisions of Article 3 hereof the following provisions shall take effect:
 - (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
 - (b) no such shares shall be redeemed unless they are fully paid:
 - (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed:
 - (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transformed to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share Capital of the Company.
8. The Company shall have the power to issue Cumulative Convertible Preference Shares or such other kind of preference shares, whether redeemable or not and whether partly or fully convertible, subject to the provisions of the Act and any such guidelines or regulations issued by any regulatory authorities and the resolution authorizing such issue shall prescribe the manner, terms and conditions of payment of dividend, repayment or conversion.
9. The Company may (subject to the provisions of Sections 78, 80, 100 to 105 inclusive, of the Act,) from time to time by Special Resolution, Premium Account in any manner for the time being authorized by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This article is not derogated from any power the Company would have if it were omitted.
10. Subject to the provisions of Section 94 of the Act the Company in general meeting may, from time to time, sub-divide or consolidate all or any of its share capital into shares of larger amount than its existing shares or sub-divide its 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 and the resolution whereby any share is sub-divided, may determine that, as between the holders of the share resulting from such subdivision one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

11. If at any time the share capital by reason of the issue of Preference Shares or otherwise, is divided into difference classed of shares all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the share 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, modified, commuted, affected or abrogated 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 general meeting of the holders of the shares of that class. This article shall not derogate from any power which the Company would have if this Articles were omitted. The provisions of these articles relating to general meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined hereinafter is not present, those persons who are present shall be quorum.

SHARES AND CERTIFICATES

12. The Company shall cause to be kept a Register and index of Members in accordance with sections 150 and 151 of the Act. The Company shall be entitled to keep in any state or country outside India a branch register of members resident in the State or country.
13. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which by which the same was originally distinguished.
14. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- (b) Notwithstanding anything contained in the preceding sub-clause, the Company may
- (i) by a special resolution : or
- (ii) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who being entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.
- (c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.
15. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons, in such proportion, on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.
16. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 14 and 15 the Company in general meeting may, subject to the provisions of Section 81 of the Act and other applicable guidelines, regulation prescribed any regulatory authorities from time to time determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered on preferential allotment basis to any person, company, body corporate whether incorporated or not, employees, director(s) including wholetime Director or any other entities whether residents or foreign (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provision of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such

consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

17. Pursuant to provisions of Section 79A of the Act, the Company shall have power to issue sweat equity shares to employees or Directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions by whatever name called.
18. Pursuant to provisions of Section 77, 77A, 77AA and 77B of the Act, and other regulations or guidelines as may be specified or notified by any regulatory authority from time to time, the Company shall have power to purchase its own shares and other specified securities.
19. Subject to the other provisions in the Articles and provisions contained in any regulations, guidelines and circulars issued from time to time by any regulatory authorities, the Company may issue shares with differential rights as to dividends, voting, payments, etc. on such terms and conditions as the Board of Directors may deem fit.
20. Pursuant to provisions of Section 109A of the Act every holder of shares or debentures of the Company may at any time nominate in the prescribed manner a person to whom his or her shares or debentures of the Company shall vest in the event of his
21. Any application signed by or on behalf of any applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles, be a Member.
22. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
23. Every member, or his heirs, executors or administrator, official assignees, receiver or liquidator shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.
24. (a) Every member or allottee of shares be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board on surrender to the company of its letter of allotment or its fractional coupons of requisite value, save in cases of issue against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the company, which shall be affixed in the presence of two Directors or persons acting on behalf of the directors under a duly registered power of attorney and the secretary or some other person appointed by the board of for the other person shall a person other than a managing or a whole-time director. Particulars of every share certificate issued shall be entered in the Register of members against the name of the person to whom it has been issued indicating the date of issue.
- (b) Any two or more joint allottees of a share, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee one. The company shall comply with the provisions of section 113 of the act.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
25. (1) For the purpose of this Article"

"Beneficial Owner" means a person or persons whose name is recorded as such with a depository.

"SEBI" means the Securities and Exchange Board of India.

"Depositories Act, 1996" shall include any statutory modification or reenactment thereof for the time being in force."

"Security" means such security as may be specified by SEBI from time to time.
- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialize form pursuant to the Depositories Act, 1996.

- (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any times opt out of a depository. If permitted by law, in respect of any security, in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.
- If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the Security and, on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
- (4) All securities held by a depository shall be de-materialized and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner.
- (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner of the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights of any other rights in respect of the securities.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by it.
- (6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode by delivery of floppies or discs.
- (7) Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of who are entered as beneficial owners in the records of a depository.
- (8) Notwithstanding anything in the Act or these Articles where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- (9) Nothing contained in the Act or these Articles regarding the necessity or having distinctive numbers for securities issued by the Company shall apply to securities held in a depository.
- (10) The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.
- If a share certificate is lost or destroyed, a new share certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms. If any, as to evidence and indemnity as to the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
- When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate no. . The word "Duplicate: shall be stamped or punched in bold letter across the face of the share certificate.
- (11) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of the persons to whom the lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- (12) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively, machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account on these forms to the Board.
- (13) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificate except the blank forms of share certificates.
- (14) All books referred to in above sub-Article shall be preserved in good order permanently.

26. If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.
27. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share.
28. (a) Notwithstanding anything herein contained a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such forms as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in Section 187-C of the Act.
- (b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such particulars as may be prescribed as provided in Section 187-C of the Act as may be amended from time to time.
- (c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 187-C of the Act as may be amended from time to time.
- (d) Notwithstanding anything contained in Section 153 of the Act and Article 24 hereof, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
29. The Company may purchase its own shares or other specified securities in accordance with the provisions of the Act for the time being in force. The expression "Specified Securities" includes employee stock option or other securities as may be notified by the Central Government.

UNDERWRITING AND BROKERAGE

30. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
31. The Company may pay a reasonable sum for brokerage.

INTEREST OUT OF CAPITAL

32. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being, paid up for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work of building, or the provision of plant.

LIEN

44. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 34 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

The Directors may at any time declare any share wholly or in part to be exempt from the provisions of this clause.

45. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer be made until such period as aforesaid shall have arrived, and until notice in writing of

the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

46. The net proceeds of any such sale shall be received by the Company and applied in or towards payment or such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARE

47. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
48. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate not exceeding fifteen percent annum as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
49. If the requirements of any such notice as aforesaid shall not be complied with, every or any shares in respect of which such notice has been given, may at any time thereafter before payment of all calls or installment, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture.
50. When any share shall have been so forfeited shall be given to the member in whose name its stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but not forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
51. Any share so forfeited shall be the property of the Company, and may be sold, reallocated, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
52. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding fifteen percent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
53. The forfeiture of a share involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
54. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
55. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Board may appoint some person to execute an instrument or transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
57. The Board may at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

58. The Company shall keep a "Register of Transfers" and therein will be fairly and distinctly entered particulars of or every transmission of any share.
59. Shares in the Company may be transferred by an instrument in writing in the prescribed form and shall be duly stamped and delivered to the Company within the prescribed period.
60. The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provision of the Act. The instrument of Transfer shall be accompanied by such evidence as the Board may require proving the title of Transferor and his right to transfer the shares and every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.
61. The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the Transfer Books, the Register of Members or Register of Debentures-holders at such time or times and for such period or periods, not exceeding thirty days of a time and not exceeding in the aggregate forty-five days in each year.
62. Subject to the provisions of Section 111A of the Act, the Securities Contracts (Regulation) Act, 1956 and any applicable regulation including any requirement under the listing agreements with the stock exchange, the Board, may decline to register or acknowledge any transfer of shares, whether, fully paid or not (notwithstanding that the proposed transferee be already a member), but in such cases, it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer. Registration of a transfer of shares 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 a lien on the shares.
63. Where in the case of partly paid shares, an application for registration is made by the transferor; the company shall give notice of the application to the transferee in accordance with the provisions of section 110 of the Act.
64. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased Joint-holder from any liability on shares held by him jointly with any other person.
65. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only person recognised by the company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders at a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letter of Administrator or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion think fit, the Board may dispense with production of probate of letter of Administration or Succession certificate, upon such term as to indemnity or otherwise as the Board in absolute discretion may think necessary an under a Article 63 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. Similarly in liquidation of a body corporate which is a member of this Company the official Assignee, Liquidator/or Receiver appointed by a duly constituted court in the Union of India shall be the only person recognised by the Company as having title to the share registered in the name of such member.
66. No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.
67. Subject to the provisions of the Act and Articles 60 and 61 any person becoming entitled to shares in consequences 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, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Articles or of such title as the Board thinks sufficient, either by registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder provided nevertheless, that if such person shall elect to have his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be released from any liability in respect of the shares.

68. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for, any dividends or other moneys payable in respect of the share.
69. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee if any, as the Directors may require. The Board may however in its absolute discretion wholly or partly waive payment of the fee aforesaid generally or in specific case of cases, as it may deem fit.
70. The Company shall incur no liability or responsibility whatsoever in consequences of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if, the Board shall so think fit.

BORROWING POWERS

72. Subject to the provisions of Sections 292 and 293 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrows (Apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.
73. Subject to the provisions of Articles 68 hereof, the payment of repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
74. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise, debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting accorded by a Special Resolution.
75. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges, specifically affecting the property of the Company and shall cause the requirements of sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fail to be complied with by the Board.
76. The Company shall, if at any time it issues debentures keep a Register and index of Debentures-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or country outside India a branch Register of Debenture-holders resident in that State or country.

SHARE WARRANTS

77. The Company may issue share warrants subject to and in accordance with, the provisions of sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any share which is fully holder of the share, and authenticated by such evidence (if any) as the Board may from time to time, require as to identity of the person signing the application, and on receiving the Certificate (if any) of the Share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
78. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share including in the deposited warrant.

- (2) Not more than one person shall be recognised as depositor of the share warrant.
 - (3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
76. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and he shall be a member of the Company.
77. The Board may, from time to time, make rules as to the terms or, which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

78. The Company in general meeting may convert any paid up shares, into stock; and when any shares shall have been converted into stock, the several holders of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.
79. The holders of stock shall according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, including the right to sell or transfer in whole or in part the stock held by them, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETING OF MEMBERS

80. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hour, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within a city in which the office of the Company is situate as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every members of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company there shall be on the table the Directors Report and Audited Statement of Accounts, Auditors Report (if not already incorporated in the Audited statement of Accounts) the proxy register with proxies and the Register of Directors shareholdings which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual list of members, Summary of the share capital, balance sheet and profit and loss account and forward the same to the registrar in accordance with Sections 159, 161 and 220 of the Act.
81. The Board may, whenever it think fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.
82. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
83. Upon receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

84. Any meeting called upon the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
85. At least twenty-one days notice of every General Meeting, Annual or Extraordinary, and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as these Articles entitled to receive notice from the Company. Provided that in the case of an Annual general Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other meeting, with the consent of members holding not less than 95 percent or such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting if any business other than (i) the consideration of the Accounts, Balance sheets and Reports of the Board of Directors and Auditors, (ii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted and in the case of any other Meeting in any event there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager (if any). Where any such item of special business relates to, or affects any other company, the extend of share holding interest in other company of every Director, and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other Company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
86. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
87. No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
88. Five members present in person shall be a quorum for a General Meeting.
89. A body corporate Central Government, State Government, Public Trustee being members shall be deemed to be personally present if they are represented in accordance with Section 187, 187A and 187B of the Act.
90. If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting if convened by or upon the requisition of members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in the city or town in which the Office of the Company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.
91. The Chairman (if any) of the Directors shall be entitled to take the chair at every General Meeting, whether Annual or extraordinary. If there be no such chairman of the Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the members present shall elect another Directors as Chairman, and if no Director be present shall elect another Director as Chairman, and if no Director be present or if all the Director present decline to take the chair, then the members present shall elect one of their number to be chairman.
92. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.
93. The Chairman with the consent of the members or on his own volition (suo moto) bonafide in the interest of the meeting may adjourn any meeting from time to time and from place to place (in Bombay), but not business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting form which the adjournment took place, unless a fresh notice is served as per the provisions of the Act stating therein, the business to be transacted.
94. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or any declaration of the results of the show of hands) ordered to be taken by the Chairman of the Meeting on this own motion or ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution has on a show of hands, been carried or carried unanimously or by a particular majority or lost, any entry to that effect in the minute book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of or against that resolution.
95. In the case of any equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.

96. If a poll is demanded as aforesaid the same shall subject to Article 100 be taken at such time (not later than forty-eight hours from time when the demand was made) and place in the city or town in which the office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdraw at any time by the person or persons who made the demand.
97. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member, (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove scrutineers from office and fill vacancies in the vacancies in the office of scrutineers arising from such removal or from any other cause.
98. Any poll duly demanded on the election of Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith.
99. Without prejudice to the provisions contained in these Articles of Association concerning passing of the resolutions in the general meeting the company may pass resolution by means of a postal ballot instead of transacting the business in general meeting in the manner and to the extent permitted by the act.
100. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

101. No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has, and has exercised, any right or lien.
102. Subject to the provisions of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however if any preference share holder be present at any meeting of the Company, as provided in clause (b) of sub-section (2) of section 87, he shall have a right to vote only on resolution placed before the meeting which directly, affect the rights attached to his preference shares.
103. On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
104. A member of unsound mind or in respect of whom an order has been made 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 poll vote by proxy. If any member be a minor the vote in respect of his share or shares shall be by his guardian, or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.
105. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of the said persons so present sent whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand, shall for the purpose of theses Articles be deemed joint holders thereof.
106. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate, Central of Sate Government being a member may vote either by a proxy or by representatives duly authorized in accordance with sections 187 and 187A of the Act and such representatives shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate authority which he represents as that body could exercise if it were an individual member. Provided further that the shares held by Trustees shall be represented in accordance with Section 187B of the Act and the Public Trustee entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the trust which he represents as if he was an individual member.

107. Any person entitled under Article 63 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Director shall have previously admitted his right to vote at such meeting in respect thereof.
108. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, Central of State Government, under the common seal of such corporation of Government or be signed by an officer or any attorney duly authorized by the body corporate or the Government and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.
109. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
110. A member present by proxy shall be entitled to vote only on a poll.
111. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
112. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
113. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death, insanity, winding up or liquidation of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of such event shall have been received at the office before the meeting.
114. No, objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
115. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

117. (1) Until otherwise determined by a General Meeting the Company and subject to the provisions of section 252 of the Act, the number of Directors, including Debenture Directors (but excluding Alternate Directors) shall not be less than three or more than twelve of which two-thirds shall retire by rotation in accordance with the provisions of Section 255 of the Act.
(2) The First Directors of the Company shall be Mr. Ravi Kiran Aggarwal, Mr. Pujit Aggarwal and Mr. Dinesh Kiran Aggarwal.
118. Notwithstanding anything to the contrary contained in these Articles so long as any moneyies remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Assurance Company Limited (NIC), The Oriental Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or State Government by themselves (each of the above is hereinafter in this Article referred to as "the Corporation) out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole-time, (which Director or Directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be able to retirement by rotation of Directors. The Company agrees that if the Board of Directors of the Company has constituted or proposes to constitute any management committee or other committee(s) it shall, if so required by the Corporation include the Nominee Director as a member of such management committee or other committee(s). Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any monies remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold debentures/shares in the Company as a result of underwriting or by writing or by direct subscription or private placement or in liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the monies owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director's appointed under this Article shall be entitled to receive all notices of and attend all General Meeting, Board Meetings and of Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall be entitled to receive all such notices and minutes.

The Nominees Director/s shall be entitled to the same sitting fees, commission, remuneration and expenses as are applicable to other Directors of the Company. The Company shall pay the sitting fee and other expenses to the Nominee Director/s directly, but the commission, remuneration or other monies and fees to which the Nominee Director/s is entitled shall accrue due to the Corporation and shall accordingly be paid by the Company directly to the Corporation.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation, or as the case may be to such Nominee Director/s.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration fees, commission, and monies as may be approved by the Corporation.

119. It is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time by the person or persons in whom for the time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.
120. The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provision in the Act or these Articles for the automatic re-appointment or retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
121. Subject to the provisions of Sections 260, 261 and 264, the Board shall have power at any time from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 117. Any such additional Director shall hold office only upto the date of the next Annual General Meeting and eligible for re-appointment in accordance with the provisions of the Act and these articles.
122. Subject to the provisions of Sections 261, 264 and 284(6) the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office

only up to the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

123. A Director shall not be required to hold any share qualification.

MANAGING DIRECTOR/ JOINT MANAGING DIRECTOR/ WHOLETIME DIRECTOR

124. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its number as Managing Director or Managing Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of Article 146 the Board may be resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board, generally as it thinks fit, and powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act as provided in article below.

125. Subject to the provisions of section 268 and other provisions of the Act and these Articles the Board of Directors may appoint, in addition to the Managing Director, one or more Joint Managing Director or whole time Directors, not being Managers as defined in the Act to whom the Board and/or Managing Director may, from time to time, sub-delegate such powers as may be considered necessary. Provided that Directors shall be rotational or non-rotational as may be decided by the Board.

126. The Managing/Joint Managing / Whole time Directors shall not exercise the powers to:

- (a) Make calls on shareholders in respect of money unpaid on the shares in the Company.
- (b) Issue debentures.

And except to the extent mentioned in the resolution passed at the Board Meeting under Section 292 of the act, shall also not exercise the powers to:

- (c) Borrow moneys, otherwise than on debentures.
- (d) Invest the funds of the company: and
- (e) Take loans.

127. The Company shall not appoint or employ, or continue the appointment or employment of, a person as its Managing or Whole-time Director who -

- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent
- (b) Suspends, or has at any time suspended, payment to his creditors, or makes or has at any time made a composition with them or.
- (c) Is, or has any time been, convicted by a court of an offence involving moral turpitude.

128. A Managing Director/Joint Managing Director or Wholetime Director shall not while continues to hold that office be subject to retirement by rotation, in accordance with Article 136. If he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director.

DIVIDENDS

169. The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

170. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

171. No dividend shall be declared or paid otherwise by the company for any financial year out of profits for that year arrived at after providing for depreciation in accordance with the provisions of section 205 of the Act except after the transfer to the reserves of the company of such percentage of its profits for that year as may be prescribed or out of the profits of Company for nay previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that.

- (a) If the company has not provided for depreciation for any previous financial year or year it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years.
 - (b) If the company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amounts provided for depreciation for that year or those years whichever is less shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of section 205 of the act or against both.
172. The Board may, from time to time, pay the members such interim dividend as in their judgment the position, of the company justifies.
173. Where capital is paid in advance or calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.
174. 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.
175. The Board may transfer the dividends payable upon shares in respect of which any person is, under Article 65 entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same subject to the provisions of the companies act, 1956, and as provided for in Article 180.
176. Any one or several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
177. No member shall be entitled to receive payment of any interest or dividend in respect of his shares, whilst any money may be due or owing from him to the Company in respect of such share of shares or otherwise, however, either alone or jointly with any other person or persons, and the board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
178. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
179. Unless otherwise directed any dividend may be paid by cheque or warrant or by a pay slip or receipt having, the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the register in respect of the joint holdings. Every such cheque or warrant, shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant or payslip or receipt 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 forged signature on any payslip or receipt or the fraudulent recovery of the dividend by any other means. Provided that Company may transfer the dividend through ECS or any other electronics mode or other systems as may be allowed from time to time.
180. (a) If the company has declared a dividend but which has not been paid within 30 days or within such days as may be prescribed from time to time, than 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 or such other days as may be prescribed , transfer the amount of dividend which remains unpaid within the said period of 30 days to a special account to be opened in that behalf in any scheduled Bank called "the unpaid dividend account of Orbit Corporation Limited.
- (b) 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 credit of the Investors Education and Protection Fund or any other fund as may be prescribed.
181. No unpaid dividend shall bear interest as against the company subject to the provisions of the companies act, 1956. No unclaimed dividend shall be forfeited by the board unless the claim thereto becomes barred by law and the company shall comply with all the provisions of section 205A and 205C of the Companies Act in respect of unclaimed or unpaid dividend.
182. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the company and the member, be set off against the calls.

183. (a) The Company in General Meeting may resolve that any moneys, investment or other assets forming part of the undivided profits of the company standing to the credit of the reserve fund, or any capital redemption reserve account, or in the hands of the company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the share premium account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or towards payment of the uncalled liability on any issued shares or debenture or debenture-stock and that such distribution or payment shall be accepted by such share holders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares. Provided that Company shall comply with the provisions of the Act, these Articles and regulations number 96 and 97 contained in Table A of Schedule I of the Act
- (b) A General Meeting may resolve that the surplus moneys arising from the realisation of any capital assets of the company, or any investments representing the same, or any other undistributed profits of the company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficult which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10 may be disregarded in order to adjust the rights of all parties and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registered for registration in accordance with Section 75 of the Companies Act, 1956 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.
- (d) Notwithstanding anything contained in forgoing provisions relating /or concerning dividend. The Statutory amendments if, any shall prevail over the aforesaid articles.

WINDING - UP

200. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the company and may with the like sanction, vest any part of the assets of the company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

201. Every officer or agent for the time being of the company shall be indemnified out of the assets of the company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under section 633 of the act in which relief is granted to him by the company.

SECRECY CLAUSE

202. (a) Every director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the company shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the company with the customers and that state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may, relate to the conduct of the business of the company and which in the opinion of the Directors it would be inexpedient in the interest or the company to disclose.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring 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 the Red Herring Prospectus, delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company situated at 1st Floor, The View, 165, Dr. Annie Besant Road, Mumbai – 400 018, India from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Letter of appointment dated January 06, 2006 to Edelweiss Capital Limited from our Company appointing them as the BRLM.
2. Memorandum of understanding dated August 11, 2006 between the BRLM and us.
3. Memorandum of understanding dated June 5, 2006 between the Registrar to the Issue and us.
4. Escrow Agreement dated February 24, 2007 between the BRLM, the Syndicate Member, Escrow Collection Banks, the Registrar to the Issue and us.
5. Syndicate Agreement dated February 24, 2007 between the BRLM, the Syndicate Member and us.
6. Revocation Agreement dated March 8, 2007 between Enam Financial Consultants Pvt. Ltd., Enam Securities Pvt. Ltd. and us.
7. Underwriting Agreement dated [*] between the BRLM, the Syndicate Member and us.
8. Agreements related to the projects

Name of Project	Location	Project executed by	Nature of Agreement	Date of Signing the Agreement
Orbit Arya	Napeansea Road	OCL	Deed of Conveyance in OCRPL	Arvind House July 1, 2006 and Noorie Castle May 9, 2006
Orbit Heights	Tardeo Road	OCRPL	Development Agreement	19/09/2002 (Irani Chawl) 27/07/2001 (Sunkersett blocks)
Orbit Eternia	Lower Parel	OCRPL	Development Agreement	13/12/2004
Orbit Enclave	Prarthna Samaj	OCRPL	Letter of intent from the society; (Development Agreement Under Process)	28/10/2005
Hafeez Contractor House	Lower Parel	OCL	Co-development Agreement	22/3/2006
Orbit Haven	Napeansea Road	OCRPL	Deed of Conveyance	31/10/2006
Orbit Grand I	Lower Parel	OCRPL	MOU	17/9/2004
Orbit Grand II	Lower Parel	OCRPL	Deed of Conveyance	29/9/2006
Villa Orb	Napeansea Road	OHPL	Indenture of Conveyance	30/09/2005
Orbit Ambrosia (currently known as Morena House)	Altamount Road	OCL	Agreement for intended sale	05/05/2006
Orbit View (currently known as Kishori Court)	Worli Sea Face	OCRPL	MOU	13/04/2006
Orbit Plaza	Bandra Kurla Complex	OCL	Registered Development Agreement and POA	10/08/2006
Gokuldas Devji Wadi (Bhatia Properties)	Tardeo	OCL	MOU	29/7/2006

Name of Project	Location	Project executed by	Nature of Agreement	Date of Signing the Agreement
Jensen Veneers	New Breach Candy Road	OCL	MOU	23/12/2006
Iqbal Manzil and Daruwala Chawl	Lower Parel	OCL	MOU	07/ 10/ 2006
Mukund Mansion	Napeansea Road	OHPL	MOU	09/11/ 2006

Material Documents

1. Our Memorandum and Articles of Association as amended till date.
2. Our certificate of incorporation dated March 7, 2000.
3. Fresh certificate of incorporation dated April 10, 2006 consequent to change of name from Orbit Cybertech Limited to Orbit Corporation Limited.
4. Resolution passed by the Board of Directors dated June 9, 2006 authorising this Issue.
5. Shareholders' resolution dated June 12, 2006 in relation to this Issue and other related matters.
6. Resolutions passed by the Board dated August 10, 2006 and March 8, 2007 approving the Draft Red Herring Prospectus and Red Herring Prospectus respectively.
7. Report of the statutory Auditors on the stand alone and consolidated financial statements, dated February 5, 2007, M/s Sharp & Tannan, Chartered Accountants, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus for the Issuer Company.
8. Copies of annual reports of our Company and our subsidiaries for the year ended on March 31, 2002, March 31, 2003, March 31, 2004, March 31, 2005 and March 31, 2006.
9. Consents of the Auditors, M/s Sharp & Tannan, Chartered Accountants, for inclusion of their report on accounts and statement of tax benefits in the form and context in which they appear in this Red Herring Prospectus.
10. Consents of the Auditors, the Bankers to the Company, the BRLM, the Syndicate Member, the Registrar to the Issue, the Escrow Collection Banks, the Bankers to the Issue, the domestic legal counsel to the Issue, our Directors, our Company Secretary and the Compliance Officer, as referred to, in their respective capacities.
11. Copy of Sanction Letter dated January 4, 2005 from Indian Overseas Bank sanctioning the term loan of Rs. 190,000,000 to OCRPL.
12. Copy of Sanction Letter dated September 26, 2005 from Punjab National Bank sanctioning the term loan of Rs. 400,000,000 to OBRPL.
13. Copy of Sanction Letter dated November 3, 2006 from Canara Bank sanctioning the term loan of Rs.75 million to OBRPL
14. Copy of Sanction Letter dated December 27, 2006 from State Bank of India sanctioning the term loan of Rs.300 million to OCL
15. Applications dated August 14, 2006 for in-principle listing approval from BSE and NSE.
16. In-principle listing approval dated October 30, 2006 and October 31, 2006 from the BSE and the NSE, respectively.
17. General Power of Attorney executed by the Directors of our Company in favour of Person(s) for signing and making necessary changes to this Red Herring Prospectus and other related documents.
18. Copies of Agreements with Managing Directors and Whole time Directors.
19. Tripartite agreement between NSDL, the Registrar to the Issue and us dated June 6, 2006.
20. Tripartite agreement between CDSL, the Registrar to the Issue and us dated August 1, 2006.
21. Due diligence certificate dated August 14, 2006 to SEBI from Edelweiss Capital Limited.
22. SEBI observation letter CFD/DIL/ISSUES/IPO/PB/MKS/2006 dated January 31, 2007

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in 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, 1956 and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act 1956, and the guidelines issued by the Government of India or the guidelines issued the by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We and the signatories mentioned below further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY ALL DIRECTORS

Mr. Ravi Kiran Aggarwal, Executive Chairman

Mr. Pujit Kiran Aggarwal, Managing Director

Mr. Prithvi Raj Jindal, Director*

Mr. Davendra Ahuja, Director*

Mr. Shailesh S. Vaidya, Director*

Mr. Hafeez Contractor, Director*

Mr. Kuldip Bhargava, Director*

Mr. Deepak Dhawan, Director*

Ms. Vijayita Chowhan, Company Secretary and Compliance Officer

Mr. Ramashrya Yadav, Head - Finance & Strategies

* Signed by duly constituted attorney

Date: March 8, 2007

Place: Mumbai