



Parsvnath Developers Limited

(Incorporated on July 24, 1990 under the Companies Act, 1956. The registered office of our Company was changed from G-2, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001, India to the current registered office from March 1, 2004.)

Registered and Corporate Office: 6th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001, India.
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PUBLIC ISSUE OF UP TO 33,238,000 EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARES") FOR CASH AT A PREMIUM OF RS. [●] PER EQUITY SHARE AND AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] MILLION (THE "ISSUE"), BY PARSVNATH DEVELOPERS LIMITED ("PDL", "THE COMPANY" OR "THE ISSUER"). THERE WILL ALSO BE A GREEN SHOE OPTION OF UP TO 30,87,800 EQUITY SHARES TO BE OFFERED BY PARASNATH AND ASSOCIATES PRIVATE LIMITED, ONE OF OUR PROMOTERS, FOR CASH AT A PREMIUM OF RS. [●] PER EQUITY SHARE AND AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] MILLION. THE ISSUE AND THE GREEN SHOE OPTION, IF EXERCISED IN FULL, WILL AGGREGATE 36,325,800 EQUITY SHARES AMOUNTING TO RS. [●] MILLION. THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF UP TO 33,038,000 EQUITY SHARES ("THE NET ISSUE") AND A RESERVATION OF UP TO 200,000 EQUITY SHARES FOR SUBSCRIPTION BY EMPLOYEES (AS DEFINED HEREIN) (THE "EMPLOYEE RESERVATION PORTION"), AT THE ISSUE PRICE. THE ISSUE WILL CONSTITUTE 18.30% OF THE FULLY DILUTED POST-ISSUE EQUITY SHARE CAPITAL OF OUR COMPANY ASSUMING THAT THE GREEN SHOE OPTION IS NOT EXERCISED AND 19.67% ASSUMING THAT THE GREEN SHOE OPTION IS EXERCISED IN FULL.

PRICE BAND: RS. 250 TO RS. 300 PER EQUITY SHARE OF FACE VALUE RS. 10

THE FACE VALUE OF EQUITY SHARE IS RS. 10 AND THE FLOOR PRICE IS 25 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 30 TIMES OF THE FACE VALUE

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the 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 Bombay Stock Exchange Limited ("BSE") and 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 Managers and at the terminals of the Syndicate.

In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIB Bidders, 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 QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above Issue price. If at least 60% of the Net Issue cannot be allocated to QIB Bidders, then the entire application money will be refunded forthwith. Further, up to 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 200,000 Equity Shares shall be available for allocation on a proportionate basis to the Employees, subject to valid Bids being received at or above the Issue Price. The Company has not opted for grading of the Issue.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of the Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Share is Rs. 10 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 Managers, 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 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 x of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through 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 September 14, 2006 and September 13, 2006 respectively. National Stock Exchange of India Limited shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

ENAM	JPM MORGAN STANLEY	DSP Merrill Lynch	INTIME SPECTRUM REGISTRY LIMITED
ENAM FINANCIAL CONSULTANTS PVT. LTD. 801/ 802, Dalamal Towers, Nariman Point, Mumbai - 400 021, India. Tel : +91 22 6638 1800 Fax: +91 22 2284 6824 E-mail: pdl.ipo@enam.com Website: www.enam.com	JM MORGAN STANLEY PRIVATE LIMITED 141, Maker Chambers III, Nariman Point, Mumbai - 400 021, India. Tel: + 91 22 6630 3030 Fax: + 91 22 2204 7185 E-mail: pdl.ipo@jmmorganstanley.com Website: www.jmmorganstanley.com	DSP MERRILL LYNCH LIMITED Mafatlal Centre, 10th Floor, Nariman Point Mumbai 400 021, India Tel: +91 22 2262 1071 Fax: +91 22 2262 1187 Email: pdl_ipo@ml.com Website: www.dspml.com	INTIME SPECTRUM REGISTRY LIMITED C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai 400 078, India Tel: +91 22 2596 0320 Fax: +91 22 2596 0329 Email: pdl-ipo@intimespectrum.com Website: www.intimespectrum.com

ISSUE PROGRAMME

BID/ISSUE OPENS ON : MONDAY, NOVEMBER 06, 2006

BID/ISSUE CLOSES ON : FRIDAY, NOVEMBER 10, 2006

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DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
"Parsvnath" or "PDL" or "the Company" or "our Company" or "Parsvnath Developers Limited" or "we" or "us" or "our"	Parsvnath Developers Limited, a public limited company incorporated under the Companies Act, 1956.

Issue Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue.
Articles/Articles of Association	Articles of Association of our Company.
Auditors	M/s Deloitte Haskins & Sells, Chartered Accountants.
Banker(s) to the Issue	Deutsche Bank AG, HDFC Bank Limited, ICICI Bank Limited, Kotak Mahindra Bank Limited, Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Limited, UTI Bank Limited and ABN Amro Bank, NV.
Bid	An indication to make an offer during the Bidding Period by a Bidder to subscribe to Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of a Bid in the Issue.
Bid cum Application Form	The form in terms of which the Bidders shall make an indication to make an offer to subscribe to the Equity Shares and which will be considered as the application for the issue of the Equity Shares pursuant to the terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding/ Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which Bidders can submit their Bids, including any revisions thereof.
Bid/Issue Closing Date	The date after which the Syndicate shall not accept any Bids for the Issue, which shall be the date notified in an English national newspaper and a Hindi national newspaper, both with wide circulation.
Bid/ Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper and a Hindi national newspaper, both with wide circulation.
Board of Directors/Board	The board of directors of our Company or a committee constituted thereof.
Book Building Process	Book building route as provided in Chapter XI of the SEBI Guidelines, in terms of which this Issue is being made.
BRLMs/ Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being ENAM Financial Consultants Private Limited, JM Morgan Stanley Private Limited and DSP Merrill Lynch Limited.



Term	Description
BSE	Bombay Stock Exchange Limited earlier known as The Stock Exchange, Mumbai.
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted.
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 BRLMs. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Issue Account, which in no event shall be earlier than the date on which the Prospectus is filed with the RoC.
Designated Stock Exchange	National Stock Exchange of India Limited
Director(s)	Director(s) of Parsvnath Developers Limited, unless otherwise specified.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated August 29, 2006 issued in accordance with Section 60B of the Companies Act and SEBI Guidelines, which did not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. Upon filing with RoC at least three days before the Bid/Issue Opening Date, it will become the Red Herring Prospectus. It will become a Prospectus upon filing with RoC after the determination of Issue Price.
Employee	All or any of the following: (a) a permanent employee of the Company as of September 30, 2006 and based, working and present in India as on the date of submission of the Bid cum Application Form. (b) a Director of the Company, whether a whole time Director, part time Director or otherwise, except any Promoters or members of the Promoter group, as of the date of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form.
Employee Reservation Portion	The portion of the Issue being up to 200,000 Equity Shares available for allocation to Employees.
Equity Shares	Equity shares of the Company of face value of Rs. 10 each.
Escrow Account	Accounts opened with the 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 dated [●] to be entered into among the Company, the Registrar, the Escrow Collection Bank(s), the BRLMs and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders.



Term	Description
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account will be opened.
Green Shoe Lender	Parasnath and Associates Private Limited, one of our Promoters.
Green Shoe Option	An option to allocate Equity Shares in excess of the Equity Shares included in the Issue and operate a post-listing price stabilisation mechanism in accordance with Chapter VIII-A of the SEBI Guidelines, which is to be exercised through the Stabilising Agent.
Green Shoe Option Portion	3,087,800 Equity Shares aggregating Rs. [●] million, if exercised in full.
GSO Bank Account	The bank account to be opened by the Stabilising Agent under the Stabilising Agreement, on the terms and conditions thereof.
GSO Demat Account	The demat account to be opened by the Stabilising Agent under the Stabilising Agreement, on the terms and conditions thereof.
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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in 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.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
Indian GAAP	Generally accepted accounting principles in India.
Issue	Public issue of up to 33,238,000 Equity Shares at a price of Rs. [●] each for cash aggregating upto Rs. [●] million by our Company. The Issue comprises a Net Issue to the public of up to 33,038,000 Equity Shares and the Employees Reservation Portion of up to 200,000 Equity Shares.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus, as determined by the Company in consultation with the BRLMs, on the Pricing Date.
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts for the Issue on the Designated Date.
Loaned Shares	Upto 3,087,800 Equity Shares loaned by the Green Shoe Lender pursuant to the terms of the Stabilising Agreement, on the terms and conditions thereof.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount.
Memorandum/Memorandum of Association	The memorandum of association of our Company.



Term	Description
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
NSE	National Stock Exchange of India Limited.
Net Issue/Net Issue to the public	The Issue less the Employees Reservation Portion.
Non-Institutional Bidders	Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have Bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Net Issue being up to 3,303,800 Equity Shares available for allocation to Non-Institutional Bidders.
Non Residents	A person resident outside India, as defined under FEMA.
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 Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Over Allotment Shares	The Equity Shares allotted pursuant to the Green Shoe Option.
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 extending until the closure of the Pay-in Date.
Price Band	The price band with a minimum price (Floor Price) of Rs. 250 and the maximum price (Cap Price) of Rs. 300, including any revisions thereof.
Pricing Date	The date on which the Company in consultation with the BRLMs finalises the Issue Price.
Promoters	1. The natural persons who are Promoters are: i. Mr. Pradeep Kumar Jain, ii. Ms. Nutan Jain. 2. The HUF, which is a Promoter is: i. Pradeep Kumar Jain & Sons (HUF). 3. The company which is a Promoter is: i. Parasnath and Associates Private Limited.
Prospectus	The prospectus, to be filed with the RoC after pricing containing, among other things, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information including the final private placement memorandum and any addendum or corrigendum thereof.



Term	Description
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds 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 Portion	The portion of the Net Issue being at least 19,822,800 Equity Shares available for allocation to QIBs.
Registered Office of the Company	6 th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001, India.
Registrar/ Registrar to the Issue	Registrar to the Issue, in this case being Intime Spectrum Registry Limited.
Retail Individual Bidders	Individual Bidders (including HUFs applying through their <i>karta</i>) who have bid for Equity Shares 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 Net Issue being up to 9,911,400 Equity Shares available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in their Bid cum Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	This Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue including the preliminary private placement memorandum and any addendum or corrigendum thereof. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus after filing with the RoC after determination of the Issue Price.
RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana, located at New Delhi.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	The SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI, as amended, including instructions and clarifications issued by SEBI from time to time.
Stabilising Agent	JM Morgan Stanley Private Limited
Stabilising Agreement	Agreement entered into by us, the Green Shoe Lender and the Stabilising Agent dated August 29, 2006 in relation to the Green Shoe Option.
Stabilisation Period	The period commencing from the date of obtaining trading permission from the Stock Exchanges for the Equity Shares under the Issue, and ending 30 days thereafter, unless terminated earlier by the Stabilising Agent.
Stock Exchanges	BSE and NSE.
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Members.



Term	Description
Syndicate Agreement	The agreement dated [•] to be entered into among the Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Members	Enam Securities Private Limited, JM Morgan Stanley Financial Services Limited and Fortune Financial Services (India) Limited.
TRS/ Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate to a Bidder as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement among the members of the Syndicate and the Company to be entered into on or after the Pricing Date.

Industry Related Terms & Abbreviations

Term	Description
BPO	Business Process Outsourcing
EMI	Equated Monthly Instalments
IT	Information Technology
ITES	IT Enabled Service
NHB	National Housing Bank

Abbreviations

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
CAGR	Compounded Annual Growth Rate
DMRC	Delhi Metro Rail Corporation Limited
DSPML	DSP Merrill Lynch Limited
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ENAM	ENAM Financial Consultants Private Limited
EPC	Engineering Procurement and Construction
EPS	Earnings per share
FIPB	Foreign Investment Promotion Board
FY/ Fiscal	Financial year/ Fiscal year
Financial year /Fiscal Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
GESCO	GESCO Corporation Limited
GNIDA	Greater NOIDA Industrial Development Authority



Abbreviation	Full Form
Gol	Government of India.
HUDCO	Housing and Urban Development Corporation Limited
HUF	Hindu Undivided Family
IFRS	International Financing Reporting Standards
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
JMMS	JM Morgan Stanley Private Limited
NEFT	National Electronic Fund Transfer
NOIDA	New Okhla Industrial Development Authority
NAV	Net Asset Value
NSDL	National Securities Depository Limited
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SEZ	Special Economic Zone
U.S. GAAP	Generally accepted accounting principles in the United States of America.



PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and included in this Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31, 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.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements (consolidated or unconsolidated) included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and SEBI Guidelines. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and SEBI Guidelines on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. The Company has not attempted to quantify those differences or their impact on the financial data included herein, and the Company urges you to consult your own advisors regarding such differences and their impact on our financial data. For more information on these differences, see "Summary of Significant Differences between Indian GAAP and U.S. GAAP", which appears on page 203 of this Red Herring Prospectus.

Currency of Presentation

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

Market Data

The total saleable area/ built-up area in relation to our projects are based on management estimates and have been expressed in terms of square feet. The actual saleable area may differ from our current estimates. For further details see the section titled "Risk Factors" beginning on page x of this Red Herring Prospectus. The total area of land under Development Agreements or Agreements for Acquisition of Land or Concession Agreements or which has been purchased/allotted in relation to our projects has been expressed in terms of square metres. One square metre is equal to 10.76 square feet. Further, one acre is equal to 4,046.86 square metres or 43,560 square feet and one hectare is equal to 10,000 square metres. Unless stated otherwise, industry data used throughout this Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry data used in this Red Herring Prospectus is reliable, it has not been verified by any independent sources. The extent to which the management estimates or market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the real estate industry in India and methodologies and assumptions may vary widely among different industry sources.



FORWARD-LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which the Company has its businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, our dependence on key managerial employees, extent to which our projects qualify for completion under the percentage of completion method of accounting, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, impairment of our title to land, action of our joint venture partners or third parties, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, raw material prices, equity prices or other rates or prices, the continued availability of applicable tax benefits, conflict of interests with Promoter group companies and companies in which we have a substantial investment, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” on page x of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, nor the members 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 the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.



RISK FACTORS

An investment in equity shares involves a degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain, a complete understanding of our Company, you should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 55 and 208 of this Red Herring Prospectus as well as the other financial and statistical information contained in this Red Herring Prospectus. If the following risks occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline.

Internal Risk Factors and Risks Relating to Our Business

Fluctuations in market conditions may affect our ability to sell our projects at expected prices, which could adversely affect our revenues and earnings.

We are subject to potentially significant fluctuations in the market value of our land and constructed inventories. We need to constantly identify and acquire new sites of undeveloped and developed land to support and sustain our business. The risk of owning undeveloped land, developed land and constructed inventories can be substantial and the market value of the same can fluctuate significantly as a result of changing economic and market conditions.

There is a lag between the time we acquire land or development rights and the time that we can construct and develop such project and sell our inventories. Further, the actual timing of the completion of a project may be different from its forecasted schedules for a number of reasons, including obtaining governmental approvals and building permits. In addition, the real estate investments, both in land and constructed inventories, are relatively illiquid, which may limit our ability to vary our exposure in the real estate business promptly in response to changes in economic or other conditions.

We could be adversely affected if market conditions deteriorate or if we purchase land or construct inventories at higher prices during stronger economic periods and the value of the land or the constructed inventories subsequently declines during weaker economic periods. Additionally, the unavailability or shortage of suitable parcels of land for development may lead to an escalation in land prices.

Further, the real estate business is significantly affected by changes in government policies, economic and other conditions, such as economic slowdown or recession, demographic trends, employment levels, availability of financing, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur. These factors can negatively affect the demand for and pricing of our developed and undeveloped land and constructed inventories and, as a result, may negatively affect our financial condition, results of operations, cash flow position, our ability to meet our debt servicing obligations and trading price of our Equity Shares.

We recognise revenue based on 'Percentage of Completion Method' of accounting on the basis of our management's estimates of the project cost. Our revenues may fluctuate significantly from period to period.

We recognize the revenue generated from our projects on the 'Percentage of Completion Method' of accounting. Under this method revenue is recognized, in relation to areas sold by us, on the basis of the percentage of the actual cost incurred thereon including cost incurred for the purchase of land as against the total estimated cost of the project under execution. However, the revenue is recognized only if the actual cost already incurred on the date of the financial statements is at least 30% of the total cost of the project as estimated by the management. The estimates of saleable area and costs may be revised periodically by the management. We cannot assure you that these estimates will match with the actual cost incurred in respect of these projects. The effect of such changes to estimates is recognised in the financial statements of the period in which such changes are determined. Therefore, our revenue recognition is based on the number of projects under execution during a period that qualify for such



revenue recognition. This may lead to significant fluctuations in our revenues from period to period. Amounts received from customers for projects which either do not qualify for revenue recognition under this method or such amounts as are paid by customers in surplus of the amounts recognized under the method described above, are accounted for as advances from customers as part of the current liabilities.

Currently, there is no prescribed method of accounting of revenue and cost for companies engaged in real estate development under Indian GAAP. The Accounting Standard 7 ("AS-7") issued by the Institute of Chartered Accountants of India is applicable to entities in the business of construction contracts and entities engaged in real estate development business are not required to comply with AS-7. In the event of any change in law or Indian GAAP which requires a change in the method of revenue recognition, the financial results of our operations may be adversely affected. For the details of the method of revenue recognition, see the section titled "Management's Discussion and Analysis of Financial Conditions and Results of operations - Critical Accounting Policies" on page 211 of this Red Herring Prospectus.

We have certain matters relating to alleged non-payment of stamp duty and income tax pending against us.

We have three cases relating to the alleged non-payment of stamp duty pending against us. The total amount of claims against us in these cases is Rs. 21.84 million. In addition, the Income Tax Department had conducted a search on our Company on January 13, 2005 under Section 132 of the Income Tax Act, 1961, pursuant to which certain of our records have been taken into custody by the Income Tax Department. According to a 'panchnama' i.e. a statement of documents found by the investigating authority dated January 15, 2005, cash amounting to Rs. 5.98 million has been seized. On May 27, 2005, we made an application to the Director of Income Tax, Chandigarh for release of the seized cash amount. In relation to this matter, the Assistant Commissioner of Income Tax has issued several show cause notices to our Company seeking an explanation amongst other things of details of our source of income and details of all immoveable properties purchased and sold by our Company during assessment year 1999-2000 to assessment year 2004-2005. For further details on these matters, please see the section titled "Outstanding Litigation and Material Developments" beginning on page 231 of this Red Herring Prospectus.

The total saleable area with respect to our current projects is based on management estimates

The total saleable area data included in this Red Herring Prospectus, presented in terms of square footage, in respect of our current projects is based on management estimates and has not been independently appraised. Any change in the development plans by our Company may lead to change in the saleable area. Further, the saleable area may differ from our current estimates on account of various factors including, amongst other things, inability to obtain required regulatory approvals, change in regulations, availability of funds and fulfillment of obligations by third parties.

Our industry is highly fragmented and competitive and increased competitive pressure may adversely affect our results.

We face significant competition from other entities engaged in real estate development business, many of which undertake projects similar to ours in the same regional markets in which our projects are located. A number of our competitors are larger and better placed to take advantage of efficiencies created by size, and have better financial resources or greater access to capital at lower costs, and may be better known in regional markets in which we compete. In addition, as the industry is highly fragmented and we also face competition from local constructors, who may be able to cater to local demands at a lower cost than us. Our inability to compete successfully in our industry would materially affect our business prospects and financial condition.

Our projects involves the purchase of several small parcels of land and failure to purchase any strategically located parcels may lead to failure of the entire project.

Our projects in the real estate business, in particular development of townships and SEZs, involve purchasing



several contiguous small parcels of land from various land holders. Although we have generally not encountered difficulties in obtaining the parcels of land that we require to undertake a particular project in the past, no assurance can be given that we will be able to acquire all such parcels of land, in particular those strategically located for our project, at all or on terms which are acceptable to us. Failure to acquire such parcels may cause delay or force us to abandon the entire project or modify the project, due to which we may suffer losses to the extent of the costs and expenditure committed or paid in relation to such project.

We have recently experienced rapid growth and may not be able to sustain our growth, which may adversely affect our results.

Our revenues has increased from Rs. 272.95 million in fiscal 2002 to Rs. 6,537.67 million in fiscal 2006, at a CAGR of 121.23%. During the same period, our profit after tax has increased from Rs. 32.97 million to Rs. 1,069.86 million, at a CAGR of 138.67%. In the three months ended June 30, 2006, we received revenues of Rs. 2,490.15 million and our profit after tax was Rs. 365.45 million. We may not, however, be able to sustain our growth effectively or to maintain a similar rate of growth in the future, and the failure to do so may have a material adverse effect on our financial condition and results of operations.

We take advantage of certain tax benefits under the provisions of the I. T. Act, which if withdrawn, may adversely affect our financial condition and results of operations.

The provisions of section 80-IB of the I.T. Act provides for exemption on payment of income tax on residential projects approved before March 31, 2007 provided that certain specified conditions are met including the requirement that the area of each dwelling unit is not more than 1,000 square feet within the radius of 25 kilometres of the municipal limits of metropolitan cities of New Delhi and Mumbai and 1,500 square feet in the rest of India. In the event these benefits are no longer available to us due to any change in law or a change in the nature of our projects whereby we are not eligible to avail the benefits of section 80-IB of the I.T. Act, the effective tax rates payable by us may increase and consequently our financial conditions may be adversely affected.

Our provision for taxation was 27.24%, 10.04%, 8.61% and 8.76% of our profit before tax in fiscal 2006, fiscal 2005, fiscal 2004 and fiscal 2003, respectively. Our tax provisions for fiscal 2006 have increased due to the fact that the benefits of section 80-IB of the I.T. Act are not available for a number of new projects as they do not qualify under the criteria relating to the size of the built up area. In addition, tax benefits are not available for revenue from lease rentals from DMRC projects in fiscal 2006, in contrast to prior fiscal years. For details of the said provisions of the I.T. Act, see the section titled "Statement of Tax Benefits" on page 42 of this Red Herring Prospectus.

We may not be successful in identifying suitable land for our projects, which may impede our growth.

Integral to our business strategy is our ability to undertake new projects. We may not be successful in identifying suitable land for our projects that meet our acquisition criteria or in consummating acquisitions on satisfactory terms. Our failure to identify or consummate acquisitions or to build or develop saleable properties, or meet customer demand in a timely manner could result in damage to or loss of customer relationships. In addition, it could reduce the number of projects we undertake and slow our growth, which could adversely affect our results.

Our growth requires additional capital, which may not be available on terms acceptable to us.

The real estate development industry is capital intensive and requires significant expenditures for land acquisition, development and construction. In fiscal 2006 we incurred finance charges of Rs. 26.87 million. As of June 30, 2006, we had outstanding borrowings (secured and unsecured) of Rs. 3,111.74 million and capital expenditure (net of advances) of Rs. 1,468.55 million. We intend to pursue a strategy of continued investment in additional real estate projects. We anticipate that we will need to obtain additional financing as we expand our operations. We may not be successful in obtaining additional funds in a timely manner, on favourable terms or at all. Moreover, certain of our loan documents contain provisions that limit our ability to incur future debt. In addition, the availability of



borrowed funds for our business may be greatly reduced, and the lenders may require us to invest increased amounts of equity in a project in connection with both new loans and the extension of facilities under existing loans. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our acquisition plans or growth strategies or reduce capital expenditures and the size of our operations.

Potential limitations on the supply of land could reduce our revenues or negatively impact our results of operations.

Due to increased demand for new residential and commercial properties, we have experienced an increase in competition for available developed and undeveloped land in the National Capital Region of Delhi and other regions. Our ability to continue our real estate business over the long term depends upon our ability to locate and acquire suitable parcels of land to support our operations. As competition for land increases, the cost of acquiring it may rise, and the availability of suitable parcels at acceptable prices may decline. Any increase in the cost of land may have an adverse impact on our revenues and earnings.

Significant increases in prices or shortage of building materials could harm our results of operations and financial condition.

Our business is affected by the availability, cost and quality of the raw materials we need to construct and develop our properties. Our principal raw materials include steel, cement, wood and aluminium. The prices and supply of these and other raw materials depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties. If, for any reason, our primary suppliers of raw materials should curtail or discontinue their delivery of such materials to us in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted, and we may not be able to complete our projects, including projects for which we propose to utilize the issue proceeds, as per schedule. We may also not be able to pass on any increase in the prices of these building materials to our customers. This could affect our results of operations and impact our financial condition.

We are subject to a penalty clause under the construction agreements entered into with our customers and other third parties, for any delay in the completion of the project.

The construction agreements that we enter into with certain of our customers require us to complete these constructions on time and may provide for a penalty clause wherein we are liable to pay a penalty to the customers, generally a fixed amount per square foot per month for any delay in the completion of the project. Further, the concession agreements entered into with the DMRC and development agreements entered into with third parties including governmental authorities require us to complete the development or construction of our projects within a specified time. In the event that we are unable to complete any of our projects within the stipulated time, certain amounts paid by us in relation to the project may be forfeited or we may be required to pay an additional amount in order to secure an extension of the stipulated time of completion. We cannot assure you that we will always finish the construction or development of our projects in accordance with the timelines specified in such agreements. Any inability of ours to complete these constructions in a timely manner could adversely affect our business, financial condition and results of operations.

Our growth strategy to expand into new geographic areas poses risks.

We may expand our business to new geographic areas outside of our traditional focus areas such as Uttar Pradesh, Haryana and National Capital Region of Delhi. We may face additional risks if we undertake projects in geographic areas in which we do not possess the same level of familiarity with the development, ownership and management of properties or if we undertake a project of different size or style than those currently being developed, including:

- adjusting our construction methods to different geographies;



- obtaining the necessary construction materials and labour in sufficient amounts and on acceptable terms;
- obtaining necessary governmental approvals and the building permits under unfamiliar regulatory regimes;
- attracting potential customers in a market in which we do not have significant experience; and
- cost of hiring new employees and increased infrastructure costs.

We may not be able to successfully manage some or all of the risks of such an expansion, which could have a material adverse effect on our revenues, earnings and financial condition.

We undertake projects jointly with third parties, which entail certain risks.

At present several of our projects are in joint venture or collaboration with third parties including with our Promoter group companies. In addition, we plan to undertake projects in collaboration with or through joint ventures with third parties.

In most of these projects the title to the land is owned by one or more of these third parties and we, by virtue of the development or collaboration agreements, acquire development rights on the land. However, we are required to pay advances to the owners of the land for this development purpose. We cannot assure you that these lands are validly held under law by the persons with whom we enter into development or collaboration agreements with. In the event that we are not able to complete the construction and development of these lands, we may not be able to recover the advances that have been made by us. Further, all the development activities are also subject to the approvals from the relevant local authority. We cannot assure you whether we will obtain the relevant approvals for the development of these lands.

Most of such development and collaboration agreements confer rights on us to construct, develop, market and sell the built-up area to buyers. Often such development and collaboration agreements do not convey any interest in the immovable property (the land or the building) to us. In addition, such projects involve working together with several third parties and our relationships are governed by such collaboration or development agreements. Though we are generally empowered to make all operating decisions for development of these projects, we are required to make certain decisions in consultation with such parties. These may limit our flexibility to make decisions (including those pertaining to development and marketing) in relation to such projects.

Investments through joint ventures may, under certain circumstances, involve certain risks including the possibility of joint venture partners failing to meet their financial obligations on time or at all. Joint venture partners may have business interests or goals that are inconsistent with our business interests or goals. Such investments may also run the potential risk of impasses on certain key decisions. Any disputes that may arise between us and our joint venture partners may cause delay in completion, suspension or complete abandonment of the project. In addition, we may in certain circumstances be liable for the actions of our joint venture partners.

We are dependant on our Directors and senior management team and the loss of key members or failure to attract skilled personnel may adversely affect our business.

We believe we have a team of professionals to effectively oversee the operations and growth of our business. Our success is substantially dependent on the expertise and services of our Directors and led by our Chairman, Mr. Pradeep Kumar Jain and our senior management team. While we maintain a key man insurance policy for Mr. Pradeep Kumar Jain for an amount of Rs.100 million which is valid till the year 2020, we do not maintain key man insurance policies for any of the other Directors, senior members of our management team or other key personnel. We cannot assure you that we will be able to retain any or all of the key members of our management. The loss of the services of such key members of our management team could have an adverse effect on our business and the results of our operations.

Further, our ability to maintain our position in the real estate development sector depends on our ability to attract,



train, motivate, and retain highly skilled personnel. In the event we are unable to do so, it could have an adverse effect on our business and results of operations. For further details of our senior management team, see the section titled "Our Management" beginning on page 96 of this Red Herring Prospectus.

We conduct due diligence and assessment exercises prior to acquisition of land for undertaking development, but we may not be able to assess or identify certain risks and liabilities.

We constantly acquire lands or development rights for our projects either directly or through third parties. We have an internal assessment process on land selection and acquisition which includes a due diligence exercise to assess the title of the land and preparation of feasibility reports to assess its financial viability. Our internal assessment process is based on information that is available or accessible by us. There can be no assurance that such information is accurate, complete or current. Any decision based on inaccurate, incomplete or dated information may result in risks and liabilities associated with such projects. This may adversely affect our business, financial condition and results of operations.

We have not obtained any third party appraisals for our projects.

We have not obtained any third party appraisals in connection with our acquisition of properties or development rights and undertaking projects. The terms of the transaction agreements and the valuation methods used to determine the value of the properties are determined by our senior management team. Our estimates for the projects may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or relocate our project expenditure and may have an adverse impact on our business, financial condition and results of operations. In addition, the estimates of the costs of projects for which we propose to use the net proceeds of the Issue have not been appraised by any third party and are based on internal estimates only.

We are required to register under the Contract Labour (Regulation and Abolition) Act, 1970 ("CLA") and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 ("Building Construction Workers Act")

Currently we do not have a registration for a majority of our projects under the CLA. Further, we do not have any registrations under the Building Construction Workers Act. We may be subject to penalties, prosecutions or other consequences for our failure to register under these statutes. Upon registration under these statutes we will be required to comply with certain labour welfare measures including contributing towards statutory labour welfare funds, which may impose an additional financial burden on us.

The Labour Officer, Delhi has issued two notices dated January 25, 2006 to our Company under the Building and Construction Workers' Welfare Cess Act, 1996 requiring our Company to provide the requisite information and pay the mandatory cess under the said statute within fifteen days of the issue of the notice in relation to the project being undertaken at Pratapnagar Metro Station and Inderlok Metro Station failing which the proceedings in relation to imposition of interest, penalty and recovery of arrears would be initiated against our Company. We have deposited the requisite amount with the Building and Other Construction Workers Welfare Board on March 13, 2006. We have received another notice (No. 1453) dated July 14, 2006 from the Labour cum Conciliation Officer, Faridabad requiring us to produce a record of registration and other related documents under the Contract Labour (Regulation and Abolition) Act, 1970 in relation to the project under construction in Sector 12, Faridabad. Our Company is required to file its reply to this notice.

Our business is subject to extensive statutory or governmental regulations.

Acquisition of land and development rights in relation to immovable properties are governed by certain statutory and governmental regulations, which regulate various aspects, including requirement of transaction document, payment of stamp duty, registration of property documents, purchase of property for the benefit of others, limitation



on land acquisition by an individual entity and rehabilitation of displaced persons. Some of these approvals are required to be obtained after commencement of construction in relation to the project.

We are subject to extensive local, state and central laws and regulations that govern the acquisition, construction and development of land, including laws and regulations related to zoning, permitted land uses, proportion and use of open spaces, building designs, fire safety standards, height of the buildings, access to water and other utilities and water and waste disposal.

In addition, we are subject to various central and state environmental laws and regulations. Also, our subcontractors and we are subject to laws and regulations relating to, among other things, environmental approvals in respect of the project, minimum wages, working hours, health and safety of labourers and requirements of registration for contract labour. In some of our markets, we are required to give commitments to provide certain infrastructure such as roads and sewage systems, which may require us to comply with certain additional regulations.

Although we believe that our projects are in material compliance with such laws and regulations we cannot assure you that we will not be subjected to any such regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. Further, though we have been able to obtain the necessary approvals in the past, we cannot assure you that we will be able to obtain approvals in relation to (a) our existing projects, or (b) our new projects, at such times or in such form as we may require, or at all.

The laws and regulations under which we and our subcontractors operate, and our and their obligations to comply with them, may result in delays in construction and development, cause us to incur substantial compliance and other increased costs, and prohibit or severely restrict our real estate and construction businesses. If we are unable to continue to acquire, construct and develop land and deliver products as a result of these restrictions or if our compliance costs increase substantially, our revenues and earnings may be reduced and we may not be able to sustain our current level of growth.

The regulatory framework for development of SEZs in India is evolving and regulatory changes could have a material adverse effect on our business, results of operations and financial condition.

We intend to develop SEZs in various parts of the country and have obtained in-principle approvals of the Gol for the development, operation and maintenance of nine SEZ projects. We are now required to obtain the concurrence of the respective state governments and the final approval of the Gol in relation to the development of these SEZs. The SEZs will be eligible for the concessions and benefits only after receipt of such approvals. However, we cannot guarantee that we will receive such approvals or benefits or continue to receive the benefits. In the event we are not granted the approval(s) or the potential concessions and benefits with respect to these SEZs under the Special Economic Zones Act, 2005 are removed, we would in the future face a material adverse effect on our business, results of operations and financial condition.

We are involved in a number of legal proceedings that, if determined against us, could adversely impact our business and financial condition.

We are involved in a number of legal proceedings that, if determined against us, could adversely impact our business and financial condition. There are 15 cases pending against us in relation to matters raised by statutory authorities excluding taxation authorities. These include three cases in relation to payment of stamp duty. The total amount of claims outstanding against us in these cases is approximately Rs. 48 million.

Further, the DMRC has issued a notice dated October 3, 2006 to us cancelling the letter of acceptance previously issued to us in relation to the proposed property development at Bhai Vir Singh Marg, New Delhi and further stating that action is being taken to release the earnest money deposited by our Company. The DMRC has not provided the grounds for cancellation of the acceptance of our bid in the said notice. Our Company has through a letter dated October 6, 2006 raised certain contentions against the proposed cancellation and has requested that



the notice be withdrawn. In the event the acceptance of our bid is cancelled by the DMRC there may be a material adverse effect on our revenues, earnings and financial condition.

There is one criminal case pending against the Company in relation to the death of a labourer allegedly caused due to the criminal negligence of one of our employees.

Further, there are 11 consumer complaints pending against the Company before various consumer dispute redressal forums in India. The total amount claimed in these cases is approximately Rs. 4.10 million plus interest, if awarded. In addition, we receive communications in the ordinary course of business from our customers in relation to a number of issues including, among other things, delay in handing over possession, difference in calculation of super-area, delay in obtaining approvals, deficiencies in specifications, maintenance, providing facilities such as club facilities and community centers.

In addition to the above, there are nine civil cases pending against the Company in India, including a suit and an interim application filed by M/s Parshwanath Realty Private Limited and another against our Company in the civil court at Ahmedabad (Regular Civil Suit No. 954/2006) seeking directions from the court for a permanent injunction restraining our Company from using the trading style "Parsvnath Developers Limited".

Additionally there are three labour cases pending against the Company in relation to the non-payment of wages.

There are 16 claims pending against our Company in relation to tax demands against our Company. The total amount of outstanding claims against the Company in these cases is approximately Rs. 74.30 million. These include the search conducted by the Income Tax Department on the Company on January 13, 2005 pursuant to which cash amounting to Rs. 5.98 million was seized and several additional notices have been issued to our Company. The total liability of our Company may increase if certain adverse orders are passed against us by the relevant tax authorities pursuant to the show cause notices we have received.

In addition to the litigation pending against our Company, there are sixteen cases and complaints from authorities pending against our Promoters and the Promoter group. The Income Tax Department has conducted searches and issued several notices under the Income Tax Act, 1961 to our Directors, Mr. Pradeep Kumar Jain, Mr. Sanjeev Jain, Dr. Rajeev Jain, Ms. Nutan Jain and Mr. G.R. Gogia. There are four litigations against our Director Mr. Pradeep Kumar Jain, two litigations against our Director Mr. Sanjeev Jain, one litigation against our Director Dr. Rajeev Jain, one litigation against our Director Ms. Nutan Jain, two litigations against our Director Mr. G.R. Gogia, two litigations against our Director Mr. Subhash Kathuria and one litigation against our Director Mr. Vijay B. Raheja, which are pending.

Further, the Delhi Stock Exchange Association Limited ("DSE") has issued a notice dated April 22, 2005 to North Eastern Carrying Corporation Limited ("NECCL"), a company in which our Director Sunil Kumar Jain is on the board of directors. The DSE has pointed out violations by NECCL of certain guidelines issued by SEBI in relation to a preferential allotment of shares made in April 2000 and another allotment of shares in March 2002 made pursuant to an order of the High Court of Delhi with respect to the amalgamation of NECC Transport Private Limited and Divya Manufacturing Company Private Limited with NECCL. The DSE has not granted permission for listing of these shares. With respect to the preferential allotment of shares in April 2000, the DSE has indicated violations by NECCL of Regulations 3(1)(c)(i), 3(1)(c)(ii) and 3(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI Takeover Regulations") relating to certain requirements to intimate the stock exchange of the corporate actions relating to allotment, Regulation 7(3) of the SEBI Takeover Code and Regulation 13(6) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 due to the failure of the company and the allottees to inform the stock exchanges of the increase in shareholding in excess of 5%, and Clause 40A of the Listing Agreement since the non-promoter holding in the company was less than the stipulated minimum public shareholding at the time of allotment. With respect to the allotment in March 2002 pursuant to the order of the High Court of Delhi the DSE has indicated violation of the provisions of the SEBI Takeover Regulations since the required information with



respect to the allotment and the amalgamation had not been furnished to the stock exchange. The DSE has also stated that replies to certain notices previously issued to NECCL were yet to be received by it. NECCL has filed applications for condition and compounding of certain of the violations with SEBI. SEBI has issued notices to NECCL with respect to the condonation application seeking further information and clarification in relation to the violations. The matter is pending with SEBI."

Our Company is also a party to cases which have been initiated by us. These cases include suit for the specific performance of agreements by third parties, delivery of possession of a leased premise to our Company and dishonour of cheques payable to the company.

All the above legal proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

For further details on the above cases, see "Outstanding Litigation and Material Developments" on page 231 of this Red Herring Prospectus.

There is a civil suit pending against us in relation to the use of the trading name "Parsvnath Developers Limited", which if decided against us would prevent us from using or advertising the name "Parsvnath Developers Limited" in relation to our business.

M/s Parshwanath Realty Private Limited and another have filed a suit against our Company in the civil court at Ahmedabad (Regular Civil Suit No. 954/2006) seeking directions from the court for a permanent injunction restraining our Company from using the trading name "Parsvnath Developers Limited". The plaintiff, who is also engaged in the construction business, has contended that they have been the first users of the name "Parshwanath" in the construction industry and through its continuous use and association with the plaintiff, the said name has acquired a distinctiveness related to the goods and services of the plaintiff.

The plaintiff had also filed an application for interim injunction upon which the civil judge through an order dated April 5, 2006 granted an ex-parte ad interim injunction restraining our Company from advertising or using the name or trading style "Parsvnath Developers Limited" or any other identical or deceptively similar name, until we had filed our reply to the notice of motion in relation to the suit. Our Company challenged the order of the civil judge dated April 5, 2006 in the High Court of Gujarat (Civil Appeal 4289/2006), which through an order dated April 10, 2006, suspended the impugned order until the disposal of the interim application by the civil judge. Our Company has filed an application dated June 16, 2006 before the City Civil Court Ahmedabad for dismissal of the suit on the ground that the court did not have jurisdiction to hear the matter. The application is coming up for hearing on November 1, 2006.

We have also obtained registration of the trademark "PARSVNATH" and "PARASNATH" under Class 36 from the Trademark Registry, Government of India with effect from March 15, 2004 and of the trademark "PARSVNATH" under Class 16 with effect from August 22, 2003, each of which are valid for a period of ten years and renewable thereafter. The certificate of registration has been issued to our Company at the address of its previous registered office. We have through our letter dated April 18, 2006 made an application to the Registrar of Trademarks for the correction of the registered office of the Company to our present Registered Office. However, if the aforementioned litigation is decided against us, we may be prohibited from using or advertising the name "Parsvnath Developers Limited" which may have a material adverse effect on our business and operations. For further details on this civil suit, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 231 of this Red Herring Prospectus.

We do not have intellectual property rights over our corporate logo

Our Promoter, PAPL had a registered copyright over our corporate logo and has licensed the use of the same to us for a period of ten years pursuant to a license dated March 6, 2006. The agreement was amended on April 12, 2006



and we have now been granted the license by PAPL for perpetuity. We are in the process of registering the same with the Registrar of Copyrights. Although we have a registered trademark over the name “Parsvnath”, we do not have a registered trademark over our corporate logo and consequently do not enjoy the statutory protections accorded to a registered trademark.

A number of our projects in the real estate business and construction business are not covered by insurance or may not be sufficient to cover all risks in these projects.

We may not have insurance coverage in relation to all risks in relation to our projects, for example, with respect to (a) most projects in which construction or development work is in progress; (b) stock or construction material at any project site; (c) insurance policy towards cash in transit, cash in safe, head office assets, etc, (d) insurance policy for liabilities in respect of workmen’s compensation; (e) other third party accidents insurance policy. In the event our insurance policies are insufficient to meet any liability or contingency arising in the course of our operations or in the event we do not have insurance cover in respect of any such liability or contingency, it may have a material adverse effect on our business and operations.

Our ability to sell our products will be affected by the availability of financing to potential customers, especially buyers of residential properties.

A large number of our customers, especially buyers of residential properties finance their purchases through third-party mortgage financing. The interest rate has substantially reduced in the last decade when it used to range approximately between 16% to 18% to a range of 8% to 10%. As a result, the amount of housing loans disbursed in India has been increasing consistently. Availing of home loans by residential properties has become particularly attractive due to income tax benefits. In the event, there is a change in fiscal, monetary or other policy and such income tax benefits are withdrawn or the interest rates on such loans are increased or there is decrease in the availability of home loans, availing of home loans may be reduced which may adversely affect our operating results and financial condition.

We are dependent on various sub-contractors or specialist agencies to construct and develop our projects.

We may rely on third parties for the implementation of our projects. For each of our project, we generally enter into several arrangements with third parties. Accordingly, the timing and quality of construction of our properties depends on the availability and skill of those subcontractors. Although we believe that our relationships with our subcontractors are cordial, we cannot assure you that skilled subcontractors will continue to be available at reasonable rates and in the areas in which we conduct our operations.

We rely on manufacturers and other suppliers to provide us with many of the products over which we do not have direct control over the quality of such products manufactured or supplied by such third party suppliers, we are exposed to risks relating to the quality of such products. In addition, even if some of these third parties do not timely or satisfactorily complete our orders, our reputation and financial condition could be adversely affected.

Some of our agreements may be inadequately stamped and some of our immovable properties may have certain irregularities in title, as a result of which our operations may be impaired.

Some of our agreements may not be adequately stamped and some of our immovable properties for our projects or offices, which are either owned by us or taken on lease or have development rights on, may have one or more irregularities of title such as non execution of conveyance deeds for transfer of property, inadequate stamping and/or non registration of deeds and agreements, non execution of lease deeds and non renewal of lease agreements, and may be subject to encumbrances that we are not aware of. If we do not have, or are unable to obtain clear title to these lands and are unable to develop such lands for this reason, our financial position and results of operations may be adversely affected.



The Government may exercise rights of compulsory purchase or eminent domain in respect of our lands

The Land Acquisition Act, 1894 allows the central and the state governments to exercise rights of compulsory purchase or eminent domain, which if used in respect of our land or land in which we have development rights or which are under development by our joint ventures, could require us to relinquish such land with minimal compensation. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads and airports. Any such action in respect of any of our projects could adversely affect our business.

Our Promoters will continue to retain majority control over our Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.

Upon completion of the Issue, assuming the Green Shoe Option is not exercised, our Promoters will beneficially own approximately 81.62% of our post-Issue Equity Share capital and assuming the Green Shoe Option is exercised in full, our Promoters will own 80.26% of the post-Issue Equity Share capital. As a result, the Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval, including the election of Directors and approval of significant corporate transactions. The Promoters will also have an effective veto power with respect to any shareholder action or approval requiring a majority vote. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

Covenants with institutional lenders and other contractual commitments may restrict our operations and expansion ability, which may affect our business and results of operations and financial condition.

Certain covenants in our financing agreements require us to obtain approval from the financial institutions before any changes in capital structure or any major restructuring of our Company. Although we have generally not encountered difficulties in obtaining consent from the financial institutions for desired actions in the past, no assurance can be given that such consent will be granted at such times as we may require, or at all, in the future. Certain lenders are also entitled to appoint additional nominee directors on our Board of Directors.

In addition, in terms of certain financing agreements, some of our Promoters are required to give collateral security for amounts due under such agreements. Such collateral security is in the nature of personal guarantees by Mr. Pradeep Kumar Jain, Mr. Sanjeev Jain and Dr. Rajeev Jain. We cannot assure you that we will be able to procure such collateral security from our Promoters in the event we are required to do so.

For further details, please refer to the section titled "Financial Indebtedness" on page 73 of this Red Herring Prospectus.

Further, our Concession Agreements with the DMRC require us to seek approval for any change in shareholding structure till the completion of the projects. While we have received approval for this Issue from DMRC through letter dated February 17, 2006 and letter dated August 10, 2006, we may not be able to receive such approvals for any future change in shareholding structure, which could impede our ability to raise finances.

We have not obtained certain approvals for our projects and some of our projects are in the preliminary stages of planning

Some of our projects are in the preliminary stages of planning and development and we are yet to apply for or obtain approvals in respect of the same, including for the conversion of land use. Further, we intend to construct hotels, IT Parks and SEZs on some of the commercial land over which we have development rights. Our definitive building and layout plans in relation to these intended projects are yet to be finalized and approved.

We require statutory and regulatory approvals and permits for us to execute our projects, and applications need to be made at appropriate stages for such approvals. We cannot assure you that we will receive these approvals on time, at all or in accordance with our current plans.



While we believe we will be able to obtain such approvals or permits at such times as may be required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time frames anticipated by us or at all. Any delay or failure to obtain the required permits or approvals in accordance with our current plans may impede the execution of our business plans and projects.

Our contingent liabilities could adversely affect our financial condition.

Our contingent liabilities are as follows:

(Rs. in Million)

Particulars of	As on June 30, 2006	As on March 31, 2006	As on March 31, 2005
Estimated amount of contracts remaining to be executed on capital account	1,468.55	131.45	-
Claims against the company not acknowledged as debts	118.09	122.95	0.48
Counter guarantees given to bank	525.75	403.72	54.20
Corporate guarantee	250.00	250.00	250.00
Total	2,362.39	908.12	304.68

Your holdings may be diluted by additional issuances of equity or sales by members of our Promoter Group, which may adversely affect the market price of our Equity Shares.

Any future issuance of our Equity Shares may dilute the positions of investors in our Equity Shares, which could adversely affect the market price of our Equity Shares. Additionally, sales of a large number of our Equity Shares by the members of our Promoter Group could adversely affect the market price of our Equity Shares. The perception that any such primary or secondary sale may occur also could adversely affect the market price of our Equity Shares.

Our statutory auditor's in fiscal 2005 have qualified their report.

Our statutory auditors, Shanti Prashad & Co., Chartered Accountants for the year ended March 31, 2005, have included qualification in their Auditors Report on the accounts. This is reproduced below: *"In term of long term contracts and building projects, we have relied upon the management's estimates of percentage of completion and cost of completion owing to the technical nature of such estimates on the basis of which revenue has been recognised."*

Since the effect of the qualification has not been quantified, it has not been possible to adjust the differences in the 'Statement of Restated Assets and Liabilities' and the 'Statement of Restated Profits and Losses'.

Some of the companies in our Promoter group and companies in which we have substantial investments are in the same line of business.

More than sixty companies, which are part of our Promoter group, two companies in which we have substantial investments and one of our joint venture companies are in the same line of business as we are and there may be a conflict of interest between their business and our business. We cannot assure you that our Promoters will not favour the interest of other Promoter group companies over our Company. For details of the companies, see section titled "Our Promoters and Group Companies" on page 111 of this Red Herring Prospectus.



Some of our Promoter group companies and companies in which we have substantial investments have incurred losses or have earned no profits.

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

Sl. No.	Name of Company	Financial year for which profit after tax was negative or NIL
1.	Honey Builders Private Limited	2003, 2004, 2005 and 2006
2.	Noida Marketing Private Limited	2003, 2004 and 2005
3.	Vinu Promoters Private Limited	2005
4.	Rangoli Buildcon Private Limited	2005
5.	Rangoli Infrastructure Private Limited	2005
6.	Johpur Infrastructure Private Limited	2005
7.	Home Life Real Estate Private Limited	2004, 2005
8.	Amazon India Limited	2003, 2004 and 2005
9.	Parsvnath Landmark Developers Private Limited	2004, 2005
10.	VKB Constructions Private Limited	2003, 2004 and 2005
11.	Whitegold Construction Private Limited	2005
12.	Genuine Properties Private Limited	2005
13.	Goodworth Overseas Private Limited	2004, 2005
14.	Real Touch Developers Private Limited	2004, 2005
15.	Nilanchal Realtors Private Limited	2005
16.	Ajit Board Private Limited	2003, 2004 and 2005
17.	Timebound Contracts Private Limited	2005
18.	Kalyani Pulp Private Limited	2005
19.	Mirage Buildwell Private Limited	2006
20.	Lakshya Realtors Private Limited	2006
21.	Jaguar Buildwell Private Limited	2006
22.	Panchvati Buildwell Private Limited	2006
23.	Coral Buildwell Private Limited	2006
24.	Nishtha Realtors Private Limited	2006
25.	Anjaney Developers Private Limited	2006
26.	Dolphin Buildwell Private Limited	2006



Sl. No.	Name of Company	Financial year for which profit after tax was negative or NIL
27.	Navneet Realtors Private Limited	2006
28.	Springdale Realtors Private Limited	2006
29.	Prasidhi Developers Private Limited	2006
30.	Parikrama Infrastructure Private Limited	2006
31.	Prastut Real Estate Private Limited	2006
32.	Sumeru Developers Private Limited	2006
33.	Sarvapriya Realtors Private Limited	2006
34.	Scorpio Realtors Private Limited	2006
35.	Roopak Infrastructure Private Limited	2006
36.	Poorti Infrastructure Private Limited	2006
37.	Himsagar Infrastructure Private Limited	2006
38.	Arunachal Infrastructure Private Limited	2006
39.	Basundhra Properties Private Limited	2006
40.	Crimson Infrastructure Private Limited	2006

For more details please see the section titled “Our Promoter and Group Companies” beginning on page 111 of this Red Herring Prospectus.

We have entered into certain related party transactions.

Our business model involves entering into certain related party transactions. We have entered into certain related party transactions with our Promoters, Directors, Promoter group entities and key managerial personnel. For further details, refer to the section titled “Financial Statements - Related Party Transactions” on page 193 of this Red Herring Prospectus.

We have entered into a number of concession agreements with the DMRC, whereby we are required to pay certain amounts to the DMRC on a recurring basis.

As of date, we have executed ten Concession Agreements with the DMRC. Under the terms of these agreements we are required to make certain payments on a recurring basis in the course of the concession. The same is not linked to our ability to generate revenue in respect of the properties which are the subject matter of the concession agreement, which may affect the results of our operations and our financial condition. For details of these agreements, see the section titled “History and Certain Corporate Matters” on page 83 of this Red Herring Prospectus.

Certain of our Promoters and Directors have interests in our Company, other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoter and Director, Ms. Nutan Jain, may be deemed to be interested to the extent of consideration payable by the Company under the memorandum of understanding dated September 4, 2003 for the development of a residential colony on land owned or to be acquired by Ms. Nutan Jain in villages Seedpur, Milkpur Gurjar, Saidpur in district Bhiwadi, Rajasthan. For further details relating to the interest of our Promoters and Directors in the Company, see the sections titled “Our Promoters and Group Companies” and “Our Management” beginning on page 111 and 96 of this Red Herring Prospectus.



We have negative cash flows.

Our operating profit before allocation for working capital changes as of June 30, 2006 and March 31, 2006 was Rs. 632.05 million and Rs.1,650.33 million. However, our net cash flow has turned negative amounting to Rs. 482.82 million and Rs. 1,022.73 million respectively in these periods. The net cash used in investing activities represents sale and purchase of fixed assets, investments and receipt of interests and dividend. Our net cash flow from investing activities was negative on account of amounts spent for purchase of fixed assets such as our offices and machinery, and developing projects for DMRC amounting to Rs. 133.14 million and Rs. 417.33 million. As of June 30, 2006 and March 31, 2006 our net cash flow from financing activities was Rs. 602.14 million and Rs. 1,002.64 million as a result of increase in the amount of secured loans amounting to Rs. 684.33 million and Rs. 1,146.04 million.

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

Any delay in implementation or disruption of the functioning of our IT systems could disrupt our ability to track, record and analyse the work in progress, cause loss of data and disruption to our operations including, an inability to assess the progress of the projects, process financial information or manage creditors / debtors or engage in normal business activities. This could have a material effect on our business.

Work stoppages and other labour problems could adversely affect our business.

We operate in a labour-intensive industry and hire casual labour in relation to specific projects. If we are unable to negotiate with the workmen or the contractors, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, we may not be able to procure required casual labour for our existing or future projects. These factors could adversely affect our business, financial position, results of operations and cash flows.

External Risk Factors

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

Our performance and the quality and growth of our assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting agriculture, commodity and energy prices or various other factors. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is rising 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. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business.

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

The Government of India has permitted foreign direct investment of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects ("Real Estate Sector"), subject to the conditions enumerated in Press Note No. 2 (2005 series). In the event we are unable to raise additional capital as a result of these or other restrictions, it could adversely affect our business and financial performance. For further details of these restrictions, see the section titled "Regulations and Policies" beginning on page 80 of this Red Herring Prospectus.



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

The prices of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities market; our operations and performance; performance of our competitors, and the perception in the market about investments in the real estate sector; adverse media reports about us or the Indian real estate sector; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalisation and deregulation policies; and significant developments in India's fiscal regulations. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

Significant shortages in the supply of crude oil or natural gas could adversely affect the Indian economy, which could adversely affect us.

India imports approximately 75.0% of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors such as the level of global production and political factors such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil and natural gas reserves are located. Global crude oil prices have risen significantly in 2005 and 2006, driven in part by the strong demand for imported oil in India and China. Any significant increase in oil prices could affect the Indian economy, including the real estate sector. This could adversely affect our business including our ability to grow, our financial performance, our ability to implement our strategy and the price of our Equity Shares.

Political instability or changes in the government could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, 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 many times since 1996. The current central government, which came to power in May 2004, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting real estate, foreign investment and other matters affecting investment in our securities could change as well.

Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.



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

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years.

The extent and severity of these natural disasters determines their impact on the Indian economy. For example, as a result of drought conditions in the country during fiscal 2003, the agricultural sector recorded a negative growth of 5.2%. The erratic progress of the monsoon in 2004 affected sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business and the price of our Equity Shares.

Notes:

- The net worth of our Company as of June 30, 2006 and March 31, 2006 was Rs. 2,376.96 million and Rs. 2,011.51 million, respectively based on restated consolidated financial statements of our Company.
- The net asset value per equity share of Rs.10 each was Rs. 24.03 and Rs. 20.34 as of June 30, 2006 and March 31, 2006, respectively.
- Public issue of up to 33,238,000 Equity Shares of Rs. 10 each at a price of Rs. [•] for cash aggregating up to Rs. [•]. There will also be a Green Shoe Option of up to 3,087,800 Equity Shares to be offered by Parasnath and Associates Private Limited, one of our Promoters, for cash at a price of Rs.[•] per Equity Share aggregating Rs. [•] million. The Issue and the Green Shoe Option, if exercised in full, will aggregate 184,696,200 Equity Shares amounting to Rs. [•] million.
- The average cost of acquisition of Equity Shares by our Promoters is as follows:

Sl. No.	Name of Promoter	Number of Equity Shares	Average Cost of Acquisition (in Rs.)
1.	Pradeep Kumar Jain & Sons HUF (through its karta Mr. Pradeep Kumar Jain)	58,528,872	0.11
2.	Mr. Pradeep Kumar Jain	45,734,328	0.10
3.	Parasnath and Associates Private Limited	22,053,600	0.09
4.	Ms. Nutan Jain	22,012,000	0.09

- Except as disclosed in the section titled “Capital Structure” beginning on page 21 of this Red Herring Prospectus, we have not issued any shares for consideration other than cash.
- We have allotted 49,456,800 Equity Shares and 49,456,800 Equity Shares to our existing shareholders pursuant to bonus issues on March 14, 2006 and August 18, 2006. For further details refer to section titled “Capital Structure” beginning on page 21 of this Red Herring Prospectus.
- Except as disclosed in the sections titled “Our Promoters and Group Companies” or “Our Management” beginning on pages 111 and 96 of this Red Herring Prospectus, none of our Promoters, our Directors and our key managerial employees have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
- Investors may contact the BRLMs for any complaints, information or clarifications pertaining to the Issue.
- Investors are advised to refer to the section titled “Basis for Issue Price” on page 39 of this Red Herring Prospectus.



- Refer to the notes to our financial statements relating to related party transactions in the section titled “Financial Statements - Related Party Transactions” on page 193 of this Red Herring Prospectus for related party transactions.
- Investors may note that in case of over-subscription in the Issue, Allotment shall be on proportionate basis to Qualified Institutional Buyers, Retail Individual Bidders and Non-Institutional Bidders (refer to “Basis of Allocation” on page 322 of this Red Herring Prospectus) in consultation with the Designated Stock Exchange.
- In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIB Bidders, 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 QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above Issue price. If at least 60% of the Net Issue cannot be allocated to QIB Bidders, then the entire application money will be refunded forthwith. Further, up to 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 200,000 Equity Shares i.e. 0.11% of our post-Issue capital shall be available for allocation on a proportionate basis to the Employees, subject to valid Bids being received at or above the Issue Price.

Investors should note that in case of oversubscription in the Net Issue, Allotment will be made on a proportionate basis to QIB Bidders, Retail Individual Bidders and Non-Institutional Bidders. For details see the section titled “Basis of Allocation” beginning on page 322 of this Red Herring Prospectus.



SUMMARY

This is only a summary and does not contain all information that you should consider before investing in our Equity Shares. You should read the entire Red Herring Prospectus, including the information on "Risk Factors" and our financial statements and related notes beginning on page x and page 162 of this Red Herring Prospectus, before deciding to invest in our Equity Shares.

Overview

We are one of the leading real estate development companies in India with operations in 41 cities and 14 states of India. As of October 15, 2006 we directly owned or held development rights for an estimated 108.64 million square feet of saleable area.

We have been associated with the real estate business since our incorporation in 1990 and our Promoters have been associated with the real estate sector for more than two decades. We commenced business as a marketing company for real estate projects. In 1990, we began constructing residential real estate projects and now most of our projects are constructed internally by us.

We have diversified our portfolio of real estate development projects. Presently we have acquired land or development rights in connection with the development of 20 integrated townships, 27 commercial complexes including shopping malls, multiplexes, office space and a complete metro station and 25 residential projects. We also intend to construct 14 hotels and four information technology parks on commercial land acquired by us or in respect of which we have development rights. In addition, we have completed 17 projects including nine housing projects and eight commercial complexes. Further, we have obtained in principle approvals from Gol for the development of nine SEZ projects. The following table details the revenue from the aforesaid categories of projects in our revenue during last four fiscal years and the three months ended June 30, 2006.

	Three months ended		Fiscal Year							
	June 30, 2006		2006		2005		2004		2003	
	Rs. in Million	As % of Income from Operations (in%)	Rs. in Million	As % of Income from Operations (in%)	Rs. in Million	As % of Income from Operations (in%)	Rs. in Million	As % of Income from Operations (in%)	Rs. in Million	As % of Income from Operations (in%)
Residential projects	1,217.76	49.32	4,950.52	76.89	2,805.17	92.52	906.79	80.86	565.58	82.21
Malls, multiplexes, commercial properties	42.85	1.74	542.27	8.42	126.82	4.18	84.31	7.52	35.13	5.11
Integrated townships	1,180.53	47.82	822.07	12.77	Nil	Nil	Nil	Nil	Nil	Nil
Lease Rentals	9.24	0.37	22.42	0.35	Nil	Nil	Nil	Nil	Nil	Nil
Contract revenues	18.31	0.75	101.04	1.57	100.08	3.30	130.37	11.62	87.28	12.68
Total	2,468.69	100	6,438.32	100	3,032.07	100	1,121.47	100	687.99	100

We have initiated efforts to diversify our project portfolio by entering construction and developments of hotels and information technology parks in order to capitalize on the growing real estate development opportunities offered by sectors such as tourism and information technology.



The real estate development sector has shown an increase in demand in the past few years. Our scale of operation has also expanded and our total revenue has increased from Rs. 272.95 million in fiscal 2002 to Rs. 6,537.67 million in fiscal 2006, at a CAGR of 121.23%. During the same period, our profit after tax has increased from Rs. 32.97 million to Rs. 1,069.86 million, at a CAGR of 138.67%.

Our Competitive Strengths

We believe that the following are our principal competitive strengths which have contributed to our current position in the real estate development sector:

We are able to identify emerging markets and assess the potential of a location for implementing our projects.

One of the key factors in real estate development is the ability to assess the potential of a location after an evaluation of its demographic trends. Our ability to evaluate such trends has enabled us to identify locations that are relatively undeveloped and gain the first mover advantage in such locations. Our experience in the real estate sector has enabled us to develop the vision which drives our acquisition strategy. Based on the feedback we receive through our marketing network and our understanding of the demographic trends of a location, we are able to identify and internally assess key emerging markets for real estate development. As of October 15, 2006 we directly owned or held development rights for an estimated 108.64 million square feet of saleable area of land.

We are a reputed real estate developer and enjoy consumer confidence.

We believe that we have developed a reputation for being transparent in our dealings and delivering our projects in a timely manner. As of September 25, 2006, the total number of customers who have been handed over possession by us is 2,286 for residential properties and 551 for commercial properties. We have obtained ISO 9001 (1994 series) company in the real estate and construction industry, and ISO 9001 (2000 series) for adhering to global standards in quality, from International Certifications Limited. Our Company was the first real estate company to be awarded the DR 2- ICRA-NAREDCO rating from ICRA Limited, which indicates that the developer has a "strong project development capacity" in executing real estate projects. We have also received an integrated management system certification comprising of ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:1999 certification from RINA in relation to the design, development, construction and marketing of infrastructure projects.

We have a strong marketing network

We have a strong marketing network. Our marketing is structured in consideration of the nature of the project and the customer base at which the project is targeted. Our sustained and structured marketing over the cycle of the project results in wide exposure of our products to the target audience. As of September 25, 2006, out of the 12,316 residential units available, 7,486 agreements for sale have been executed by us and out of the 1,644 commercial units available, 1,013 have been sold. Brands such as Big Bazaar, Raymonds, Archies and Spencers have outlets in shopping malls developed by us and we have also entered into similar arrangements with brands such as Pizza Hut, McDonald's and Khana Unlimited for establishment of retail outlets in our shopping malls. We believe that the presence of well known brands in our large retail outlets ensures confidence among potential customers.

We have a diversified business within the real estate sector.

We have a number of diverse projects in 41 cities and 14 states of India and are not restricted to any one segment or geographical region. Our commercial buildings, malls and multiplexes are customized to cater to the demographics of the specific locality. Further, we are developing residential complexes that directed at both the high income and the economy segment, which enables us to access customers across a range of income groups.

We have a strong project monitoring system, which enables us to deliver projects in a timely and cost efficient manner.

We have evolved a strong project monitoring system which is leveraged by us to ensure disciplined completion of our projects. We have documented an integrated management manual that covers each core activity relating to the construction and development of our projects including documentation requirements, regulatory requirements, material purchase, risk identification, operation control and occupational health and safety. This ensures that we have a consistent level of quality and uniformity across our projects.



We have established a transparent and efficient system of procuring materials.

We have established a transparent and efficient system for procuring materials by establishing purchasing policies, which are committed to acquiring the best quality of materials at reasonable prices. In light of the scale of our operations and our centralized purchasing mechanism, we have been able to obtain discounts from vendors of materials. We maintain a “just-in-time” inventory to reduce storage costs. Although some of our vendors of materials have been associated with us for a number of years, we are open to quotations from new vendors, which ensure that we retain the flexibility to take advantage of changes in market conditions for materials required by us.

We are an organized and professionally managed company.

We are a professionally managed company with qualified and experienced professionals in the senior management. Our technical team brings with it extensive experience in design, engineering, marketing and construction of projects. Further, our senior management team that is in charge of operations, finance, sales and marketing, business development and strategic planning has extensive experience in the industry. We have branch offices operating in Bangalore, Cochin, Jaipur, Agra, Lucknow, Ahmedabad, Mumbai, Goa and Moradabad, all of which are managed by senior officials of our Company. In order to expedite the decision making process and to facilitate speedy implementation of the real estate projects, we have adopted a model in which critical functions like project planning, procurement and project monitoring are managed from our corporate office and key support functions such as obtaining regulatory approvals, pre-marketing and marketing are the responsibility of our representatives at the state and local level. This model enables us to maintain a balance between the customization of our projects to cater to the demographics of a location while maintaining our standards of quality and efficiency.

Our Strategy

We intend to pursue the following strategies in order to increase our market share in the real estate development market in India and to maintain our position as one of the leading real estate developers in India:

Expanding into new locations across India.

In recognition of the fact that a large percentage of the population of India is located in cities other than Delhi, Mumbai, Chennai, Kolkata, Hyderabad and Bangalore (“Metro cities”), we have made a conscious decision to focus on non-Metro cities in India. Since our inception, we have been continuously undertaking projects in non-Metro cities across India as we believe that a market for quality real estate projects at reasonable prices exists in the non-Metro cities of India. In the three month period ending June 30, 2006 and fiscal 2006, 88.09% and 99.65% of our revenue came from projects we undertook in non-Metro cities within India. We intend to continue to be a real estate developer with a pan-India presence. We anticipate that the increase in economic activity in non-Metro cities will result in the increase of demand for real estate projects in those cities and towns. This strategy is also instrumental in providing us the early mover advantage in these cities and towns.

Diversifying the portfolio of projects undertaken by us.

We intend to further diversify the portfolio of projects we undertake. In addition to integrated townships, residential complexes, DMRC BOT projects,, commercial complexes, we intend to undertake projects for developing hotels, SEZs and informational technology parks. Our strategy is to position ourselves to capitalize on the opportunities generated by various sectors of the Indian economy. For example, we intend to undertake projects for the development of hotels and information technology parks to capitalize on the business opportunity provided by the tourism and information technology sectors in India. In addition, we constantly explore innovative strategies for marketing our projects, diversifying revenue streams and for enhancing the value of our brand. We propose to continue to acquire development rights over lands for implementation of our projects at an opportune time.

Outsourcing selectively to increase the scale of operations and reduce capital investment.

We are focused on concentrating on our core strength of real estate development. Currently, we construct most of our projects. We currently also outsource some critical activities like designing and architecture to take advantage of the expertise of reputed professionals and thus add value to our projects. We intend to outsource the construction of our projects as and when the scale of our operations makes it effective to do so. We believe that selective outsourcing of construction activities will enable us to allocate our human resources to a greater number of projects than would have been feasible if such projects were being



undertaken directly by us. In addition, we recognize that outsourcing of construction activities reduces capital investment and lowers overhead expenses.

Customizing projects to take advantage of tax benefits.

The provisions of section 80-IB of the I.T. Act provides an exemption on payment of income tax on residential projects approved before March 31, 2007, provided the area of each dwelling unit is not more than 1,000 square feet within the radius of 25 kilometres of the municipal limits of the metropolitan cities of New Delhi and Mumbai and 1,500 square feet in rest of India. Our projects are customized, wherever feasible, to take advantage of the benefits provided by the provisions of the I.T. Act. For details of the said provisions of the I.T. Act, see the section titled "Statement of Tax Benefits" on page 42 of this Red Herring Prospectus.



THE ISSUE

Public Issue of Equity Shares by the Company:

Which comprises :

Issue	:	Up to 33,238,000 Equity Shares.
Of which	:	
Employee Reservation Portion	:	Up to 200,000 Equity Shares.
Net Issue	:	Up to 33,038,000 Equity Shares.
Of which	:	
Qualified Institutional Buyers Portion	:	At least 19,822,800 Equity Shares (allocation on proportionate basis) out of which 5% of the QIB Portion or 991,140 Equity Shares (assuming the QIB Portion is 60% of the Issue) shall be available for allocation on a proportionate basis to Mutual Funds only (Mutual Funds Portion), and 18,831,660 Equity Shares (assuming the QIB Portion is 60% of the Issue) shall be available for allocation to all QIBs, including Mutual Funds.
Non-Institutional Portion	:	Up to 3,303,800 Equity Shares (allocation on proportionate basis).
Retail Portion	:	Up to 9,911,400 Equity Shares (allocation on proportionate basis).
Green Shoe Option Portion ⁽¹⁾	:	Up to 3,087,800 Equity Shares
The Issue and the Green Shoe Portion	:	Up to 36,325,800 Equity Shares
Equity Shares outstanding prior to the Issue	:	148,370,400 Equity Shares.
Equity Shares outstanding post the Issue (excluding the Green Shoe Option)	:	Up to 181,608,400 Equity Shares
Equity Shares outstanding post the Issue (including the Green Shoe Option)	:	Up to 184,696,200 Equity Shares
Objects of the Issue	:	See the section titled "Objects of the Issue" on page 30 of this Red Herring Prospectus.

⁽¹⁾ The Green Shoe Option will be exercised at the discretion of the BRLMs and the Company only with respect to the Loaned Shares, for which purpose the Green Shoe Lender has agreed to lend upto 3,087,800 Equity Shares.



GREEN SHOE OPTION

We propose to avail of an option for allocating Equity Shares in excess of the Equity Shares included in the Issue in consultation with the BRLMs, in order to operate a post listing price stabilising mechanism, in accordance with the SEBI Guidelines, i.e., the Green Shoe Option. Our shareholders at the extraordinary general meeting held on August 7, 2006 have authorized the Green Shoe Option.

JM Morgan Stanley Private Limited has agreed to act as the Stabilising Agent for the purposes of effectuating the Green Shoe Option, as envisaged under Chapter VIII A of the SEBI Guidelines.

Parasnath and Associates Private Limited, one of our Promoters has agreed to lend the Loaned Shares to the Stabilising Agent for the purposes of effectuating the Green Shoe Option.

The Stabilising Agent shall be responsible for, *inter alia*, price stabilisation post listing, if required, but there is no obligation to conduct stabilising measures. If commenced, stabilising will be conducted in accordance with applicable laws and regulations and may be discontinued at any time. In any event, the stabilizing activities shall not continue for a period exceeding 30 days from the date of the receipt of permission for trading of the Equity Shares from the Stock Exchanges. For the purposes of the Green Shoe Option, the Stabilising Agent shall borrow the Loaned Shares from the Green Shoe Lender. The Loaned Shares and/or Equity Shares purchased from the market for stabilising purposes will be in dematerialised form only.

The Equity Shares available for allocation under the Green Shoe Option will be available for allocation to QIBs, Non-Institutional Bidders and Retail Individual Bidders in the ratio of 60:10:30 assuming full demand in each category.

We have entered into the Stabilising Agreement with the Green Shoe Lender and the Stabilising Agent for the exercise of the Green Shoe Option on the terms and conditions detailed therein.

The terms of the Stabilising Agreement provide that:

1. Stabilisation Period

Stabilisation Period shall mean the period commencing from the date of obtaining trading permission from the Stock Exchanges for the Equity Shares under the Issue, and ending 30 days thereafter, unless terminated earlier by the Stabilising Agent.

2. The primary objective of the Green Shoe Option is stabilisation of the market price of Equity Shares after listing. Towards this end, after listing of Equity Shares, in case the market price of the Equity Shares falls below the Issue Price, then the Stabilising Agent, at its discretion, may purchase Equity Shares from the market with the objective of stabilisation of the market price of the Equity Shares.

3. Decision regarding Exercise of Green Shoe Option

- (i) Post the Bid/Issue Closing Date, the BRLMs, in consultation with us, the green shoe lender and the Stabilising Agent, shall determine the number of Equity Shares to be over allotted.
- (ii) In the event, it is decided to over allot, the Company in consultation with the Stabilising Agent, shall make over-allotment of Equity Shares as per the procedure detailed below.

4. Procedure for Over Allotment and Stabilisation

- (i) The allotment of the Over Allotment Shares shall be done pro rata with respect to the proportion of Allotment in the Issue to various categories.
- (ii) The monies received from the Bidders for Equity Shares in the Issue against the over allotment shall be kept in the GSO Bank Account distinct and separate from the Issue Account and shall be used only for the purpose of buying shares from the market during the Stabilisation Period for the stabilization of the post listing price of the Equity Shares.
- (iii) Upon such allotment, the Stabilising Agent shall transfer the Over Allotment Shares from the GSO Demat Account to the respective depository accounts of the successful Bidders.
- (iv) For the purpose of purchasing the Equity Shares, the Stabilising Agent shall use the funds lying to the credit of GSO Bank Account.



- (v) The Stabilising Agent shall determine the timing of buying the Equity Shares, the quantity to be bought and the price at which the Equity Shares are to be bought from the market for the purposes of stabilisation of the post listing price of the Equity Shares.
- (vi) The Equity Shares purchased from the market by the Stabilising Agent, if any, shall be credited to the GSO Demat Account and shall be returned to the Green Shoe Lender within two working days from the expiry of the Stabilisation Period.
- (vii) In the event the Equity Shares lying to the credit of the GSO Demat Account at the end of the Stabilisation Period but before the transfer to the Green Shoe Lender is less than the Over Allotment Shares, upon being notified by the Stabilisation Agent and the equivalent amount being remitted to the Company from the GSO Bank Account, the Company shall within four business days of the receipt of the notice from the Stabilisation Agent (and in any case within five business days of the end of the Stabilisation Period), allot new Equity Shares in dematerialised form in an amount equal to such shortfall to the credit of the GSO Demat Account. The newly issued Equity Shares shall be returned by the Stabilising Agent to the Green Shoe Lender in the final settlement of Equity Shares borrowed, within two working days of them being credited into the GSO Demat Account, time being of essence in this behalf.
- (viii) Upon the return of Equity Shares to the Green Shoe Lender pursuant to and in accordance with sub-clauses (vi) and (vii) above, the Stabilising Agent shall close the GSO Demat Account.
- (ix) The Equity Shares returned to the Green Shoe Lender shall be subject to remaining lock-in-period, if any, as provided in the SEBI Guidelines.

5. GSO Bank Account

The Stabilising Agent shall remit from the GSO Bank Account to the Green Shoe Lender, an amount, in Rupees, equal to the number of Equity Shares allotted by us to the GSO Demat Account at the Issue Price. The amount left in this account, if any, after this remittance and deduction of expenses and net of taxes, if any, shall be transferred to the investor protection fund of the Stock Exchanges in equal parts. Upon transfer of monies as above, the GSO Bank Account shall be closed by the Stabilising Agent.

6. Reporting

During the Stabilisation Period, the Stabilising Agent shall submit a report to the BSE and the NSE on a daily basis. The Stabilising Agent shall also submit a final report to SEBI in the format prescribed in Schedule XXIX of the SEBI Guidelines. This report shall be signed by the Stabilising Agent and us and be accompanied by the depository statement for the GSO Demat Account for the Stabilisation Period indicating the flow of shares into and from the GSO Demat Account. If applicable, the Stabilising Agent shall, along with the report give an undertaking countersigned, if required by the respective depositories of the GSO Demat Account and the Lender regarding confirmation of lock-in on the Equity Shares returned to the Lender in lieu of the Over-Allotment Shares.

7. Rights and Obligations of the Stabilising Agent

- (i) Open a special bank account which shall be the GSO Bank Account under the name of "Special Account for GSO proceeds of Parsvnath Developers Limited" and deposit the monies received for the Over Allotment Shares, in the GSO Bank Account.
- (ii) Open a special account for securities which shall be the GSO Demat Account under the name of "Special Account for GSO proceeds of Parsvnath Developers Limited" and credit the Equity Shares bought by the Stabilising Agent, if any, during the Stabilisation Period to the GSO Demat account.
- (iii) Stabilise the market price as per the SEBI Guidelines, only in the event of the market price falling below the Issue Price, including *inter alia* the determination of the price at which such Equity Shares are to be bought and the timing of such purchase.
- (iv) On or prior to the Pricing Date, to request the Green Shoe Lender to lend the Loaned Shares and to transfer funds from the GSO Bank Account to us within a period of three working days of close of the Stabilisation Period.



- (v) The Stabilising Agent, at its discretion, would decide the quantity of Equity Shares to be purchased, the purchase price and the timing of purchase. The Stabilising Agent, at its discretion, may spread orders over a period of time or may not purchase any Equity Shares under certain circumstances where it believes purchase of the Equity Shares may not result in stabilisation of market price.
- (vi) Further, the Stabilising Agent does not give any assurance that would be able to maintain the market price at or above the Issue Price through stabilisation activities.
- (vii) On expiry of the Stabilisation Period, to return the Equity Shares to the Green Shoe Lender either through market purchases as part of stabilising process or through issue of fresh Equity Shares by us.
- (viii) To submit daily reports to the Stock Exchanges during the Stabilisation Period and to submit a final report to SEBI.
- (ix) To maintain a register of its activities and retain the register for three years.
- (x) To transfer net gains on account of market purchases in the GSO Bank Account net of all expenses and net of taxes, if any, equally, to the investor protection funds of the Stock Exchanges.

8. Rights and Obligations of the Company

- (i) On expiry of the Stabilisation Period, if the Stabilising Agent buys the Equity Shares from the market, to issue the Equity Shares to the GSO Demat Account to the extent of Over Allotment Shares, which have not been bought from the market.
- (ii) If no Equity Shares are bought from the market, then to issue Equity Shares to GSO Demat Account to the entire extent of Over Allotment Shares.

9. Rights and obligations of the Green Shoe Lender

- (i) The Green Shoe Lender undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all rights, title and interest in the Loaned Shares shall pass to the Stabilising Agent/ GSO Demat Account free from all liens, charges and encumbrances.
- (ii) Upon receipt of instructions from the Stabilising Agent on or prior to the Pricing Date, to transfer the Loaned Shares to the GSO Demat Account.
- (iii) The Green Shoe Lender will not recall or create any lien or encumbrance on the Loaned Shares until the completion of the settlement under the stabilisation.

10. Fees and Expenses

- (i) We will pay to Green Shoe Lender a fee of Re. 1.
- (ii) We will pay the Stabilising Agent a fee of Re. 1 plus service tax.



SUMMARY FINANCIAL INFORMATION

The following tables set forth certain summary financial data derived from our restated financial statements as of and for the three months period ended June 30, 2006, 2005, fiscal 2006, fiscal 2005, 2004, 2003 and 2002. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines. The restated financial statements have been restated as described in the auditors' report included therewith, in the section titled "Financial Statements" beginning on page 162 of this Red Herring Prospectus.

The summary financial data presented below should be read in conjunction with our financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 208 of this Red Herring Prospectus.

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. Millions)

Particulars	Quarter Ended		For the Financial Year Ended				
	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Fixed Assets							
Gross Block	539.42	231.16	446.48	205.03	71.66	38.05	29.30
Less: Depreciation	114.98	58.57	90.21	49.85	31.42	21.03	16.48
Net Block	424.44	172.59	356.27	155.18	40.24	17.02	12.82
Capita] Work in Progress	212.89	34.51	172.69	-	-	0.00	-
Total-A	637.33	207.10	528.96	155.18	40.24	17.02	12.82
Investments - B	83.25	42.02	80.15	42.02	2.77	2.72	2.72
Deferred Tax Assets - C	4.64	1.03	0.59	-	1.10	0.29	-
Current Assets, Loans & Advances							
Inventory	4,578.12	2,038.44	3,894.17	2,471.08	1,344.76	902.93	310.82
Sundry Debtors	1,192.40	408.25	637.71	433.82	129.84	98.20	56.73
Cash & Bank Balances	400.38	446.04	412.45	841.03	25.88	11.64	4.87
Loans & Advances	4,884.76	2,189.82	3,942.38	1,642.13	112.34	50.32	52.93
Total - D	11,055.66	5,082.55	8,886.71	5,388.06	1,612.82	1,063.09	425.35
Total Assets (A + B + C+D) = E	11,780.88	5,332.70	9,496.41	5,585.26	1,656.93	1,083.12	440.89
Liabilities and Provisions							
Secured Loans	3,051.74	978.58	2,358.50	1,207.00	484.67	2.26	2.23
Unsecured Loans	60.00	-	-	-	-	2.53	-
Deferred Tax Liabilities	-	-	-	0.16	-	-	-
Current Liabilities	5,599.63	3,003.44	4,542.38	3,239.47	755.71	864.44	347.87
Provisions	692.55	173.54	584.02	122.92	38.78	11.92	3.64
Total - F	9,403.92	4,155.56	7,484.90	4,569.55	1,279.16	881.15	353.74
Net Worth (E-F)	2,376.96	1,177.14	2,011.51	1,015.72	377.77	201.97	87.15
Net Worth represented by							
Share Capital	989.14	82.43	989.14	82.43	82.43	13.74	13.74
Reserve & Surplus	1,387.82	1,094.71	1,022.37	933.54	295.68	188.24	73.41
Total	2,376.96	1,177.14	2,011.51	1,015.97	378.11	201.97	87.15
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-	0.26	0.34	-	-
Net Worth	2,376.96	1,177.14	2,011.51	1,015.72	377.77	201.97	87.15

The accompanying significant accounting policies and notes (Annexure IV) are an integral part of the accounts.



RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES

Rs./Millions

Particulars	Quarter ended		For the Financial Year Ended				
	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
INCOME							
Income from Operations	2,468.69	1,477.59	6,438.32	3,032.07	1,121.47	687.99	272.27
Other Income	21.46	20.03	99.35	36.39	7.98	5.81	0.68
Total	2,490.15	1,497.62	6,537.67	3,068.46	1,129.45	693.80	272.95
EXPENDITURE							
Cost of Construction/ Development	1,788.84	1,208.56	4,649.53	2,213.15	853.63	533.90	216.93
Personnel Expenses	32.21	20.13	81.00	39.61	24.85	12.84	6.57
Selling General and Administrative Expenses	89.10	26.77	267.76	54.88	35.29	15.68	9.57
Financial Expenses	13.20	4.54	26.87	10.55	3.56	1.19	0.83
Depreciation	24.78	8.74	42.17	20.32	10.68	4.55	3.00
Total	1,948.13	1,268.74	5,067.33	2,338.51	928.01	568.16	236.90
Adjusted profit before tax	542.02	228.88	1,470.34	729.95	201.44	125.64	36.06
Provision for taxation							
Current tax	180.00	68.50	398.74	72.04	18.14	11.11	3.08
Deferred Tax	(4.05)	(1.19)	(0.76)	1.26	(0.80)	(0.11)	-
Fringe benefit tax	0.62	0.40	2.50	-	-	-	-
Adjusted profit after tax	365.45	161.17	1,069.86	656.65	184.10	114.64	32.97
Carry Forward Profit from Previous year	910.52	821.69	821.69	258.83	162.39	47.56	14.59
Add: Deferred tax asset	-	-	-	-	-	0.18	-
Less: Capitalised for issue of bonus shares			826.71		68.69	-	-
Total	1,275.97	982.86	1,064.84	915.49	277.80	162.39	47.56
APPROPRIATIONS							
Dividend	-	-	65.18	16.49	7.04	-	-
Dividend Tax	-	-	9.14	2.31	0.92	-	-
General reserve	-	-	80.00	75.00	11.00	-	-
Profit carried forward to Balance Sheet	1,275.97	982.86	910.52	821.69	258.83	162.39	47.56
	1,275.97	982.86	1,064.84	915.49	277.80	162.39	47.56

The accompanying significant accounting policies and notes (Annexure IV) are an integral part of the accounts.



GENERAL INFORMATION

Registered Office of our Company

Parsvnath Developers Limited

6th Floor, Arunachal Building,
19, Barakhamba Road,
New Delhi 110 001, India.

Our Company is registered at the office of the Registrar of Companies, National Capital Territory of Delhi and Haryana, located at Pariyavaran Bhawan, Block B, 2nd Floor, CGO Complex, Lodhi Road, New Delhi 110 003.

Our Company's registration number is 55-40945.

Board of Directors

The following persons constitute our Board of Directors:

1. Mr. Pradeep Kumar Jain (Chairman);
2. Ms. Nutan Jain (Vice Chairman);
3. Mr. Sanjeev Jain (Managing Director);
4. Dr. Rajeev Jain (Whole time Director);
5. Mr. G.R. Gogia (Whole time Director);
6. Mr. Ashok Kumar;
7. Mr. Sunil Kumar Jain;
8. Mr. Ram Niwas Lakhoria;
9. Mr. Pritam Singh;
10. Mr. R.J. Kamath;
11. Mr. Vijay B. Raheja; and
12. Mr. Subhash Kathuria

For further details of our Chairman, Managing Director and other Directors, see the section titled "Our Management" on page 96 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. V. Mohan

6th Floor, Arunachal Building,
19, Barakhamba Road,
New Delhi 110 001,
India.

Tel: +91 11 2335 0120

Fax: +91 11 2331 5400

E-mail: ipo@parsvnath.com

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



Legal Advisors to the Issue

Domestic Legal Counsel to the Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.

Amarchand Towers,
216, Okhla Industrial Estate, Phase - III,
New Delhi - 110 020, India
Tel : +91 11 2692 0500
Fax : +91 11 2692 4900
E-mail: am.delhi_corp@amarchand.com

Domestic Legal Counsel to the BRLMs

Luthra & Luthra Law Offices

103 Ashoka Estate,
Barakhamba Road,
New Delhi 110 001, India
Tel: +91 11 4121 5100
Fax: +91 11 2372 3909
Email: luthra@luthra.com

International Legal Counsel to the Issue

Dorsey & Whitney

21 Wilson Street,
London, EC2M 2TD
United Kingdom
Tel: +44 207 588 0800
Fax: +44 207 588 0555

Monitoring Agency

IFCI Limited

IFCI Towers,
61 Nehru Place,
New Delhi 110 019
Tel: +91 11 2623 0194
Fax: +91 11 2523 0201
E-mail: cafs@ifcilttd.com
Web-site: www.ifcilttd.com

Bankers to the Company

UTI Bank

WZ 24A,
Palam Village,
New Delhi 110 045
Tel: +91 11 2507 3852
Fax: +91 11 2507 3851

Karnataka Bank Limited

K Block, Choudhary Building,
Middle Circle, Connaught Place,
New Delhi 110 001
Tel: +91 11 2341 1719
Fax: +91 11 2341 3452



Jammu and Kashmir Bank Limited

B-205, Ansal Plaza,
Khel Gaon Marg,
New Delhi 110 049
Tel: +91 11 2626 1749
Fax: +91 11 2626 4331

Punjab National Bank

A-9, Large Corporate Branch,
Connaught Place,
New Delhi 110 001
Tel: +91 11 2372 1373
Fax: +91 11 2371 2518

PNB Housing Finance Limited

8th Floor, DCM Bldg.,
16, Barakhamba Road,
New Delhi 110 001
Tel: +91 11 2335 7170

Syndicate Bank

Arunachal Building,
19 Barakhamba Road,
New Delhi 110001
Tel: +91 11 2331 9907
Fax: +91 11 2331 2695

State Bank of India

Industrial Finance Branch,
14th Floor, Jawahar Vyapar Bhawan,
1, Tolstoy Marg,
New Delhi 110 001
Tel: +91 11 2337 4619
Fax: +91 11 2372 1041

Oriental Bank of Commerce

H-15, Connaught Circus,
New Delhi 110 001
Tel: +91 11 2373 9767
Fax: +91 11 2331 8473

State Bank of Hyderabad

106/110 Surya Kiran,
19 K.G. Marg,
New Delhi 110 001
Tel: +91 11 2335 5767
Fax: +91 11 2331 3687

State Bank of Travancore

Ansal Chamber 1,
3 Bhikaji Cama Place,
New Delhi 110 066
Tel: +91 11 2618 5506
Fax: +91 11 2618 4785



The Hongkong and Shanghai Banking Corporation Limited

25, Barakhamba Road,
New Delhi 110 001
Tel: +91 11 2373 8989
Fax: +91 11 2335 7852

Bank of Maharashtra

1-2, Chowk NIT, Faridabad
Tel: +91 129 4020 575
Fax: +91 129 2433 389

State Bank of Bikaner and Jaipur

16/67-68, Faiz Road, New Delhi
Tel: +91 11 2361 3488
Fax: +91 11 2351 2879

Bank of India

17, Barakhamba Road,
New Delhi 110 001
Tel: +91 11 2332 5877
Fax: +91 11 2371 0377

Karur Vysya Bank

3537-3539 Nicholson Road,
Kashmere Gate, New Delhi 110 006

Book Running Lead Managers**ENAM Financial Consultants Private Limited**

801/ 802, Dalamal Towers,
Nariman Point,
Mumbai 400 021, India
Tel: +91 22 6638 1800
Fax: +91 22 2284 6824
E-mail: pdl.ipo@enam.com
Website: www.enam.com
Contact Person: Mr. Amit Jain.

JM Morgan Stanley Private Limited

141, Maker Chambers III,
Nariman Point, Mumbai - 400 021, India.
Tel: + 91 22 6630 3030
Fax: + 91 22 2204 7185
E-mail: pdl.ipo@jmmorganstanley.com
Website: www.jmmorganstanley.com
Contact Person: Mr. Kushal Doshi

DSP Merrill Lynch Limited

Mafatlal Centre, 10th Floor, Nariman Point
Mumbai - 400 021, India.
Tel: +91 22 2262 1071
Fax: +91 22 2262 1187
Email: pdl_ipo@ml.com
Website: www.dspml.com
Contact Person: Mr. N.S. Shekhar



Syndicate Members

ENAM Securities Private Limited

801/ 802, Dalamal Towers,
Nariman Point,
Mumbai - 400 021, India.
Tel : +91 22 6638 1800
Fax : +91 22 2284 6824
E-mail: pdl.ipo@enam.com
Website: www.enam.com
Contact Person: Mr. M. Natarajan

JM Morgan Stanley Financial Services Private Limited

Apeejay Business Centre,
Apeejay House,
3 Dinsha Vachha Road,
Churchgate,
Mumbai 400 020, India.
Tel: + 91 22 5504 0404
Fax: + 91 22 5630 1694
E-mail: pdl.ipo@jmmorganstanley.com
Website: www.jmmorganstanley.com
Contact Person: Mr. Deepak Vaidya

Fortune Financial Services (India) Limited

K. K. Chambers,
2nd Floor, Sir P. T. Marg
Fort, Mumbai - 400 001
Tel: +91 22 2207 7931
Fax: + 91 22 2207 2948
Email: mbd@ffsil.com
Contact Person: Mr. Alok Mehta

Registrar to the Issue

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound,
L B S Marg, Bhandup,
Mumbai 400 078, India
Tel: +91 22 2596 0320
Fax: +91 22 2596 0239
Contact Person: Mr. Salim Shaikh
Website: www.intimespectrum.com
Email: irsl@intimespectrum.com

Bankers to the Issue and Escrow Collection Banks

Deutsche Bank A.G.

ECE House, 28, K.G. Marg,
New Delhi 110 001
Tel: +91 11 5500 9400
Fax: +91 11 5500 9530
E-mail: ashish.mehrotra@db.com
Contact Person: Ashish Mehrotra



HDFC Bank Limited

B 6/3, Safdarjung Enclave,
DDA Commercial Complex,
New Delhi 110 029
Tel: +91 11 5139 2100
Fax: +91 11 5165 2283
E-mail: viral.kothari@hdfcbank.com
Contact Person: Viral Kothari

ICICI Bank Limited

Capital Markets Division
30, Mumbai Samachar Marg,
Mumbai 400 001
Tel: +91 22 2265 5285
Fax: +91 22 2261 1138
E-mail: sidhartha.routray@icicibank.com
Contact Person: Sidhartha Sankar Routray

Kotak Mahindra Bank Limited

7th Floor, Ambadeep,
14, Kasturba Gandhi Marg,
New Delhi 110 001
Tel: +91 11 5179 0000
Fax: +91 11 2372 5992
E-mail: amitabha.gupta@kotak.com
Contact Person: Amitabha Dasgupta

Standard Chartered Bank

H-2, Connaught Circus,
New Delhi 110 001
Tel: +91 11 2340 6858
Fax: +91 11 2331 7124
E-mail: vinay.chhabra@standardchartered.com
Contact Person: Vinay Chhabra

The Hongkong and Shanghai Banking Corporation Limited

52/60, Mahatma Gandhi Road,
Mumbai 400 001
Tel: +91 22 2268 1673
Fax: +91 22 2273 4388
E-mail: dhirajbajaj@hsbc.co.in
Contact Person: Dhiraj Bajaj

UTI Bank Limited

1st Floor, Ashoka Estate,
24, Barakhamba Road,
New Delhi 110 001
Tel: +91 11 4151 5446
Fax: +91 11 2335 2747
E-mail: jsamson@utibank.co.in
Contact Person: Julius Samson

ABN AMRO Bank

14, Veer Nariman Road,
Brady House,
Fort, Mumbai 400 001
Tel: +91 22 6658 5817
Fax: +91 11 2287 3042
Contact Person: Mr. Neeraj Chaabra



Auditors

Deloitte Haskins & Sells,
Chartered Accountants
MCT House, One Okhla Centre,
Block A, Okhla Institutional Area,
New Delhi 110 025
Tel: +91 11 6662 2000
Fax: +91 11 6662 2011
E-mail: jagarwal@deloitte.com

Advisors to the Company for the Issue

Fortune Financial Services (India) Limited
K. K. Chambers,
2nd Floor, Sir P. T. Marg
Fort, Mumbai - 400 001
Tel: +91 22 2207 7931
Fax: + 91 22 2207 2948
Email: mbd@ffsil.com

Statement of Inter se Allocation of Responsibilities for the Issue

The following table sets forth the distribution of responsibility and coordination for various activities among the BRLMs:

No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with relative components and formalities.	ENAM, JMMS, DSPML	ENAM
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	ENAM, JMMS, DSPML	ENAM
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	ENAM, JMMS, DSPML	DSPML
4.	Appointment of the Registrar, Printers, Advertisement agency and Bankers	ENAM, JMMS, DSPML	JMMS
5.	Non-institutional (ex-retail) marketing strategy which will cover, among other things, <ul style="list-style-type: none"> Finalizing centers for holding conferences for brokers, etc Formulating media, marketing and, Public Relations strategy; Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material; and Finalize collection centers. 	ENAM, JMMS, DSPML	DSPML



No.	Activities	Responsibility	Co-ordinator
6.	Retail marketing strategy which will cover, among other things, <ul style="list-style-type: none"> Finalizing centers for holding conferences for brokers, etc Formulating media, marketing and, Public Relations strategy Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material; and Finalize collection centers. 	ENAM, JMMS, DSPML	JMMS
7.	Domestic institutional marketing of the Issue, which will cover, among other things, <ul style="list-style-type: none"> Finalizing the list and division of investors for one to one meetings; and Finalizing road show schedule and investor meeting schedules. Finalisation of Roadshow Presentation 	ENAM, JMMS, DSPML	ENAM
8.	Finalisation of pricing in consultation with Company	ENAM, JMMS, DSPML	DSPML
9.	Managing the Book, coordination with the Stock Exchanges, Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, Refund to Bidders, etc. The post Issue activities of the Issue will involve essential follow-up steps, which must include finalisation of listing of instruments and despatch of certificates and refunds, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue and the bank handling refund business. BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable him to discharge this responsibility through suitable agreements with the Company.	ENAM, JMMS, DSPML	JMMS

Credit Rating

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

Grading

We have not opted for the grading of this Issue.

Trustees

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

Book Building Process

Book Building Process 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) Book Running Lead Managers;
- (3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters. Syndicate Members are appointed by the BRLMs; and
- (4) Registrar to the Issue.

In terms of Rule 19(2)(b) of the SCRR, the Issue is being made through the 100% Book Building Process where at least 60% of the Net Issue to the public shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 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 QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, up to 10% of the Net Issue to the public shall be available for allocation on a proportionate basis to Non Institutional Bidders and up to 30% of the Net Issue to the public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 200,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.

QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details please refer to the section titled "Terms of the Issue" on page 37 of this Red Herring Prospectus.

Our Company shall comply with guidelines issued by SEBI for this Issue. In this regard, our Company has appointed ENAM Financial Consultants Private Limited, JM Morgan Stanley Private Limited and DSP Merrill Lynch Limited as the BRLMs 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. 40 to Rs. 48 per share, issue size of 6,000 equity shares and receipt of nine 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.

Number of equity shares bid for	Bid Price (Rs.)	Cumulative equity shares bid	Subscription
500	48	500	8.33%
700	47	1,200	20.00%
1,000	46	2,200	36.67%
400	45	2,600	43.33%
500	44	3,100	51.67%
200	43	3,300	55.00%
2,800	42	6,100	101.67%
800	41	6,900	115.00%
1,200	40	8,100	135.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 42 in the above example. The issuer, in consultation with the BRLMs will finalise the issue price at or below such cut off price i.e. at or below Rs. 42. 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 306 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 cards or PAN allotment letter to the Bid cum Application Form (see section titled “Issue Procedure — Permanent Account Number” on page 319 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.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with 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 BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein.

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

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

(Rs. in million)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
[•]	[•]	[•]

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

In the opinion of the Board of Directors (based on a certificates dated [•] given to them by BRLMs and the Syndicate Members), 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 this Red Herring Prospectus is set forth below:

(Rs. in million)

	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorised Capital¹		
200,000,000 Equity Shares of Rs.10 each	2,000.00	
B. Issued, Subscribed and Paid-up Capital prior to the Issue:		
148,370,400 Equity Shares of Rs.10 each	1,483.70	
C. Present Issue to the public in terms of the Red Herring Prospectus		
33,238,000 Equity Shares of Rs.10 each	332.38	[•]
Of which :		
200,000 Equity Shares are reserved for Employees	2.00	[•]
33,038,000 Equity Shares are available for allocation to the public as the Net Issue	330.38	[•]
D. Green Shoe Option in terms of this Red Herring Prospectus		
Up to 3,087,800 Equity Shares	30.88	[•]
E. Issued, Subscribed and Paid-up Capital post the Issue:		
181,608,400 Equity Shares of Rs.10 each (Assuming the Green Shoe Option is not exercised)	1,816.08	
184,696,200 Equity Shares of Rs.10 each (Assuming the Green Shoe Option is exercised in full)	1,846.96	
F. Share Premium Account		
Prior to the Issue		25.85
Post the Issue		[•]

¹The authorized share capital of our Company was increased from Rs. 10 million divided into 1 million Equity Shares to Rs. 15 million divided into 1.5 million Equity Shares through a resolution of the shareholders of the Company dated March 15, 1999. The authorized share capital of the Company was further increased from Rs. 15 million divided into 1.5 million Equity Shares to Rs. 100 million divided into 10 million Equity Shares through a resolution of shareholders of the Company dated August 28, 2003. The authorized share capital was increased from Rs. 100 million divided into 10 million Equity Shares to Rs. 500 million divided into 50 million Equity Shares through a resolution of shareholders of the Company dated June 16, 2005. The authorized share capital of the Company was then increased from Rs. 500 million divided into 50 million Equity Shares to Rs. 750 million divided into 75 million Equity Shares through a resolution of shareholders of the Company dated December 23, 2005. The authorized share capital of the Company was further increased from Rs. 750 million divided into 75 million Equity Shares to Rs. 1,500 million divided into 150 million Equity Shares through a resolution of shareholders of the Company dated March 11, 2006. The authorized share capital of the Company was further increased from Rs. 1,500 million divided into 150 million Equity Shares to Rs. 2,000 million divided into 200 million Equity Shares through a resolution of shareholders of the Company dated August 7, 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	Issue Price per Equity Share (in Rs.)	Face value per Equity Share (in Rs.)	Consideration (cash or other than cash)	Reasons for Allotment	Cumulative Share Premium (in Rs.)	Cumulative Share Capital (In Rs.)
July 26, 1990	700	10	10	Cash	Subscription on signing of the Memorandum of Association.	Nil	7,000
April 13, 1992	125,600	10	10	Cash	On subscription to Equity Shares.	Nil	1,263,000
March 30, 1996	335,500	10	10	Cash	On subscription to Equity Shares.	Nil	4,618,000
March 30, 1998	189,000	10	10	Other than cash	In consideration of purchase of flat at Bangalore from Ms. Nutan Jain through Agreement to Sell dated March 30, 1998 between Ms. Nutan Jain and our Company.	Nil	6,508,000
March 30, 1998	206,000	10	10	Cash	On subscription to Equity Shares.	Nil	8,568,000
March 30, 1999	510,000	60	10	Cash	On subscription to Equity Shares.	25,500,000	13,668,000
September 15, 1999	3,000	60	10	Cash	On subscription to Equity Shares.	25,650,000	13,698,000
December 2, 2000	4,000	60	10	Cash	On subscription to Equity Shares.	25,850,000	13,738,000
October 7, 2003	6,869,000	-	10	Other than cash	Allotment to existing shareholders pursuant to a bonus issue.	25,850,000	82,428,000
September 19, 2005	41,214,000	-	10	Other than cash	Allotment to existing shareholders pursuant to a bonus issue.	25,850,000	494,568,000
March 14, 2006*	49,456,800	-	10	Other than cash	Allotment to existing shareholders pursuant to a bonus issue.	25,850,000	989,136,000
August 18, 2006*	49,456,800	-	10	Other than cash	Allotment to existing shareholders pursuant to a bonus issue.	25,850,000	1,483,704,000

* The bonus issues made on March 14, 2006 and August 18, 2006 have been made in accordance with applicable law. The Company made bonus issues in quick successions to provide the flexibility to the management in pricing the securities for the public offering.



2. Promoters' Contribution and Lock-in

(a) Share Capital Locked-In for Three Years:

The Equity Shares which are being locked in for three years from the date of allotment are as follows:

(i) If the Green Shoe Option is not exercised:

Name of the Promoter	Date of Allotment	Nature of Allotment	No. of Equity Shares locked-in	Face Value (in Rs.)	Issue Price (in Rs.)	% of Post-Issue paid-up capital
Pradeep Kumar Jain & Sons (HUF) through its Karta Mr. Pradeep Kumar Jain	August 18, 2006	Other than cash through a bonus issue*	14,341,794	10	Nil	7.89
Mr. Pradeep Kumar Jain	August 18, 2006	Other than cash through a bonus issue*	11,206,646	10	Nil	6.17
Parasnath and Associates Private Limited	August 18, 2006	Other than cash through a bonus issue*	5,403,968	10	Nil	2.98
Ms. Nutan Jain	August 18, 2006	Other than cash through a bonus issue*	5,369,272	10	Nil	2.96
Total			36,321,680			20.00

(ii) If the Green Shoe Option is exercised in full

Name of the Promoter	Date of Allotment	Nature of Allotment	No. of Equity Shares locked-in	Face Value (in Rs.)	Issue Price (in Rs.)	% of Post-Issue paid-up capital
Pradeep Kumar Jain & Sons (HUF) through its Karta Mr. Pradeep Kumar Jain	March 14, 2006	Other than cash through a bonus issue*	14,585,640	10	Nil	7.89
Mr. Pradeep Kumar Jain	March 14, 2006	Other than cash through a bonus issue*	11,397,187	10	Nil	6.17
Parasnath and Associates Private Limited	March 14, 2006	Other than cash through a bonus issue*	5,495,849	10	Nil	2.98
Ms. Nutan Jain	March 14, 2006	Other than cash through a bonus issue*	5,460,564	10	Nil	2.96
Total			36,939,240			20.00

* The Equity Shares being locked-in for a period of three years from the date of Allotment and which have been issued for consideration other than cash have been issued through a bonus issue and are not from a bonus issue out of a revaluation reserves or reserves without accrual of cash resources.

All Equity Shares, which are being locked-in are not ineligible for computation of promoters' contribution and lock-in under Clause 4.6 of the SEBI Guidelines.



(b) Share capital locked-in for one year:

In addition to the lock-in of the Promoters' contribution specified above, the entire pre-Issue issued Equity Share capital of the Company will be locked-in for a period of one year from the date of Allotment. The total number of Equity Shares, which are locked-in for one year, are 112,048,720 Equity Shares and the details of these are as follows:

Name of Shareholder	Dates of Allotment/Transfer	No. of Equity Shares locked-in for one year	% of Post-Issue paid-up capital
Pradeep Kumar Jain & Sons (HUF) through its Karta Mr. Pradeep Kumar Jain	March 26, 1998, March 22, 2000, March 25, 2003, April 4, 2003, October 7, 2003, September 19, 2005, March 14, 2006, August 18, 2006.	44,187,078	24.33
Mr. Pradeep Kumar Jain	July 26, 1990, April 13, 1992, March 30, 1996, March 26, 1998, March 30, 1998, April 15, 1998, May 25, 1998, March 25, 2003, May 27, 2003, October 7, 2003, September 19, 2005, March 14, 2006, August 18, 2006.	34,527,682	19.01
Parasnath and Associates Private Limited	July 26, 1990, March 30, 1992, March 30, 1998, October 7, 2003, September 19, 2005, March 14, 2006, August 18, 2006.	16,649,632	9.17
Ms. Nutan Jain	March 30, 1998, October 7, 2003, September 19, 2005, March 11, 2006, March 14, 2006, August 18, 2006.	16,642,728	9.17
Ms. Neelam Jain	December 26, 1997, September 15, 1999, December 2, 2000, October 7, 2003, September 19, 2005, March 14, 2006, August 18, 2006.	12,000	0.01
Mr. Sanjeev Jain	July 26, 1990, October 7, 2003, September 19, 2005, March 14, 2006, August 18, 2006.	10,800	0.01
Ms. Sheetal Prasad Jain	July 26, 1990, October 7, 2003, September 19, 2005, March 14, 2006, August 18, 2006.	10,800	0.01
Dr. Rajeev Jain	March 25, 2003, October 7, 2003, September 19, 2005, March 14, 2006, August 18, 2006.	8,000	Negligible
Total		112,048,720	61.70

(c) Other requirements in respect of lock-in:

In terms of Clause 4.15 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan.

In the event the Green Shoe Option is exercised, the Equity Shares held by the Green Shoe Lender, which are lent to the Stabilising Agent shall be exempt from the one year lock-in, for the period between the date when the Equity Shares are lent to the Stabilising Agent to the date when they are returned to the Green Shoe Lender in accordance with Clause 8A.13 or 8A.15 of the SEBI Guidelines, as the case may be.

In terms of Clause 4.16.1 (a) of the SEBI Guidelines, the Equity Shares held by persons other than 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.

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

3. Shareholding Pattern of our Company

The table below represents the shareholding pattern of the Company before the proposed Issue and adjusted for this Issue.

	Pre- Issue		Post- Issue/ Stabilization			
			If the Green Shoe Option is not exercised		If the Green Shoe Option is exercised in full	
	Number of Equity Shares	% of Equity Share capital	Number of Equity Shares	% of Equity Share capital	Number of Equity Shares	% of Equity Share capital
Promoters						
Pradeep Kumar Jain & Sons (HUF) through its Karta Mr. Pradeep Kumar Jain	58,528,872	39.45	58,528,872	32.23	58,528,872	31.69
Mr. Pradeep Kumar Jain*	45,734,328	30.82	45,734,328	25.18	45,734,328	24.76
Parasnath and Associates Private Limited	22,053,600	14.86	22,053,600	12.14	22,053,600	11.94
Ms. Nutan Jain	22,012,000	14.84	22,012,000	12.12	22,012,000	11.92
Sub-Total	148,328,800	99.97	148,328,800	81.67	148,328,800	80.31
Promoter Group						
Ms. Neelam Jain	12,000	0.01	12,000	0.01	12,000	0.01
Mr. Sanjeev Jain*	10,800	0.01	10,800	0.01	10,800	-
Mr. Sheetal Prasad Jain	10,800	0.01	10,800	0.01	10,800	-
Dr. Rajeev Jain	8,000	-	8,000	-	8,000	-
Sub-Total	41,600	0.03	41,600	0.03	41,600	0.02
Total Promoter Group Holding	148,370,400	100.00	148,370,400	81.70	148,370,400	80.33
Non-Promoter						
Employees	—	—	200,000	0.11	200,000	0.11
Public	—	—	33,038,000	18.19	36,125,800	19.56
Total Non- Promoter Group Holding	—	—	33,238,000	18.30	36,325,800	19.67
Total	148,370,400	100.00	181,608,400	100.00	184,696,200	100.00

* Mr. Pradeep Kumar Jain and Mr. Sanjeev Jain are also the directors of Parasnath and Associates Private Limited, one of our Promoters.



4. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.
5. In the case of over-subscription in all categories, at least 60% of the Net Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers, up to 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in the Non-Institutional Portion and Retail Individual Portion would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLMs. Under subscription, if any, in the Employees Reservation Portion would be met with spill over from the Net Issue at the sole discretion of our Company in consultation with the BRLMs.
6. A total of up to 0.60% of the Issue size (Assuming the Green Shoe Option is not exercised), i.e up to 200,000 Equity Shares, has been reserved for allocation to the Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only Employees would be eligible to apply in this Issue under Employees Reservation Portion. Employees may bid in the 'Net Issue' portion as well and such Bids shall not be treated as multiple Bids. Any under subscription in the Equity Shares under the Employee Reservation Portion would be treated as part of the Net Issue.
7. Over subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer.
8. The list of 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 and 10 days prior to filing this Red Herring Prospectus

Sr. No.	Name of Shareholders	Number of Equity Shares	Percentage of Shareholding (in %)
1.	Pradeep Kumar Jain & Sons (HUF) through its Karta Mr. Pradeep Kumar Jain	58,528,872	39.45
2.	Mr. Pradeep Kumar Jain	45,734,328	30.82
3.	Parasnath and Associates Private Limited	22,053,600	14.86
4.	Ms. Nutan Jain	21,912,000	14.83
5.	Dr. Rajeev Jain	108,000	0.01
6.	Ms. Neelam Jain	12,000	0.01
7.	Mr. Sanjeev Jain	10,800	0.01
8.	Mr. Sheetal Prasad Jain	10,800	0.01

- (b) As on two years before the date of filing this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	Percentage of Shareholding (in %)
1.	Pradeep Kumar Jain & Sons (HUF) through its Karta Mr. Pradeep Kumar Jain	3,251,604	39.45
2.	Mr. Pradeep Kumar Jain	2,540,796	30.82
3.	Parasnath and Associates Private Limited	1,225,200	14.86
4.	Ms. Nutan Jain	1,134,000	13.76
5.	Ms. Neelam Jain	84,000	1.02
6.	Dr. Rajeev Jain	6,000	0.07
7.	Mr. Sanjeev Jain	600	0.01
8.	Mr. Sheetal Prasad Jain	600	0.01



9. Except for the following our Promoters, Promoter group, our Directors or the directors of our Promoter company have not acquired, purchased or sold any Equity Shares, during a period of six months preceding the date on which this Red Herring Prospectus was filed with SEBI.
- transfer of 500,000 Equity Shares by Ms. Neelam Jain to Ms. Nutan Jain for nil consideration on March 11, 2006;
 - through the bonus issue of Equity Shares in the ratio of 1:1(one Equity shares for every Equity Share held) on March 14, 2006;
 - bonus issue of Equity Shares in the ratio 1:2 (One Equity Share for every two Equity Shares held) on August 18, 2006; and
 - transfer of 100,000 Equity Shares by Dr. Rajeev Jain to Ms. Nutan Jain for nil consideration on August 28, 2006.
10. Our Company has not granted any options or issued any Equity Shares under any employees stock option or employees stock purchase scheme.
11. An investor 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 investor.
12. Except as disclosed in the section titled "Our Management" beginning on page 96 of this Red Herring Prospectus, none of our Directors and key managerial employees hold any Equity Shares.
13. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.
14. We presently do not intend or propose to alter our capital structure for a period of six months from the date of filing of the Red Herring Prospectus, 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 that if we enter into acquisitions or joint ventures, 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.
15. 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.
16. As on the date of filing of this Red Herring Prospectus the total number of holders of Equity Shares was eight.
17. We have not raised any bridge loans against the proceeds of the Issue.
18. Except as disclosed in the sections titled "Capital Structure - Notes to the Capital Structure" on page 22 and "Other Regulatory and Statutory Disclosures" on page 295 of this Red Herring Prospectus, we have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.
19. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares.
20. Our Promoters and members of the Promoter Group will not participate in this Issue.
21. There are certain restrictive covenants in the agreements that our Company has entered into with banks and financial institutions for short-term loans and long term borrowings. For further details of the terms of these agreements, please refer to the section entitled "Financial Indebtedness" on page 73 of this Red Herring Prospectus.
22. As per Chapter VIIIA of the SEBI Guidelines, we have availed of the Green Shoe Option for stabilising the post-listing price of the Equity Shares. We have appointed JM Morgan Stanley Private Limited as the Stabilising Agent. The Green Shoe Option consists of an option to over-allot up to 3,087,800 Equity Shares at the Issue Price, aggregating Rs. [●] million, exercisable during the Stabilisation Period.

Maximum number of Equity Shares	Up to 3,087,800 Equity Shares.
The maximum increase in our Equity Share capital if we are required to utilise the full over-allotment in the Issue	3,087,800 Equity Shares



Green Shoe Option Portion	Up to 9.23% of the Issue.
Maximum number of Equity Shares that may be borrowed	Upto 3,087,800 Equity Shares.
Pre-Issue holding of the Green Shoe Lender	22,053,600 Equity Shares representing 14.86 % of the pre-Issue share capital of our Company.
Maximum number of Equity Shares that can be lent by the Green Shoe Lender	Upto 4,985,700 Equity Shares representing 3.36% of the pre-Issue share capital of our Company.
Stabilisation Period	The period commencing from the date of obtaining trading permission from the BSE and the NSE for the Equity Shares under the Issue, and ending 30 days thereafter unless terminated earlier by the Stabilising Agent.
Rights and obligations of the Stabilising Agent	<p>Open a special bank account under the name of “Special Account for GSO proceeds of Parsvnath Developers Limited” or GSO Bank Account and deposit the money received against the over-allotment in the GSO Bank Account.</p> <p>Open a special account for securities under the name of “Special Account for GSO shares of Parsvnath Developers Limited” or GSO Demat Account and credit the Equity Shares bought by the Stabilising Agent, if any, during the Stabilisation Period to the GSO Demat account.</p> <p>As per SEBI Guidelines, stabilise the market price of the Equity Shares only in the event of the market price falling below the Issue Price, including determining the price at which Equity Shares to be bought, the timing etc.</p> <p>On exercise of the Green Shoe Option, to request us to issue fresh Equity Shares and to transfer funds from the GSO Bank Account to us for such fresh issue of Equity Shares, within a period of three working days of the close of the Stabilisation Period.</p> <p>On expiry of the Stabilisation Period, to return such number of Equity Shares to the Green Shoe Lender either through market purchases as part of stabilising process or through the issue of fresh Equity Shares by us.</p> <p>To submit daily reports to the Stock Exchanges during the Stabilisation Period and final report to SEBI.</p> <p>To maintain a register of its activities and retain for three years. Net gains on account of market purchases in the GSO Bank Account to be transferred net of all expenses and net of taxes, if any, equally to the Investor Protection Fund of BSE and NSE.</p>
Our rights and obligations	On expiry of the Stabilisation Period if Stabilising Agent has not bought the entire number of Equity Shares, which have been over allotted, then such balance number of Equity Shares shall be issued by us to the credit of the GSO Demat Account.

	<p>If no Equity Shares are bought, then to issue the Equity Shares to the entire extent of over-allotment.</p>
Rights and obligations of the Green Shoe Lender	<p>The Green Shoe Lender undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all the rights, title and interest in the Loaned Shares shall pass to the Stabilising Agent/GSO Demat Account free from all liens, charges and encumbrances.</p> <p>Before the Pricing Date, to transfer Loaned Shares to GSO Demat account.</p> <p>The Green Shoe Lender will not recall or create lien or encumbrance on the Loaned Shares till the completion of the formalities during the Stabilisation Period.</p>



OBJECTS OF THE ISSUE

The objects of the Issue are to (a) meet the cost of development and construction of some of our projects and (b) achieve the benefits of listing on the Stock Exchanges.

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

The net proceeds of the Issue after deducting expenses for the Issue is estimated at Rs. [●] million. The details of the utilization of the proceeds of the Issue are as follows:

(Rs. in million)

Sl. No.	Particulars of expenditure	Amount (In Rs. million)
1.	Expenditure on development and construction of projects	[●]
2.	General Corporate Purposes	[●]
3.	Issue Expenses*	[●]
	Total	[●]

* Will be finalized upon finalization of Issue Price.

The fund requirements and deployment are based on the estimates of our management and have not been appraised by any bank or financial institution or independent third party entity.

In case of any shortfall in the funds required for the implementation of the projects for which Issue proceeds are proposed to be utilized we may explore various options to meet such shortfall including internal accruals or debt.

The means of finance (other than issue proceeds including greenshoe option) is tied up for not less than 75%. The shortfall, if any, in the same will be met through internal accruals and/or customer advances.

I. Expenditure on development and construction of projects.

Our business is the development of real estate. As part of our strategy to consolidate our position as one of the leading real estate developers in India, we are developing a number of projects in various parts of India, details of which are provided in the section titled "Our Business" on page 55 of this Red Herring Prospectus. We intend to utilize a part of the net proceeds of the Issue in some of these projects.

Estimated Cost of projects.

The details of these projects and the estimated project costs are provided in the following table:

(Rs. in Millions)

Sl. No.	Name of project	Cost of land/ Acquisition of development rights	Cost of development, construction and marketing cost	Total cost
1.	Project Parsvnath Panorama located at Plot No. A-01, Sector TAU, Greater Noida, Uttar Pradesh.	123.17	629.37	752.54
2.	Project Parsvnath Planet located at Plot No. 8/8 & 9/9 Vibhuti Khand, Gomti Nagar, Lucknow, Uttar Pradesh.	349.61	748.89	1,098.50
3.	Parsvnath Premium located at Chikli District Centre PCNT, Chikli, Pune, Maharashtra.	99.68	449.17	548.85



(Rs. in Millions)

Sl. No.	Name of project	Cost of land/ Acquisition of development rights	Cost of development, construction and marketing cost	Total cost
4.	Project Parsvnath Panchvati I located at Plot No. 4 & 5 , Taj Nagari , Phase-II, Agra, Uttar Pradesh.	109.39	432.93	542.32
5.	Project Parsvnath Exotica located at Village Wazirabad, Sector-53, Gurgaon, Haryana	1,617.41	3,466.45	5,083.86
6.	Parsvnath Pleasant located at village Dharuhera, District Rewari, Haryana.	6.04	1,335.05	1,341.09
7.	Project Parsvnath Green Ville located at village Fazilpur Jharsa, Sohna Road, Gurgaon	212.53	968.79	1,181.32
8.	Parsvnath City Centre located at Ashiana Scheme I, Kanth Road, Moradabad.	55.31	121.16	176.47
9.	Hotel Located at Shirdi, District Ahmed Nagar, Maharashtra.	7.20	53.28	60.48
10.	Project Parsvnath Exotica (Extension) located at Village Wazirabad, Sector-53, Gurgaon, Haryana.	208.00	390.00	598.00
11.	Parsvnath Privilege located at Plot No. 11, Sector Pi, Corrosia Estate, Greater Noida, Uttar Pradesh.	339.00	2,562.50	2,901.50
	Total	3,127.34	11,157.59	14,284.93

Estimated schedule of deployment of funds and completion of the projects

The total amount to be deployed in the seven month period ending March 31, 2007, fiscal 2008, fiscal 2009 and fiscal 2010 are Rs 3,902.97 million, Rs. 3,193.76 million, Rs. 1,613.00 million and Rs. 1,025.00 million, respectively. The following are the details of the estimated schedule of deployment of funds and the schedule of implementation of the projects:

Sl. No.	Name of project	Amount deployed till August 31, 2006	Estimated schedule of deployment of funds (Rs. in Million)				Estimated year of completion
			Seven months period ending March 31, 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	
1.	Project Parsvnath Panorama located at Plot No. A-01, Sector TAU, Greater Noida, Uttar Pradesh.	403.40	141.69	207.45	0	0	Fiscal 2008
2.	Project Parsvnath Planet located at Plot No. 8/8 & 9/9 Vibhuti Khand, Gomti Nagar, Lucknow, Uttar Pradesh.	369.11	348.05	381.34	0	0	Fiscal 2008



Sl. No	Name of project	Amount deployed till August 31, 2006	Estimated schedule of deployment of funds (Rs. in Million)				Estimated year of completion
			Seven months period ending March 31, 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	
3.	Parsvnath Premium located at Chikhli District Centre PCNT, Chikhli, Pune, Maharashtra.	37.59	202.54	308.72	0	0	Fiscal 2008
4.	Project Parsvnath Panchvati I located at Plot No. 4 & 5, Taj Nagari, Phase-II, Agra, Uttar Pradesh.	363.80	163.65	15.17	0	0	Fiscal 2008
5.	Project Parsvnath Exotica located at Village Wazirabad, Sector-53, Gurgaon, Haryana.	2,287.27	1,853.11	943.48	0	0	Fiscal 2008
6.	Parsvnath Pleasant located at village Dharuhera, District Rewari, Haryana.	10.41	496.45	522.13	312.10	0	Fiscal 2009
7.	Project Parsvnath Green Ville located at village Fazilpur Jharsa, Sohna Road, Gurgaon	883.10	298.22	0	0	0	Fiscal 2007
8.	Parsvnath City Centre located at Ashiana Scheme I, Kanth Road, Moradabad.	68.48	36.47	53.35	18.17	0	Fiscal 2009
9.	Hotel Located at Shirdi, District Ahmed Nagar, Maharashtra.	7.20	24.86	28.42	0	0	Fiscal 2008
10.	Project Parsvnath Exotica (Extension) located at Village Wazirabad, Sector-53, Gurgaon, Haryana.	100.26	185.74	136.50	175.50	0	Fiscal 2009
11.	Parsvnath Privilege located at Plot No. 11, Sector Pi, Corrosia Estate, Greater Noida, Uttar Pradesh.	19.58	152.49	597.20	1,107.23	1,025.00	Fiscal 2010
Total		4,550.20	3,902.97	3,193.76	1,613.00	1,025.00	

Contracts entered into for the implementation of the projects

We have been allotted land by relevant authorities or have entered into a number of contracts for the implementation of the above mentioned projects. For details of the salient features of Development Agreements, Concession Agreements, etc, see



the section titled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

Sl. No.	Project	Parties	Date	Nature of Agreement/ Documentation	Area (in square metres)
1.	Project Parsvnath Panorama located at Plot No. A-01, Sector TAU, Greater Noida, Uttar Pradesh.	GNIDA	February 15, 2005	Lease deed	30,998.43
2.	Project Parsvnath Planet located at Plot No. 8/8 & 9/9 Vibhuti Khand, Gomti Nagar, Lucknow, Uttar Pradesh.	Lucknow Development Authority	August 18, 2005 and December 1, 2005	Allotment Letter and Agreement to Sell	18,704.68 and 19,717.72
3.	Parsvnath Premium located at Chikhli District Centre PCNT, Chikhli, Pune, Maharashtra.	Pimpri Chinchwad Development Authority and Development Agreements with Symphony Realtors Private Limited and Dolphin Buildwell Private Limited.	October 3, 2005	Allotment Letter	36,685
4.	Project Parsvnath Panchvati I located at Plot No. 4 & 5 ,Taj Nagari , Phase-II, Agra, Uttar Pradesh.	Agra Development Authority	April 29, 2005	Sale Deed	57,413
5.	Project Parsvnath Exotica located at Village Wazirabad, Sector-53, Gurgaon, Haryana.	Town and Country Planning, Haryana and M/s Puri Construction and other Land Owners	April 4, 2005	Development Agreement	96,396.12
6.	Parsvnath Pleasant located at village Dharuhera, District Rewari, Haryana.	Mr. Shivdeep Singh and Mr. Devish Kumar	September 8, 2005	Development Agreement	55,118.18
7.	Project Parsvnath Green Ville located at village Fazilpur Jharsa, Sohna Road, Gurgaon.	M/s Amazon India Limited, M/s India Builders and M/s R.S. & Co.	September 18, 2003	Development Agreement	48,562.32



Sl. No.	Project	Parties	Date	Nature of Agreement/ Documentation	Area (in square metres)
8.	Parsvnath City Centre located at Ashiana Scheme I, Kanth Road, Moradabad.	Moradabad Development Authority	March 30, 2005 and December 1, 2005.	Agreement to Sell and Sale Deed	4,719.90
9.	Hotel located at Shirdi, District Ahmednagar, Maharashtra.	M/s Hansa Vishnu Sharma and other land owners	April 8, 2005 and December 17, 2005	Sale Deeds	2,200.00
10.	Project Parsvnath Exotica (Extension) located at Village Wazirabad, Sector-53, Gurgaon, Haryana.	M/s Puri Construction Limited, M/s Florentine Estates of India Limited, M/s Mad Entertainment Network Limited, Mr. Sunil Manchanda, Mr. Arjun Puri and Mr. Mohinder Puri	November 24, 2005 and March 21, 2005	Development Agreement and Supplementary Agreement	15,000.00
11.	Parsvnath Privilege located at Plot No. 11, Sector Pi, Corrosia Estate, Greater Noida, Uttar Pradesh.	GNIDA	August 18, 2003	Allotment Letter	101,171.41

Means of Finance

The total cost of development and construction of these 11 projects is Rs. 14,284.93 million. Out of this, Rs. 4,550.20 million has been already deployed by us as of August 31, 2006, as certified by M/s Deloitte Haskins & Sells, Chartered Accountants, vide their certificate dated October 16, 2006. We propose to utilize Rs. [●] million from the net proceeds of the Issue. The proceeds received on account of green shoe option will also be utilized towards completion of these projects.

Out of the total amount of Rs. 4,550.20 million already deployed by us as on August 31, 2006 for development and construction of these 11 projects, Rs. 406.40 million is from debt, Rs. 3,835.68 is from customer advances and Rs. 308.12 million is from



internal accruals. The following term loans have been availed by our Company in relation to these projects.

(Rs. in Million)

Sl. No.	Name of Project	Name of Lender	Facility	Amount Outstanding as on August 31, 2006
1.	Project Parsvnath Panchvati I located at Plot No. 4 & 5, Taj Nagari, Phase-II, Agra, Uttar Pradesh.	Syndicate Bank	Term loan of Rs. 250 million by loan agreement dated February 27, 2006.	250.00
2.	Project Parsvnath Green Ville located at village Fazilpur Jharsa, Sohna Road, Gurgaon	Jammu and Kashmir Bank Limited	Term loan facility of Rs. 250 million by term loan agreement dated January 18, 2005	156.40
	Total			406.40

For further details of the material terms of these term loan agreement, please refer to the section titled "Financial Indebtedness" beginning on page 73 of this Red Herring Prospectus.

The following is the summary of the means of finance of the projects for which the net proceeds of the Issue will be utilized.

(Rs. in Million)

	Already deployed as of August 31, 2006	Amount required to be deployed for implementation of the project	Total
Debt	406.40	[●]	[●]
Internal Accruals	308.12	[●]	[●]
Customer advance	3,835.68		
Net Proceeds from the Issue	Nil	[●]	[●]
Total	4,550.20	[●]	14,284.93

Customer advances are taken by our Company. Our customer advances are of two types. The first relates to customer advances taken by us at the time of booking of the property by the customer and the second is advances taken by us for projects promoted by us within an identified period.

Customers have three options to make payments as advance at the time of booking a property. The customer can make complete down payment, which is generally accompanied by a rebate or avail the construction linked payment plan whereby the payment is linked to the stage of construction of the property or have a time linked payment plan, whereby payment is made at predetermined intervals.

II. General Corporate Purposes

The net proceeds from the Issue will be first utilised towards implementation of the aforementioned projects and the balance is proposed to be utilized for general corporate purposes including brand building exercises and strengthening of our marketing capabilities.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.



III. Issue Related Expenses

The Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal expenses, advertisement expenses, registrar's fees and depository fee.

The details of the Issue expenses are tabulated below:

Activity	Expenses (in Rs. million)	% of net proceeds of the Issue
Underwriting and Selling Commission*	[●]	[●]
Advertising and Marketing expenses	[●]	[●]
Printing and Stationery	[●]	[●]
Others (Registrar's fees, legal fees etc.)	[●]	[●]

* The issue related expenses will be finalised on determination of the Issue Price.

Interim Use of Proceeds

Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks, for the necessary duration or for reducing overdraft to save interest costs. Such investments would be in accordance with investment policies approved by our Board from time to time.

Monitoring Utilization of Funds

Our Board and IFCI Limited, which has been appointed the monitoring agency for this purpose will monitor the utilization of the Issue proceeds. We will disclose the utilization of the Issue proceeds including interim use, under a separate head in our balance sheet for fiscal 2007, 2008, 2009 and 2010 clearly specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of listing agreement with the Stock Exchanges.

A part of the proceeds of the Issue may be paid by us as consideration to our Promoter group companies for purchase of land or acquisition of development rights in relation to the projects for which funds are being raised through this Issue.



TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, 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 shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, 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 issued 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, if any, declared by our Company after the date of Allotment.

Mode of Payment of Dividend

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

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10 each are being issued in terms of this Red Herring Prospectus at a total price of Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and 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, see section titled “Main Provisions of Articles of Association of the Company” on page 331 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares is in dematerialised mode, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment through this Issue will be done only in electronic form in multiples of 1 Equity Share subject to a minimum Allotment of 20 Equity Shares.

Nomination Facility to the Investor

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 death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares 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). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at 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; or
- b. to make such transfer of the Equity Shares, 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 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, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue, i.e., the Issue less the Employee Reservation Portion, 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 8 days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of allottees, i.e. persons to whom the Equity Shares will be allotted under the Issue shall be not less than 1,000.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLMs on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors for the offered Equity Shares by the Book Building Process. The face value of the Equity Share is Rs. 10 and the Issue Price is 25 times the face value at the lower end of the Price Band and 30 times the face value at the higher end of the Price Band.

QUALITATIVE FACTORS

Ability to identify emerging markets and assess the potential of a location

One of the key factors in real estate development sector is the ability to assess the potential of a location after evaluation of its demographic trends. Our ability to evaluate such trends has enabled us to identify locations which are relatively untapped and gain the first mover advantage in such locations. Our experience in the real estate sector enables us to develop a vision which drives our acquisition strategy.

Marketing network

Our marketing is structured in consideration of the nature of the project and the customer base at which the project is targeted. Our sustained and structured marketing over the cycle of the project results in wide exposure of our products to the target audience. Brands such as Big Bazaar and Spencers have outlets in shopping malls developed by us. We believe that the presence of such well known brands large retail outlets ensures confidence among potential customers.

Diversified business model

We have a number of diverse projects in 41 cities and 14 states of India and are not restricted to any one segment or geographical region of the market. Our commercial buildings, malls and multiplexes are customized to cater to the demographics of the specific locality. Further, our residential complexes are directed at both the high income and the economy segment.

Timely and cost efficient completion of projects

We have evolved a project monitoring system which is leveraged by us to ensure disciplined completion of our projects. Our track record for timely completion has given us confidence which is reflected in our agreements with our customers which includes a clause stating that we will deliver possession to them at the stipulated time or else pay a penalty linked to the period of the delay based on the committed period of completion.

Transparent and efficient system of procuring materials

We have established a transparent and efficient system for procuring best quality of materials at reasonable prices. We maintain a "just-in-time" inventory to reduce storage costs and thereby ensure the flexibility to take advantage of changes in market conditions for materials required by us.

Our financial position

We believe our financial position will enable us to finance our plans. As of March 31, 2006, we had a debt to equity ratio of 1.17. Our ability to give timely delivery of projects to our customers also translates into timely receipts of receivables by us reducing our dependence on external sources for funding of our projects.

Organized and professionally managed company.

We are a professionally managed company with qualified and experienced professionals in the senior management. In order to expedite the decision making process and to facilitate speedy implementation of the real estate projects, we have adopted a model in which critical functions like project conceptualization, planning, procurement and project monitoring are managed from our corporate office and key support functions such as obtaining regulatory approvals, pre-marketing and marketing are the responsibility of our representatives at the local level. This model enables us to maintain a balance between the customization of our projects to cater to the demographics of a location while maintaining our standards of quality and efficiency.



QUANTITATIVE FACTORS

ADJUSTED EARNING PER SHARE (EPS)

Financial Period	EPS based on Restated Financial Statement (Rs.)	Weight
Year ended March 31, 2004	1.24	1
Year ended March 31, 2005	4.43	2
Year ended March 31, 2006	7.21	3
Weighted Average	5.29	

Adjusted EPS for the three months ended June 30, 2006 is Rs. 2.46

PRICE EARNING RATIO (P/E RATIO)

- A. For the year ended March 31, 2006, EPS based on restated financial statements is Rs.7.21.
For the three months ended June 30, 2006, EPS based on restated financial statements is Rs.2.46.
- B. P/E based on year ended March 31, 2006 EPS is 34.67, at the Floor Price and 41.61 at the Cap Price.
- C. Peer group P/E
- | | |
|--------------------------|--------|
| (i) Highest | 215.20 |
| (ii) Lowest | 3 |
| (iii) Peer group Average | 40.60 |

Source: Capital Market, October 9 – October 22, 2006 (Industry -Construction)

AVERAGE RETURN ON NETWORTH

The figures disclosed below are based on the restated financial statements of our Company.

Financial Period	RoNW(%)	Weight
Year ended March 31, 2004	48.73	1
Year ended March 31, 2005	64.65	2
Year ended March 31, 2006	53.19	3
Weighted Average	56.27	

The average return on net worth for the three months ended June 30, 2006 is 15.37%.

Minimum Return on Total Net Worth post-Issue to maintain pre Issue EPS is [•]

NET ASSET VALUE (NAV)

- | | |
|--------------------------|----------------------------|
| (i) As at March 31, 2006 | Rs. 13.56 per Equity Share |
| (ii) After Issue | [•] |
| (iii) Issue Price | [•] |



Financial Period	NAV (Rs.)	Weight
Year ended March 31, 2004	2.55	1
Year ended March 31, 2005	6.85	2
Year ended March 31, 2006	13.56	3
Weighted Average	9.49	

The net asset value for the three months ended June 30, 2006 is Rs. 16.02

COMPARISON WITH OTHER LISTED COMPANIES:

Companies	EPS(RS.)	P/E	RONW(%)	BOOK VALUE (RS.)
Parsvnath Developers Limited	7.21	[•]	53.19	13.56
Ansal Housing	11.50	14.50	24.30	58.50
D.S. Kulkarni	7.70	23.10	62.50	86.90
Mahindra Gesco	0.20	215.20	2.10	41.20
Unitech	0.80	207.90	35.20	2.80

All figures for peer group are sourced from Capital Market, *October 9 – October 22, 2006* (Industry-Construction)

The Face Value of the Equity Share is Rs. 10 each and the Issue Price of Rs. [•] is [•] times of the face value.

The BRLMs believe that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters. For further details, see the section titled “Risk Factors” beginning on page x of this Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the auditor’s report stated on page 162 of this Red Herring Prospectus to have a more informed view.



STATEMENT OF TAX BENEFITS

Parsvnath Developers Limited
6th Floor, Arunachal Building,
19, Barakhamba Road,
New Delhi - 110 001

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits available to Parsvnath Developers Limited (the "Company") and its shareholders under the Income Tax Act, 1961, Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

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

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been / would be met with.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants

Place: New Delhi
Date: 28 August, 2006

JITENDRA AGARWAL
Partner
(Membership No. 87104)

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO PARSVNATH DEVELOPERS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS**UNDER THE INCOME TAX ACT, 1961 ('the IT Act')****I. BENEFITS AVAILABLE TO THE COMPANY**

1. In accordance with and subject to the conditions specified under Section 80-IB (10) of the IT Act, the Company is eligible for hundred percent deduction of the profits derived from development and building of housing projects approved before 31 March, 2007, by a local authority.
2. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax.
3. As per the provisions of section 24(a) of the IT Act, Company is eligible for deduction of thirty percent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out).
4. As per the provisions of section 24(b), where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing Income from house property.
5. As per the provisions of section 80-IAB, Company is eligible for deduction of hundred percent of profit derived from business of developing a Special Economic Zone, notified on or after the 1st day of April, 2005 under the Special Economic Zones Act, 2005 for ten consecutive assessment years. The deduction can be claimed for any ten consecutive assessment years out of fifteen years beginning from the year in which Special Economic Zone has been notified by the Central Government.

II. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from a domestic company is exempt from income tax in the hands of shareholders.
2. Under Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains (if shares are held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.
3. As per the provisions of Section 112 of the IT Act, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising on transfer of shares in the Company would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. However, if the tax on long term capital gains resulting on transfer of listed securities calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such capital gains are chargeable to tax at a rate of 10 percent (plus applicable surcharge and education cess), at the option of the shareholder.
4. As per the provisions of Section 111A of the IT Act, short-term capital gains arising from sale an equity share in the Company would be taxable at a rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
5. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.



6. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of such transfer in the bonds issued by:

- National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

7. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
8. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share in a company entered into in a recognised stock exchange, i.e., from taxable securities transactions, he shall get deduction equal to the securities transaction tax paid by him in the course of his business. Such deduction is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income.

III. BENEFITS AVAILABLE TO MUTUAL FUNDS

1. As per the provisions of Section 10(23D) of the IT Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

IV. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115-O of the IT Act) would be exempt from tax in the hands of the shareholders of the Company.
2. As per the provisions of Section 115AD of the IT Act, income of FIIs arising from securities (other than income by way of dividends referred to in section 115O of the IT Act) would be taxed at concessional rates, as follows:

Nature of income	Rate of tax (%)
Income in respect of securities	20
Long term capital gains	10
Short term capital gains	30

(Other than short term capital gain referred to in Section 111A)

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available to an FII.

3. As per the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.

4. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.
5. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
6. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:
 - a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;
7. As per the provisions of section 88E of the IT Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions.

V. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

1. As per the provisions of the provisions of Section 10(23FB) of the IT Act, any income of Venture Capital companies/ Funds (set up to raise funds for investment in venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. Moreover, in light of the provisions of Section 115U of the IT Act, any income derived by a person from his investment in venture capital companies/ funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

VI. BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on the shares of any company is exempted from the tax.
2. In terms of first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.
3. As per the provisions of Section 112 of the IT Act, long term gains as computed above (which are not exempt under Section 10(38) of the IT Act) would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).
4. Under Section 111A of the IT Act, short-term capital gains arising from sale an equity share in the Company would be taxable at a concessional rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
5. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-Resident Indian would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident Indian.
6. As per the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction of sale has been entered through a recognized stock exchange and such transaction is chargeable to securities transaction tax.



7. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:
- National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;
- The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.
8. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
9. Where shares of the Company have been subscribed in convertible foreign exchange, Non-Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) 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:
- Under Section 115E, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a Non-Resident Indian, long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.
 - Under Section 115F of the IT Act, long-term capital gains arising to a Non-Resident Indian from transfer of shares of the Company, subscribed in convertible foreign exchange, shall be exempt from income tax, if the entire net consideration is reinvested in specified assets/ saving certificates within 6 months of the date of transfer. Where only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets/ saving certificates are transferred or converted within 3 years from the date of their acquisition.
 - Under Section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.
 - Under Section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the foregoing provisions 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.
10. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share in a company entered into in a recognised stock exchange, i.e., from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

- Asset as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.



BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT

1. Gift tax is not leviable in respect of any gifts made on or after 1 October, 1998. Therefore, any gift of shares of the Company will not attract Gift tax.

Notes:

- *The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*
- *The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*
- *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*
- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*
- *The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act 2006.*



INDUSTRY OVERVIEW

The information in this section is derived from various government publications and other public sources. Neither we nor any other person connected with the Issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

THE INDIAN ECONOMY

India is the world's largest democracy in terms of population, with India's Central Statistical Organisation estimating a population of 1,091 million people as at March 31, 2005. According to the World Bank, India was the twelfth largest economy in the world in the year ended March 31, 2005, with a GDP in nominal terms estimated to be US\$ 731 billion. (Source: www.worldbank.org)

In 1991, the Government of India initiated a series of major macroeconomic and structural reforms to promote economic stability and growth. The key reforms were focused on implementing fundamental economic reforms, deregulating industry, accelerating foreign investment and pushing forward a privatisation program for disinvestment in various public sector operations. In part as a result of the reform program, India's economy has recently registered significant growth, with average real GDP (at factor cost) growth of 6.9% over the year ended March 31, 2005 and growth of 120% from the year ended March 31, 1991, as illustrated in the following table:

	As of, and for the year ended March 31,					
	1991	1995	2000	2003	2004	2005
Real GDP at factor cost (Rs. millions)	6,928,710	8,380,310	11,483,670	13,183,620	14,305,480	15,294,080
Real GDP (per capita, Rs.)	8,258	8,209	11,369	12,496	13,332	14,018

Source: CSO

With this growth, and the prospect of further growth in the Indian economy, transportation and information connectivity across the country and the development of a supporting, scalable infrastructure have become increasingly important. Moreover, as the economy and business centres continue to develop in urban centres (particularly smaller urban centres), we expect India's overall population to become more urbanised, and the importance of transportation connectivity is expected to magnify.

Moreover, as the Indian economy continues its growth, its middle class is also growing, with increased disposable income. The table below indicates that over time a high proportion of the population has been moving, and is expected to continue to move, into higher income brackets.

Classification	Income class		No. of households in '000				Annual growth rate (%)		
	INR '000 p.a.	USD p.a.	1995-96	2001-02	2005-06	2009-10	1995-96 to 2001-02	2001-02 to 2005-06	2005-06 to 2009-10
Deprived	<90	<2,070	131,176	135,378	132,249	114,394	0.5	-0.6	-3.6
Aspirers	90-200	2,070-4,600	28,901	41,262	53,276	75,304	6.1	6.6	9.0
Seekers	200-500	4,600-11,500	3,881	9,034	13,813	22,268	15.1	11.2	12.7
Strivers	500-1,000	11,500-22,990	651	1,712	3,212	6,173	17.5	17.0	17.7
Near rich	1,000-2,000	22,990-45,980	189	546	1,122	2,373	19.4	19.7	20.6

Classification	Income class		No. of households in '000				Annual growth rate (%)		
	INR '000 p.a.	USD p.a.	1995-96	2001-02	2005-06	2009-10	1995-96 to 2001-02	2001-02 to 2005-06	2005-06 to 2009-10
Clear rich	2,000-5,000	45,980-114,940	63	201	454	1,037	21.3	22.6	22.9
Sheer rich	5,000-10,000	114,940-229,890	11	40	103	255	23.4	26.8	25.4
Super rich	> 10,000	> 229,890	5	20	53	141	25.8	27.9	28.1
Total			165,877	188,193	204,282	221,945	N.A.	N.A.	N.A.

Source: NCAER's report - "The Great Indian Middle Class" 2004-05 (1) Forecast data

In particular, the higher income groups have grown at a greater rate in urban centres than in rural areas. The following tables show the development of the Indian middle and upper classes in both urban and rural areas in the past and as forecast for the near future.

Classification	Income class		No. of households in '000				Annual Growth 1995-01 (%)	
	INR '000 p.a.	USD p.a.	1995-96		2001-02			
			Urban	Rural	Urban	Rural	Urban	Rural
Deprived	< 90	< 2,070	29,295	101,881	24,632	110,746	-2.8	1.4
Aspirers	90-200	2,070-4,600	14,541	14,359	21,267	19,995	6.5	5.7
Seekers	200-500	4,600-11,500	2,239	1,642	5,762	3,272	17.1	12.2
Strivers	500-1,000	11,500-22,990	428	223	1,204	507	18.8	14.7
Near rich	1,000-2,000	22,990-45,980	135	53	410	136	20.3	16.8
Clear rich	2,000-5,000	45,980-114,940	49	14	161	41	21.9	19.1
Sheer rich	5,000-10,000	114,940-229,890	9	2	34	6	23.7	21.8
Super rich	> 10,000	> 229,890	4	1	17	2	26	24.7
Total			46,701	118,175	53,486	134,705		

Source: NCAER's report - "The Great Indian Middle Class" 2004-05



Classification	Income class		No. of households in '000				Annual Growth 2005-06 to 2009-10 (%) ⁽¹⁾	
	INR '000 p.a.	USD p.a.	2005-06 ⁽¹⁾		2009-10 ⁽¹⁾		Urban	Rural
			Urban	Rural	Urban	Rural		
Deprived	<90	<2,070	23,156	109,093	18,019	96,345	6.0	3.0
Aspirers	90-200	2,070-4,600	25,158	28,118	29,249	46,055	3.8	13.1
Seekers	200-500	4,600-11,500	8,889	4,923	14,313	7,955	12.6	12.7
Strivers	500-1,000	11,500-22,990	2,301	911	4,629	1,544	19.1	14.1
Near rich	1,000-2,000	22,990-45,980	842	280	1,793	581	20.8	19.9
Clear rich	2,000-5,000	45,980-114,940	360	94	825	212	23.0	22.5
Sheer rich	5,000-10,000	114,940-229,890	87	16	219	37	25.7	23.7
Super rich	>10,000	>229,890	46	6	126	16	28.2	27.4
Total			60,839	143,441	69,173	152,745		

Source: NCAER's report - "The Great Indian Middle Class" 2004-05 (1) Forecast data

The growth of the Indian economy and the growth of the Indian middle class has contributed to increased demand for housing units. Further, it has also resulted increased consumerism which in turn has created higher demand for shopping mall and multiplexes etc. therefore, the aforesaid growth of the Indian economy has been acting as the growth driver for the overall real estate sector in India.

OVERVIEW OF REAL ESTATE SECTOR 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 also.

Real estate is a major employment driver, being the second largest employer, next only to agriculture. This is because of the chain of backward and forward linkages that the sector has with other sectors of the economy. About 250 ancillary industries such as cement, steel, brick, timber, building material etc. are dependent on the real estate industry. A unit increase in expenditure in this sector has a multiplier effect and the capacity to generate income as high as five times. Contribution of housing and real estate to India's GDP is meagre 1% against 3-6% of developing countries. If the economy grows at the rate of 10%, the housing sector has the capacity to grow at 14% and generate 3.2 million new jobs over the next 10 years. (Source: INTEGRATED DATABASES INDIA LIMITED)

The Indian real estate sector can be divided into the organised and unorganised segments, with the unorganised segment accounting for over 70% of the housing units constructed. The organised segment comprises private real estate developers and government or government affiliated entities.

The major players in the organised sector are Hudco, state housing bodies and private real estate developers like DLF Universal Limited, Unitech Limited, Ansal Properties and Infrastructure Limited, the Hiranandani group, the Raheja group and Gesco. 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 with individuals.

Real estate developers in the organised sector are actively considering townships, multiplexes and shopping malls to drive their business prospects. Regional real estate players characterise the industry, as there are no strong national players in the sector. Some of the key developers are Parsvanath Developers Limited, DLF, Unitech, Ansals and the Rahejas. Apart from developing residential/commercial complexes, some established developers have diversified into hotels. For instance, in Mumbai; the Hiranandani group has forayed into hotel through its hotels 'Rodas'; while the Rahejas have established hotels in association with Marriott.

Most established players in the industry fund their projects through the promoters' contribution and intra-group loans. The developer's ability to sell a large portion of its project in advance, enables the projects to be largely self-financed, even at an early stage. The developer's reputation/land title also plays an important role in influencing the selling price of the projects.

Secondary information on the financials of developers is not available. However, according to industry sources, the margins on a residential property vary, depending upon the location of the project, the amenities provided and the developer's reputation/title. While amenities have an impact on the construction costs, the location of the project affects land costs and selling prices.

INDUSTRY CHARACTERISTICS

The real estate industry has the following characteristics:

- **Capital Structure:** Construction activities are often funded by the client who may make cash advances at different stages of construction.
- **Higher margin in commercial properties:** Generally, a commercial project yields higher operating profit margins than a residential project.
- **Leasing is an option for commercial properties:** Unlike the residential properties (which are sold outright), commercial space is either leased or sold outright. Under the leasing option, the lease rentals received from tenants form a source of recurring cash flow for the developer. This apart, the property rights remains with the developer, enabling the property to be disposed of subsequently, if required.
- **Contingent Liabilities:** Due to project based work, real estate companies often carry substantial contingent liabilities in the form of guarantees in order to comply with specific client requirements.
- **Development Risks:** Profitability of each project is subject to risks of mis-pricing, adverse conditions, geological conditions, management of specification changes and the outcome of claims on competitions. As per AS-7 of the Indian accounting standards, construction companies are required to recognize all losses incurred and foreseeable in the respective accounting period.
- **Credit Risk:** The strength of clients on whom the receivables are being generated is important. Real estate developers usually secure project advances from clients to keep them committed to the projects.
- **Approvals required for real estate projects:** A number of approvals are required for real estate projects from regulatory/statutory authorities. For further details, refer to the section titled "Government and Other Approvals" beginning on page 245 of this Red Herring Prospectus.

CURRENT SCENARIO & FUTURE OUTLOOK

The real estate sector in India has assumed growing importance with the liberalisation of the economy. Developments in the real estate sector as a whole are being driven by:

- Demand for more housing units in cities and towns because of growing urbanisation of Indian population, burgeoning middle class, increased disposable income, easy availability of housing finance at cheaper rate and tax incentives;
- Demand for office premises by growing IT industry especially BPO;



Demand for shopping malls by growing retail segment:

- Demand for multiplexes by evolving entertainment sector; and
- Demand for hotels/resorts by growing tourism industry.

Housing units

India continues to face an acute shortage of housing units. Based on the 2001 census, the housing shortage is estimated at 12.7 million units.

The prime movers that are leading to volume growth in the housing segment are population growth and urbanisation. Further, there is a boom localised to the organised urban housing segment, extending to relatively prosperous rural belts. The census of 2001 indicates an urbanisation rate of 27.78% which is expected to go up to 41 % in the next 20 years (based on a population of 1350 million) by 2021. This growing trend of urbanisation coupled with the factors like faster growth in incomes in the middle and higher income categories, decline in EMIs due to the fall in housing finance rates and availability of tax incentives on housing loans are pushing up the requirement for housing units in cities and towns. (Source: 10th Five Year Plan (2002-07))

Earlier the cost of the houses used to be in multiple of nearly twenty times the annual income of the buyers, whereas today the multiple is less than 4.5 times. The multiple has come down mainly because income levels have gone up, while tax rates have fallen. With less tax and more income there is more money left with people to spend. The interest rate, which earlier used to be between 16-18%, has halved and fuelled demand for housing units.

Another major contributing factor to boost the growth of residential housing property is income tax incentives on housing loans. Currently, income tax deduction is available on the interest component (up to Rs. 150,000) on housing loans and a rebate of Rs. 20,000 per annum on principal repayment.

All these aforesaid factors acted as the growth booster for the real estate sector (Source: INTEGRATED DATABASES INDIA LIMITED).

The growing demand for housing/dwelling units can be gauged from the increase in the growth of housing loan which is shown in the table below:

Year	Housing Loan Disbursement (Rs. million)	Rate of growth (%)
1999-00	197,233.8	-
2000-01	224,250.9	13.7
2001-02	293,592.9	30.9
2002-03	516,727.0	76.0

Source: National Housing Bank (NHB)

The tenth five year plan estimated a shortage of 22.4 million dwelling units. Thus, in the coming 15-20 years, 80-90 million housing units will have to be constructed with a majority catering to the low-income group. The investment required for constructing these and related infrastructure in these period would, thus, be of the order of \$ 666 billion to \$888 billion at roughly \$ 33 billion to \$ 44 billion per year. (Source: INTEGRATED DATABASES INDIA LIMITED)

Office Premises by IT industry

Another major booster for the growth of real estate is growing demand for office premises by booming IT industry especially the BPO sector. It is expected that India would continue to be one of the preferred destinations for setting up back office operations. Consequently, the growth in the sector will translate into substantially higher demand for commercial space, adding to the overall investment in real estate activities.

As per industry estimate, India's IT/ITES exports increased at a CAGR of 37% to touch \$12.5 billion, and are likely to increase further at a CAGR of 32% to touch \$ 51 billion by 2008-09. The highest growth rates are expected in the ITES/BPO segment. This growth in IT/ITES is likely to translate into real estate investments of Rs. 25 billion by 2007-08 (Source: CRISINFAC CONSTRUCTION REVIEW: SEPTEMBER 2004)

Shopping Malls

Over the previous 10 years, urbanisation has increased at a CAGR of 2%. The boom witnessed in the service sector in India in the recent years, has not only pushed up the disposable income of the urban populace, but has also made them more brand conscious. This increase in disposable income coupled with more brand consciousness results in higher sale of branded goods. With organised retailing accounting for nearly 17% of branded sales, it is poised for sharp growth in the near future. (Source: *CRISINFAC CONSTRUCTION REVIEW: SEPTEMBER 2004*)

In 2003, organised retail sales accounted for roughly 2% of the total sales of the retail sector. As per industry estimates, the retail industry is expected to grow at a CAGR of a little over 6% over the next 5 years. Moreover, the proportion of organised retail sales to total sales is also expected to increase to over 5%. (Source: *CRISINFAC CONSTRUCTION REVIEW: SEPTEMBER 2004*)

Thus, the rising income level and changing outlook towards branded goods will translate into higher demand for shopping mall space, fuelling strong growth in mall development activities. As per industry estimates, mall development activity across India in the tune of Rs. 55 billion is expected to take place over the next 5 years. It is further expected that while mall development activity was initially restricted to a few major cities like Mumbai and Gurgaon it will now onwards extend to other cities like Surat, Pune and Ahmedabad thus causing a boom of real estate activities in those cities. (Source: *CRISINFAC CONSTRUCTION REVIEW: SEPTEMBER 2004*)

Multiplex Cinemas

Another growth booster for real estate activities are growing demand for multiplexes. The growth in multiplexes is being driven by the following factors:

- Multiplexes typically have 250-400 seats per screen as against 800-1000 seats in a single screen theatre which gives multiplex owners additional flexibility, enabling them to optimise capacity utilisation.
- Non-ticket revenues like food and beverages and the leasing of excess space to retailers provides additional revenues to theatre developers.

Further, growth of multiplexes is being driven by favourable government policies. The Union Budget 2004-05 has provided for a tax deduction of 50% on the profits earned by the multiplexes constructed between April 2001 and March 2005 in non-metro towns. This initiative has resulted in most major players announcing multiplex projects in smaller towns.

The growth of multiplexes is expected to push the growth of the real estate related activities.

Hotels/Resorts

With the increase of disposable income in the hands of upwardly mobile Indian middle class, the propensity of spending a larger portion of their income on tours and travels are going up. This factor, coupled with the changing lifestyle of Indian population, has created demand for quality hotels/resorts across this country. In addition, India is also emerging as a major destination for global tourism which in turn pushing up the demand for hotels/resorts across India. This increasing demand for hotels/resorts across India, is offering another opportunity for real estate development.

This growth scenario, however, may be adversely impacted by the following factors:

- Price risk
- Demand risk
- Increased cost of development
- Rising interest rate
- Phasing out of tax incentives

Price: The first big risk which the developers face is price risk. Real estate price cycles have a very significant impact on the margins of the developers, because land costs account for a large portion of the constructed property. Real estate prices in the past (1995 to 2001), have fluctuated during the span of procuring land, commencing construction of a project and its eventual completion, thereby exposing project developers to the volatility of land prices.



Demand: The other significant risk to which developers are exposed is demand risk. Demand risk for real estate developers covers a number of factors connected to the ability to sell properties based on location, brand, track record, quality and timeliness of completion. Most real estate developers try to address this risk by undertaking market surveys in order to assess the demand for their properties. In addition, demand is also strongly influenced by policy decisions relating to housing incentives.

Cost of development: The costs in a housing project consist of land costs, construction costs and employee costs. Industry sources suggest the prices of steel and cement, which comprise a major portion of the construction cost, are expected to rise in coming 1-2 years. Steel and cement prices are expected to climb up by nearly 7% and 5% respectively over the next year. As a result, overall cost of the housing projects will go up. This increase in cost, however, is expected to be outpaced by the growth rate of individual disposable income and therefore is not likely to dent the demand growth for housing units. (Source: CRISINFAC CONSTRUCTION REVIEW: SEPTEMBER 2004)

Interest rate: Sustained availability of housing loan at a cheaper rate is one of the reasons for growth in demand for housing units. Interest rate, however, has shown the signs of hardening up during last few months and most of the leading financial institutions have raised interest rates on housing loan. This trend of rising interest rate may dampen the growth of demand for housing units.

Tax incentives: The existing tax incentives available for housing loan are also one of the major demand boosters. However, these tax incentives, based on recommendations of various committees/panels are likely to be withdrawn. The Kelkar Panel had recommended the phasing out the income tax deduction available on the interest on housing loans for owner-occupied houses. The panel has recommended reducing the deduction to Rs.100,000 for the assessment year 2004-05, Rs. 50,000 in assessment year 2005-06 and nil in assessment year 2006-07. This could act as a dampener for the industry.



OUR BUSINESS

Overview

We are one of the leading real estate development companies in India with operations in 41 cities and 14 states of India. As of October 15, 2006 we directly owned or held development rights for an estimated 108.64 million square feet of saleable area.

We have been associated with the real estate business since our incorporation in 1990 and our Promoters have been associated with the real estate sector for more than two decades. We commenced business as a marketing company for real estate projects. In 1990, we began constructing residential real estate projects and now most of our projects are constructed internally by us.

We have diversified our portfolio of real estate development projects. Presently we have acquired land or development rights in connection with the development of 20 integrated townships, 27 commercial complexes including shopping malls, multiplexes, office space and a complete metro station and 25 residential projects. We also intend to construct 14 hotels and four information technology parks on commercial land acquired by us or in respect of which we have development rights. In addition, we have completed 17 projects including nine housing projects and eight commercial complexes. Further, we have obtained in principle approvals from GoI for the development of nine SEZ projects. The following table details the revenue from the aforesaid categories of projects in our revenue during last four fiscal years and the three months ended June 30, 2006.

	Three months ended		Fiscal Year							
	June 30, 2006		2006		2005		2004		2003	
	Rs. in Million	As % of Income from operations (in%)	Rs. in Million	As % of Income from operations (in %)	Rs. in Million	As % of total from operations (in %)	Rs. in Million	As % of total from operations (in %)	Rs. in Million	As % of total revenue (in %)
Residential projects	1,217.76	49.32	4,950.52	76.89	2,805.17	92.52	906.79	80.86	565.58	82.21
Malls, multiplexes, commercial properties	42.85	1.74	542.27	8.42	126.82	4.18	84.31	7.52	35.13	5.11
Integrated townships	1,180.53	47.82	822.07	12.77	Nil	Nil	Nil	Nil	Nil	Nil
Lease Rentals	9.24	0.37	22.42	0.35	Nil	Nil	Nil	Nil	Nil	Nil
Contract revenues	18.31	0.75	101.04	1.57	100.08	3.30	130.37	11.62	87.28	12.68
Total	2,468.69	100	6,438.32	100	3,032.07	100	1,121.47	100	687.99	100

We have initiated efforts to diversify our project portfolio by entering construction and developments of hotels and information technology parks in order to capitalize on the growing real estate development opportunities offered by sectors such as tourism and information technology.

The real estate development sector has shown an increase in demand in the past few years. Our scale of operation has also expanded and our total revenue has increased from Rs. 272.95 million in fiscal 2002 to Rs. 6,537.67 million in fiscal 2006, at a CAGR of 121.23%. During the same period, our profit after tax has increased from Rs. 32.97 million to Rs. 1,069.86 million, at a CAGR of 138.67%.



Our Competitive Strengths

We believe that the following are our principal competitive strengths which have contributed to our current position in the real estate development sector:

We are able to identify emerging markets and assess the potential of a location for implementing our projects.

One of the key factors in real estate development is the ability to assess the potential of a location after an evaluation of its demographic trends. Our ability to evaluate such trends has enabled us to identify locations that are relatively undeveloped and gain the first mover advantage in such locations. Our experience in the real estate sector has enabled us to develop the vision which drives our acquisition strategy. Based on the feedback we receive through our marketing network and our understanding of the demographic trends of a location, we are able to identify and internally assess key emerging markets for real estate development. As of October 15, 2006 we directly owned or held development rights for an estimated 108.64 million square feet of saleable area of land.

We are a reputed real estate developer and enjoy consumer confidence.

We believe that we have developed a reputation for being transparent in our dealings and delivering our projects in a timely manner. As of September 25, 2006, the total number of customers who have been handed over possession by us is 2,286 for residential properties and 551 for commercial properties. We have obtained ISO 9001 (1994 series) company in the real estate and construction industry, and ISO 9001 (2000 series) for adhering to global standards in quality, from International Certifications Limited. Our Company was the first real estate company to be awarded the DR 2- ICRA-NAREDCO rating from ICRA Limited, which indicates that the developer has a “strong project development capacity” in executing real estate projects. We have also received an integrated management system certification comprising of ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:1999 certification from RINA in relation to the design, development, construction and marketing of infrastructure projects.

We have a strong marketing network.

We have a strong marketing network. Our marketing is structured in consideration of the nature of the project and the customer base at which the project is targeted. Our sustained and structured marketing over the cycle of the project results in wide exposure of our products to the target audience. As of September 25, 2006, out of the 12,316 residential units available, 7,486 agreements for sale have been executed by us and out of the 1,644 commercial units available, 1,013 have been sold. Brands such as Big Bazaar, Raymonds, Archies and Spencers have outlets in shopping malls developed by us and we have also entered into similar arrangements with brands such as Pizza Hut, McDonald’s and Khana Unlimited for establishment of retail outlets in our shopping malls. We believe that the presence of well known brands in our large retail outlets ensures confidence among potential customers.

We have a diversified business within the real estate sector.

We have a number of diverse projects in 41 cities and 14 states of India and are not restricted to any one segment or geographical region. Our commercial buildings, malls and multiplexes are customized to cater to the demographics of the specific locality. Further, we are developing residential complexes that directed at both the high income and the economy segment, which enables us to access customers across a range of income groups.

We have a strong project monitoring system, which enables us to deliver projects in a timely and cost efficient manner.

We have evolved a strong project monitoring system which is leveraged by us to ensure disciplined completion of our projects. We have documented an integrated management manual that covers each core activity relating to the construction and development of our projects including documentation requirements, regulatory requirements, material purchase, risk identification, operation control and occupational health and safety. This ensures that we have a consistent level of quality and uniformity across our projects.

We have established a transparent and efficient system of procuring materials.

We have established a transparent and efficient system for procuring materials by establishing purchasing policies, which are committed to acquiring the best quality of materials at reasonable prices. In light of the scale of our operations and our centralized purchasing mechanism, we have been able to obtain discounts from vendors of materials. We maintain a “just-in-



time" inventory to reduce storage costs. Although some of our vendors of materials have been associated with us for a number of years, we are open to quotations from new vendors, which ensure that we retain the flexibility to take advantage of changes in market conditions for materials required by us.

We are an organized and professionally managed company.

We are a professionally managed company with qualified and experienced professionals in the senior management. Our technical team brings with it extensive experience in design, engineering, marketing and construction of projects. Further, our senior management team that is in charge of operations, finance, sales and marketing, business development and strategic planning has extensive experience in the industry. We have branch offices operating in Bangalore, Cochin, Jaipur, Agra, Lucknow, Ahmedabad, Mumbai, Goa and Moradabad, all of which are managed by senior officials of our Company. In order to expedite the decision making process and to facilitate speedy implementation of the real estate projects, we have adopted a model in which critical functions like project planning, procurement and project monitoring are managed from our corporate office and key support functions such as obtaining regulatory approvals, pre-marketing and marketing are the responsibility of our representatives at the state and local level. This model enables us to maintain a balance between the customization of our projects to cater to the demographics of a location while maintaining our standards of quality and efficiency.

Our Strategy

We intend to pursue the following strategies in order to increase our market share in the real estate development market in India and to maintain our position as one of the leading real estate developers in India:

Expanding into new locations across India.

In recognition of the fact that a large percentage of the population of India is located in cities other than Delhi, Mumbai, Chennai, Kolkata, Hyderabad and Bangalore ("Metro cities"), we have made a conscious decision to focus on non-Metro cities in India. Since our inception, we have been continuously undertaking projects in non-Metro cities across India as we believe that a market for quality real estate projects at reasonable prices exists in the non-Metro cities of India. In the three month period ending June 30, 2006 and fiscal 2006, 88.09% and 99.65% of our revenue came from projects we undertook in non-Metro cities within India. We intend to continue to be a real estate developer with a pan- India presence. We anticipate that the increase in economic activity in non-Metro cities will result in the increase of demand for real estate projects in those cities and towns. This strategy is also instrumental in providing us the early mover advantage in these cities and towns.

Diversifying the portfolio of projects undertaken by us.

We intend to further diversify the portfolio of projects we undertake. In addition to integrated townships, residential complexes, DMRC BOT projects,, commercial complexes, we intend to undertake projects for developing hotels, SEZs and informational technology parks. Our strategy is to position ourselves to capitalize on the opportunities generated by various sectors of the Indian economy. For example, we intend to undertake projects for the development of hotels and information technology parks to capitalize on the business opportunity provided by the tourism and information technology sectors in India. In addition, we constantly explore innovative strategies for marketing our projects, diversifying revenue streams and for enhancing the value of our brand. We propose to continue to acquire development rights over lands for implementation of our projects from time to time on an ongoing basis.

Outsourcing selectively to increase the scale of operations and reduce capital investment.

We are focused on concentrating on our core strength of real estate development. Currently, we construct most of our projects. We currently also outsource some critical activities like designing and architecture to take advantage of the expertise of reputed professionals and thus add value to our projects. We intend to outsource the construction of our projects as and when the scale of our operations makes it effective to do so. We believe that selective outsourcing of construction activities will enable us to allocate our human resources to a greater number of projects than would have been feasible if such projects were being undertaken directly by us. In addition, we recognize that outsourcing of construction activities reduces capital investment and lowers overhead expenses.



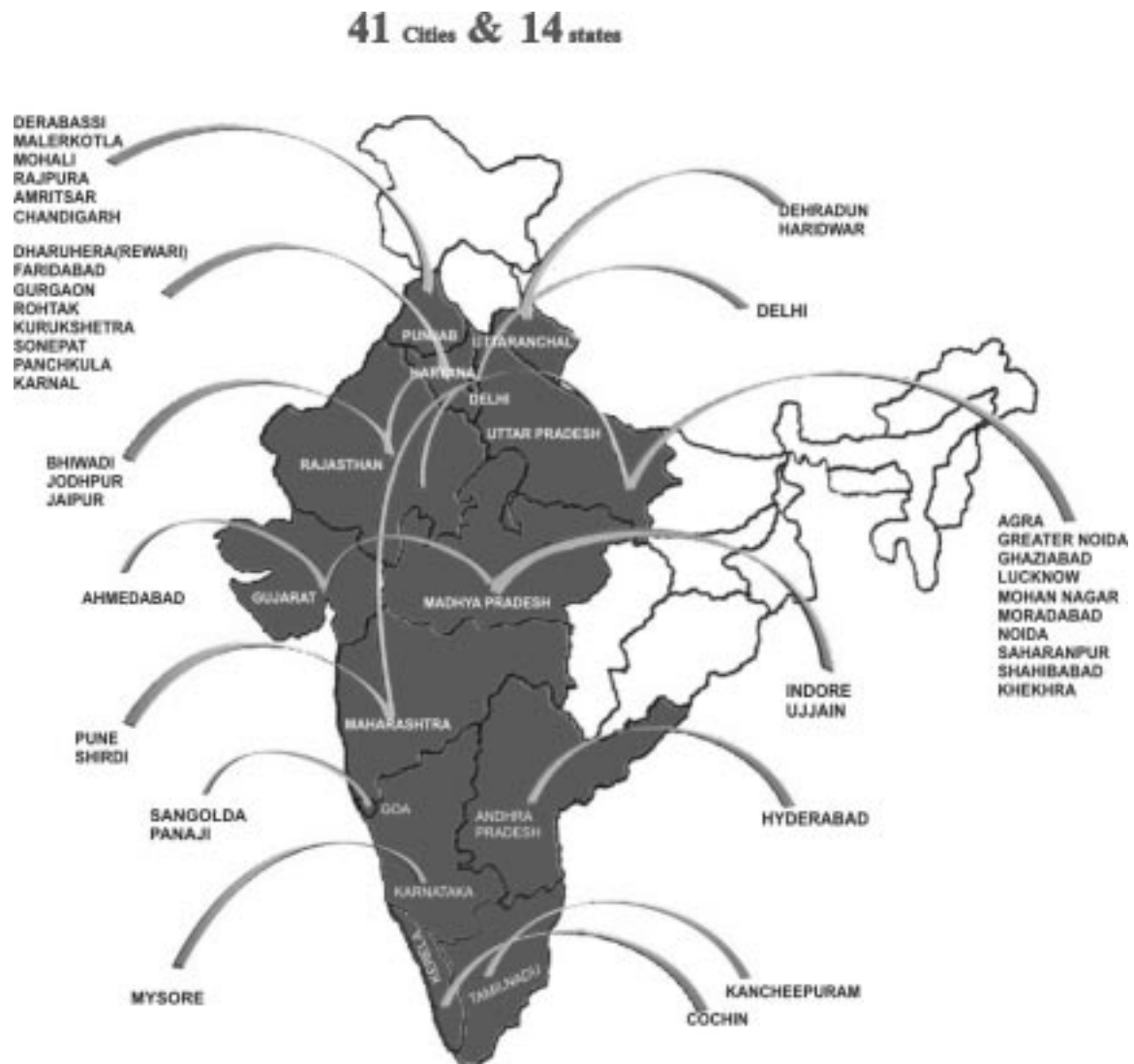
Customizing projects to take advantage of tax benefits.

The provisions of section 80-IB of the I.T. Act provides an exemption on payment of income tax on residential projects approved before March 31, 2007, provided the area of each dwelling unit is not more than 1,000 square feet within the radius of 25 kilometres of the municipal limits of the metropolitan cities of New Delhi and Mumbai and 1,500 square feet in rest of India. Our projects are customized, wherever feasible, to take advantage of the benefits provided by the provisions of the I.T. Act. For details of the said provisions of the I.T. Act, see, the section titled "Statement of Tax Benefits" on page 42 of this Red Herring Prospectus.

Our Operations

We have operations in 41 cities and 14 states in India. Our core business is real estate development. Presently, we have completed nine residential projects and eight commercial complexes. We construct projects on an independent basis, other than our DMRC projects, which are constructed on a concession basis. As of October 15, 2006 we directly owned or held development rights for an estimated 108.64 million square feet of saleable area.

The following map graphically depicts the locations of our current and completed residential, commercial and integrated township projects in India





A statement of our total revenues on a state-wise basis during the three month period ended June 30, 2006 and fiscal 2006, 2005, 2004 and 2003 are as follows:

	Three months ended		Fiscal Year							
	June 30, 2006		2006		2005		2004		2003	
	Rs. in Million	As % of total revenue (in%)	Rs. in Million	As % of total revenue (in %)	Rs. in Million	As % of total revenue (in %)	Rs. in Million	As % of total revenue (in %)	Rs. in Million	As % of total revenue (in %)
Delhi	294.09	11.91	22.42	0.35	Nil	Nil	5.93	0.53	6.60	0.96
Haryana	1,819.98	73.73	3,239.71	50.32	524.02	17.28	118.00	10.52	80.12	11.64
Punjab	10.23	0.41	150.09	2.33	Nil	Nil	Nil	Nil	Nil	Nil
Rajasthan	0.90	0.04	401.33	6.23	Nil	Nil	Nil	Nil	Nil	Nil
Uttar Pradesh	343.49	13.91	2,624.77	40.77	2,508.05	82.72	997.54	88.95	601.27	87.40
Total	2,468.69	100%	6,438.32	100%	3,032.07	100%	1,121.47	100%	687.99	100%

The Real Estate Development Process:

The process of real estate development can be divided into six distinct activities. These are as follows:

- (a) **Identification of potential areas of development:** One of the key factors in the real estate development sector is the ability to assess the potential of a location after evaluating its demographic trends. We rely on our experience and ability of our management to evaluate potential locations. We also use our experience to evaluate locations where we can gain the early mover advantage. We have commenced real estate development projects in New Delhi, Noida, Gurgaon, Agra, Greater Noida, Shirdi, Lucknow, Pune, Jaipur and Faridabad. In addition, we are one of the earliest real estate development companies to have projects in Moradabad, Ghaziabad, Bhiwadi, Sohna, Sonapat, Rajpura, Dehradun, Rohtak, Sahibabad, Mohan Nagar, Jodhpur, Dharuhera, Kochi, Amritsar, Mohali, Saharanpur, Dera Bassi and Malerkotla.

The process of land identification starts from the stage of selecting an appropriate area which has growth potential. This is done by our projects research team which gathers market data on possible prospects while selecting an area for development. We also take the views of local real estate marketing professionals into account. Thereafter, a survey is conducted at the proposed site and a preliminary feasibility report is prepared. The report is based on an analysis of the certain criteria, including, among other things (a) the standard of living and disposable income of the population of the location, (b) the growth prospects of the towns in terms of trade and industry and (c) financial viability of the project. The next step, after area identification, involves identifying the type of project to be undertaken in that particular area and deciding the scale of the project. Typically, decisions at this stage involve examining the viability of developing townships or commercial complexes or residential towers or SEZs on the identified project site. The final decision on the location, nature, financial feasibility and scale of each project is taken by our senior management.

- (b) **Evaluation of applicable laws and obtaining requisite approvals:** On the evaluation of an area as a feasible area for the implementation of a project, it is imperative to understand the legal regime governing land development in the location, which varies from state to state. We also evaluate the factors which affect the obtaining of the approvals required for the implementation of the project. The approvals generally required for a real estate development project include approvals for building plans, for the conversion of agricultural lands to non-agricultural lands, where applicable, the approval of lay outs and approvals related to certain infrastructure facilities such as power and water. Similarly, approvals from the fire authorities are required for buildings above a certain stipulated height. Building completion certificates are obtained from the appropriate authorities after the projects have been completed in accordance with applicable law. In the case of SEZ projects, we are required to obtain the recommendation of the concerned state government and approval of the GoI. For details of the legal requirements applicable to us, see the section titled "Regulations and Policies" on page 80 of this Red Herring Prospectus.



(c) Acquisition of title and/or development rights of land: Rights for purchase of land primarily depend upon the laws and regulations governing the location of the proposed real estate development project. In this process, we acquire land or development rights over lands through the following models:

(i) Purchase of Land directly from title holders

We purchase land directly from title holders. We are particular about formalizing the transfer of title and due recording of such transfer in the appropriate land records. We execute conveyance deeds in respect of such properties in order to acquire clear title to the property.

We also enter into arrangements with other parties who procure land and make arrangements with title holders to purchase their land at identified places. Under these arrangements in addition to the purchase consideration for sale of land, we may also pay these other parties a certain pre determined amount for their services, depending on the terms and conditions of the agreement.

In cases where agricultural lands are being acquired by us and conversion from agricultural land to non-agricultural is required, we may (a) either acquire the land and apply for conversion prior to the completion of the sale, or (b) ensure that the title holder applies for such conversion, or (c) in the event there are minimum area requirements for application for conversion from agricultural land to non-agricultural land, applications may be made jointly by us and the title holders and upon the receipt of the permission for change in use of land, the land and permission for conversion may be transferred to us at our option or the land may be developed by us in arrangement with the title holders.

(ii) Allotment by Government Authorities and entities such as DMRC

We also acquire land on freehold basis or leasehold (for periods which typically vary between ninety to ninety-nine years) with the concerned development authority. Once the land is purchased or leased by us, we develop the various plots into residential or commercial units and realize the sales proceeds of the plots or buildings built thereon from the customers. We have acquired a large amount of land for the projects from such governmental authorities in several towns including Delhi, Noida, Greater Noida, Agra, Mohali, Lucknow and Faridabad. We then develop this land corresponding to the terms of the approvals and prescribed usages and market the same. An advantage of acquiring land by this process is that such lands are typically free from any defects of title, the land use and pattern of development is pre-determined and the time required in obtaining approvals is reduced, thereby resulting in early launch of the project and improved cash flows. In certain cases the authorities prescribe certain charges on resale of built-up areas by the buyers (in cases where land is acquired on leasehold) and such conditions are to be complied with by the buyers.

In Delhi, the Delhi Metro Railway Corporation ("DMRC") leases and licenses properties owned by them for development as commercial complexes through concession agreements. As of October 15, 2006, we have entered into ten such concession agreements with the DMRC. Through these concession agreements, we have acquired the rights to develop properties for commercial use in Inderlok, Seelampur, Shahadra, Tees Hazari, Pratapnagar, Welcome and Kashmere Gate. These concession agreements entitle us to further sub license the areas developed by us. The term of the licenses obtained by us ranges between 12 to 30 years. Under the terms of the concession agreements we are required to develop the projects on a build-operate and transfer basis. The developed properties will devolve to the DMRC at the end of the respective license period.

For details of the salient features of such agreements, see the section titled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

(iii) Acquisition of development rights

We acquire the right to develop properties through collaboration with other entities. These other entities are title holders of lands and we act as the developers. Typically, the project is conceived and developed by us in accordance with the terms of our agreement with the other party. The title holder is typically given the option, as consideration, to either share the sale proceeds in a pre determined proportion which may range approximately between 15% to 50% depending upon the nature of the project and the location of the land or to receive a pre determined percentage of the developed area which he may market at his cost and expense.



We also advance interest free loans to parties to acquire lands identified by us for development of real estate projects. We get the absolute rights to develop and market such lands. We adjust the cost of acquisition of the land, including other expenses and costs incurred by the other entity against the interest free loan given by us. The other entity is paid a pre determined amount as consideration based on the area of the land acquired by the other entity.

For details of the salient features of such agreements and the parties with which such agreements have been entered into, see the section titled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

In addition, we have substantial investments in certain companies which are in the real estate development sector such as Parsvnath Landmark Developers Private Limited and Home Life Real Estate where we hold 50% of the issued share capital of each of the companies and Amazon India Limited in which we hold 48.3% of issued share capital.

- (d) Designing and Construction:** The design and planning of our projects is either completed by our in-house planning department or by external architects and structural consultants appointed by us. The majority of architects and structural consultants engaged by us are specific to a particular project and are drawn from a pool of designers and architects. The planning department and/or the architect appointed by us provides us with the structural design of the project as well as the estimates of the requirements for manpower, materials, machinery. The external consultants may continue to advise us during the course of the project.

Once the design and the estimates for the project have been finalized, we set up a project team under the supervision of a site engineer who is the central co-ordinating person who reports to the senior management of our Company. The purchase of materials is centralized and is based on the estimates given by the planning division or the architect, as the case may be.

For our projects, we enter into service/supply orders. We are not dependnt on any single contractor/builder/supplier for our construction activities. The orders are placed by us on the basis of one-to-one negotiations and we do not have any tender or bidding process.

We ensure that the raw material requirements of each project are satisfied in a timely and cost effective manner. We ensure that raw materials and other goods and services sourced from third party vendors are delivered in a timely manner, payment is made to suppliers in a timely manner, scrap on project sites is effectively disposed and also to develop relationships with vendors.

We conduct regular site visits and have developed a system of internal reporting for monitoring of the status and stage of all the projects being developed by us at any given point of time through a monthly information system. This ensures that we minimize time and cost overruns. We deploy two representatives of our head office at the sites of our projects. Their main scope is to look after the issues related to manpower planning, including welfare of the workers, as well as security and administration of the site. These representatives travel from site to site in order to oversee such issues. Additionally, one representative from our human resources department visits each site on a fortnightly basis to address issues related to statutory compliances and other general issues related to the workers.

(e) Marketing and Advertising

We use a mix of traditional marketing methods such as advertising and publicity in the leading newspapers and magazines of the region. We also undertake direct sales efforts, either through internal sources or through our external network of sales associates. In certain areas, we also use radio and television extensively for publicity of our projects.

(f) Completion and handover of the project

We transfer the title or lease hold rights as the case may be to the customer. Generally we ensure that the entire consideration is paid to us prior to the transfer of title or possession is handed over, in case of leasehold properties.

Our Current Projects

Currently, we are developing (a) residential projects; (b) commercial complexes such as shopping malls and multiplex cinemas including projects which we build on a build operate and transfer basis (c) integrated townships and (d) hotels.

Residential projects: We are in the process of developing 25 residential projects in India.

We develop a wide range of residential projects with varied locations, designs, specifications and square foot areas. We analyse



various qualitative and quantitative data obtained through extensive market research undertaken by an internal development team that consider a number of factors, including target population in the catchment area and economic standards in the general urban area. The composition of the development is determined accordingly. We develop stand alone dwellings, apartments and row houses that are generally incorporated into a larger development that may include additional amenities such as gymnasiums, gardens, pools and recreational areas.

We create architectural variety within our projects by offering numerous models, floor plans, and exterior styles in an effort to enhance home values by creating diversified neighborhood looks within our projects. Generally, we select the exterior and interior finishes of our residential units.

One of our most significant and advanced residential projects is Parsvnath Exotica at Gurgaon, Haryana. The estimated project cost is Rs.5,083.86 million out of which Rs. 2,287.27 million has been spent as of August 31, 2006. It has a total saleable area of approximately 2,178,530 square feet. 663 residential units are proposed in this project. This project is aimed at the premium segment of customers. This project is expected to be completed by fiscal 2009.

We generate revenue from the sale of individual and group housing units. The total revenue generated by sale of residential units as of the three month period ended June 30, 2006, fiscal 2006 and fiscal 2005 was Rs. 1,218.67 million, Rs. 4,950.52 million and Rs. 2,805.17 million respectively.

Commercial complexes: We are in the process of developing a number of commercial complexes such as shopping malls, multiplexes and office premises. Currently, we are developing 27 commercial complexes in India, including eleven commercial complexes pursuant to approval of our bids/concession agreements with the DMRC, wherein we are developing the commercial complexes on a build operate and transfer basis.

We have been involved in development ventures with DMRC for the development of properties in connection with their metro stations since September 2004. In Delhi, properties located above or in the proximity of railway stations and depots remain in demand owing to the access they provide to public transport systems. These properties include a total area of 94,291 square meters at Inderlok, Seelampur, Shahadra, Tees Hazari, Pratapnagar, Welcome and Kashmere Gate stations. We continue to diversify the trade mix found in DMRC lease areas, where sources of income include leasing of space for retail shops, restaurants and offices, as well as licensing of car parks, advertising, telecommunications and exhibitions.

These property developments are carried out under development agreements. A typical development agreement provides that upon the award of the tender we are responsible for all development costs. Under the terms of the concession agreements we are required to develop the projects on a build-operate and transfer basis. The developed properties will devolve to the DMRC at the end of the respective license period. The term of the licenses obtained by us ranges between 12 to 30 years.

With respect to these commercial complexes projects, we generate revenue from sale and lease of commercial space. Although each project is considered on a case-by-case basis, it is our general policy to retain 30% of the development for lease to commercial tenants in respect of commercial developments we construct. With regards to projects we construct for DMRC 100% of the commercial premises is leased to commercial tenants. The total revenue generated by sale of commercial complexes as of June 30, 2006, fiscal 2006 and fiscal 2005 was Rs. 42.85 million, Rs. 542.27 million and Rs. 126.82 million, respectively. Total revenue generated from leases to commercial tenants in respect to our commercial projects, which are predominantly from DMRC projects, as of June 30, 2006, fiscal 2006 and fiscal 2005 was Rs. 9.85 million, Rs. 24.67 million and Rs. 1.25 million, respectively.

Our Company has also entered into a memorandum of understanding dated August 17, 2006 with Movietime Cineplex Private Limited. Pursuant to this agreement, we will develop stand alone cinemas and multiplex cinemas incorporated into mall developments which will be leased to Movietime Cineplex Private Limited. The term of the agreement is nine years with an option to extend it for an additional nine years and relates to the development of 100 screens. For further details of the terms of this agreement see the section titled "History and Certain Corporate Matters" beginning on page 83 of this Red Herring Prospectus.

Integrated townships: We are in the process of developing 20 integrated townships in India all of which are in various stages of development. We develop integrated townships on large areas of land. Integrated townships are essentially mixed-use areas. Although we are required to conform to prescribed proportions of residential development, commercial development,



open space and community amenities within each integrated township, we are essentially able to prescribe manner in which the land within each township is used.

One of our most significant township projects is the township being developed at Rajiv Gandhi Technology Park in Chandigarh. The Chandigarh Housing Board has issued a letter of acceptance dated June 9, 2006 with respect to our bid for the development of an integrated facility on 500,960.80 square metres of land. We have entered into a development agreement and a lease deed dated October 6, 2006 with the Chandigarh Housing Board in relation to this project. The total cost of this project is estimated at Rs. 14,840.36 million and the total saleable area is 4,064,075 square feet. We also intend to develop a hotel at this location, which will have a saleable area of 681,668. The project is expected to be completed by 2009.

We generate revenue from sale of residential plots, individual houses, group housing units, shopping and commercial complexes and other facilities such as facilities for medical, educational and recreational activities. The total revenue generated in relation to integrated townships in the three month period ended June 30, 2006 and fiscal 2006 was Rs. 1,180.53 million and Rs. 822.07 million respectively.

The following table details our current projects for which we have taken certain minimum steps such as the acquisition of land or development rights. Some of these projects are pending approvals, including among other things, conversion of land use from the appropriate authorities.

Sl. No.	Name of Project and location	Total Saleable area in square feet	Total estimated cost of the projects (in Rs. million)*	Amount spent as of August 31, 2006 (in Rs. million)
Residential projects				
1.	Parsvnath Panorama located at Plot No. A-01, Sector TAU, Greater Noida, Uttar Pradesh.	684,660	752.54	403.40
2.	Parsvnath Palacia located at Plot No. 5, Alistonia Estate, Sector Pi, Greater Noida, Uttar Pradesh.	750,000	1,052.50	78.74
3.	Parsvnath Residency, Ram Ganga Vihar Phase II, Kauth Road, Moradabad, Uttar Pradesh.	67,898	90.46	21.49
4.	Parsvnath Prestige, Phase I located at Plot No. 2, Sector 93 A, Taj Express Way, Noida, Uttar Pradesh.	533,504	705.59	634.07
5.	Parsvnath Pratibha located at Plot No. 11 & 12, Sector 4, New Moradabad, Uttar Pradesh.	840,000	906.53	144.47
6.	Parsvnath Privilege located at Plot No. 11, Sector Pi, Corrosia Estate, Greater Noida, Uttar Pradesh.	2,050,000	2,901.50	19.58
7.	Parsvnath Planet located at Plot No. 8/8 & 9/9 Vibhuti Khand, Gomti Nagar, Lucknow, Uttar Pradesh.	843,200	1,098.50	369.11
8.	Parsvnath Premium located at Chikhli District Centre PCNT, Chikhli, Pune, Maharashtra.	513,430	548.85	37.59
9.	Parsvnath Paramount located at Subhash Nagar, Delhi.	157,500	790.81	486.15
10.	Parsvnath Panchvati I located at Plot No. 4 & 5, Taj Nagari, Phase-II, Agra, Uttar Pradesh.	685,024	542.32	363.80
11.	Parsvnath Elegance located at Plot No. 9, Sector-4, New Moradabad, Uttar Pradesh.	345,000	372.09	49.58



Sl. No.	Name of Project and location	Total Saleable area in square feet	Total estimated cost of the projects (in Rs. million)*	Amount spent as of August 31, 2006 (in Rs. million)
12.	Parsvnath Exotica located at Village Wazirabad, Sector-53, Gurgaon, Haryana.	2,178,530	5,083.86	2,287.27
13.	Parsvnath Pleasant located at village Dharuhera, District Rewari, Haryana.	1,186,452	1,341.09	10.41
14.	Parsvnath Majestic Floors located at Plot No. 18 A, Vaibhav Khand, Indrapuram, Ghaziabad, Uttar Pradesh.	212,210	237.51	274.00
15.	Parsvnath Green Ville located at village Fazilpur Jharsa, Sohna Road, Gurgaon	1,063,452	1,181.32	883.10
16.	Parsvnath Regalia located at village Pasonda Sahibabad, Ghaziabad, Uttar Pradesh.	747,774	841.71	67.66
17.	Parsvnath Sterling located at village Arthala, Ghaziabad, Uttar Pradesh.	2,900,214	3,264.55	40.60
18.	Parsvnath Royale at Sector 20, Panchkula, Haryana	669,512	1,422.70	252.96
19.	Parsvnath Platinum (Phase II) located at D-01, Swarna Nagari, Greater Noida, Uttar Pradesh.	216,384	211.46	213.29
20.	Parsvnath Pristine at Sonapat.	872,942	819.30	33.70
21.	Panchvati II located at Taj Nagari II, Agra	284,000	272.54	66.53
22.	Parsvnath Royal Villas at Salgonda Goa	32,292	47.05	9.92
23.	Parsvnath Exotica (Extension) located at Village Wazirabad, Sector-53, Gurgaon, Haryana.	260,000	598.00	100.26
24.	Parsvnath Prominence at Bhiwadi, Rajasthan	837,705	880.76	25.39
25.	Project located at Khekhra, Uttar Pradesh	232,502	170.90	Nil
Commercial Projects				
26.	Parsvnath Plaza-3 located at Plot No. 1, Neelgiri Commercial Centre, Mansarovar Scheme, Delhi-Moradabad Road, Moradabad, Uttar Pradesh.	26,000	39.00	1.70
27.	Parsvnath City Centre located at 812/CP-1, near U.I.T Police Chowki, SBI Road, Bhiwadi, Rajasthan.	200,000	325.32	25.28
28.	Parsvnath Mall Matrix located at Phase VIII-B, Industrial Focal Point, Mohali, Punjab (through Parsvnath Developers, AOP).	157,505	378.22	Nil
29.	Parsvnath Square located at 16, Civil Lines, Moradabad, Uttar Pradesh.	162,000	372.72	124.14
30.	Parsvnath City Centre located at Ashiana Scheme I, Kanth Road, Moradabad.	80,770	176.47	68.48
31.	Parsvnath City Mall located at Plot No. 3, Sector 12, City Centre, Faridabad, Haryana.	186,000	544.10	321.91



Sl. No.	Name of Project and location	Total Saleable area in square feet	Total estimated cost of the projects (in Rs. million)*	Amount spent as of August 31, 2006 (in Rs. million)
32.	Parsvnath Kaushambi Mall located at 42, 43 Kaushambi Scheme, Ghaziabad, Uttar Pradesh.	23,761	59.25	41.90
33.	Parsvnath Eleganza located at 103, Rajpur Road, Dehradun, Uttaranchal.	150,000	285.00	14.61
34.	Parsvnath Mall Eighteen located at 1-A, 1-B, Block-K, Sector 18, Noida, Uttar Pradesh.	45,773	285.17	234.76
35.	Parsvnath Shoppers Den located at Block-H, Section-63, Noida, U.P.	37,322	114.88	81.62
36.	Parsvnath The Mall located at Building No. 3, Municipal No. 362/XIII, Amritsar, Punjab.	230,000	460.00	10.69
37.	Parsvnath Plaza at Saharanpur.	67,248	144.15	Nil
38.	Project Galleria located at Plot No. 42/2/A at Ahmedabad	112,400	409.08	24.28
39.	Parsvnath City Centre located at Plot No. 293/1/C at Ahmedabad	401,456	995.22	94.85
40.	Parsvnath City Centre located at Kukatpally, Hyderabad, Andhra Pradesh.	288,108	947.95	266.77
41.	Project located at Patto Plaza, Panjim, Goa	329,809	1,054.06	23.02
DMRC projects.				
42.	Parsvnath Metro Mall located at Metro Station, Shahdara, Delhi.	107,293	152.83	140.77
43.	Parsvnath Metro Mall located at Metro Station, Inderlok, Delhi.	91,535	79.92	80.52
44.	Parsvnath Metro Mall (Annexe) located at Metro Station, Inderlok, Delhi. ⁽²⁾	50,556	126.00	127.40
45.	Parsvnath Mega Mall located outside Metro Station, Seelampur, Delhi.	387,027	908.95	278.36
46.	Parsvnath Metro Mall located on ground within the station box of Metro Station , Seelampur, Delhi.	31,226	24.95	20.66
47.	Parsvnath Metro Mall located at Metro Station, Tees Hazari, Delhi.	24,000	44.83	44.00
48.	Parsvnath Metro Mall located at Metro Station, Pratap Nagar, Delhi.	24,585	56.93	52.95
49.	Parsvnath Metro Mall located at Bhai Vir Singh Marg, near Gole Market, New Delhi. ⁽⁵⁾	324,780	1,653.80	3.75
50.	Parsvnath Metro Mall located at Kashmere Gate Metro Station	34,358	86.00	64.48
51.	Parsvnath Metro Mall outside the Welcome Metro Station	395,305	856.00	259.49
52.	Parsvnath Metro Mall at Azadpur Metro Station and an adjoining commercial complex	297,085	1,806.50	164.65



Sl. No.	Name of Project and location	Total Saleable area in square feet	Total estimated cost of the projects (in Rs. million)*	Amount spent as of August 31, 2006 (in Rs. million)
Integrated townships				
53.	Parsvnath City at Sonapat, Haryana. ⁽³⁾	15,514,330	16,476.23	1,569.15
54.	King City located at Rajpura District Patiala, Punjab.	4,138,336	2,814.08	171.05
55.	Parsvnath City at Jodhpur, Rajasthan	3,485,018	3,058.48	22.01
56.	Parsvnath Greens at Dera Bassi, District Patiala, Punjab.	1,655,335	1,179.29	42.14
57.	Parsvnath City located at Malerkotla, Punjab.	1,920,188	1,206.60	65.22
58.	Parsvnath Narayan City located at Jaipur, Rajasthan.	4,383,225	4,432.85	367.02
59.	Parsvnath City located at Rohtak, Haryana.	4,573,963	4,299.69	32.66
60.	Parsvnath City located at Nedumbassery, Taluk Alwaye in vicinity of the new Cochi International Airport.	3,262,053	2,394.57	23.98
61.	Parsvnath City at Dharuhera, District Rewari, Haryana.	4,573,963	4,417.30	42.92
62.	Parsvnath City located at village Marotha, Dehradun, Uttaranchal.	1,372,189	1,180.07	Nil
63.	Parsvnath City located at Sohna, Gurgaon, Haryana.	4,573,963	3,924.80	2.33
64.	Parsvnath City located at Village Mavi Kalan, Saharanpur, Uttar Pradesh.	3,049,309	2,666.83	2.13
65.	Parsvnath City located at Indore, Madhya Pradesh	2,622,416	1,668.68	210.15
66.	Parsvnath City located at Lucknow, Uttar Pradesh	1,720,760	1,391.24	63.90
67.	Parsvnath City located at Ujjain, Madhya Pradesh	2,536,600	1,668.58	233.51
68.	Parsvnath City at Kundli, Sonapat, Haryana.	1,728,000	336.08	503.77
69.	Parsvnath City at Rajiv Gandhi Chandigarh Technology Park	4,064,075	14,840.36	2.99
70.	Parsvnath City at Kurukshetra, Haryana	6,098,618	4,963.22	1.19
71.	Parsvnath City, Mysore	2,831,400	1,542.21	0.13
72.	Parsvnath City, Karnal	2,943,818	3,846.66	Nil
Hotel⁽³⁾				
73.	Hotel located at Shirdi, District Ahmed Nagar, Maharashtra	35,521	60.48	7.20
74.	Hotel located at Mohali, Punjab	80,000	275.85	Nil
75.	Hotel located at Haridwar	37,477	58.62	Nil
76.	Hotel I located at Jodhpur	250,000	659.88	Nil
77.	Hotel II located at Jodhpur	225,000	593.89	Nil
78.	Hotel located at Bhiwadi, Rajasthan	60,000	97.59	7.18



Sl. No.	Name of Project and location	Total Saleable area in square feet	Total estimated cost of the projects (in Rs. million)*	Amount spent as of August 31, 2006 (in Rs. million)
79.	Hotel located at Seelampur, New Delhi	70,000	253.62	52.50
80.	Hotel located at Rajiv Gandhi Chandigarh Technology Park, Chandigarh ⁽⁶⁾	681,668	2,665.80	Nil
81.	Hotel located at Project for building a commercial complex on Plot No. 293/1/C at Ahmedabad	140,000	487.06	15.09
82.	Hotel located at Kukatpally, Hyderabad, Andhra Pradesh	140,000	460.64	35.71
83.	Hotel located at Indore, Madhya Pradesh	125,000	252.27	4.62
84.	Hotel located at Lucknow, Uttar Pradesh	110,000	225.11	4.06
85.	Hotel located at Ujjain, Madhya Pradesh	110,000	238.70	10.06
86.	Hotel located at Patto Plaza, Goa	100,000	339.60	6.98
IT Park⁽³⁾				
87.	IT Park located at Gurgaon ⁽⁴⁾	1,012,770	1,884.09	18.79
88.	IT Park at Mysore	762,300	833.61	-
89.	IT Park at Cochin	1,306,800	1,359.51	Nil
90.	IT Park at Kancheepuram (includes certain areas earmarked for residential apartments)	2,927,232	5,122.66	Nil

* We have not valued our land resources by an independent valuer

- (1) The Deputy Commissioner, Civil Lines Zone, Municipal Corporation of Delhi has through an order dated June 20, 2006 ordered the sealing of the ground floor of the annexe commercial area at Inder Lok metro station. The Government of National Capital Territory of Delhi has by a letter dated June 28, 2006 written to the Commissioner, Municipal Corporation of Delhi directed the Municipal Corporation of Delhi to withhold any enforcement action against the DMRC and has referred the matter to an inter agency meeting. For further details please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 231 of this Red Herring Prospectus.
- (2) Certain portions of the project land (approximately 1.21 million square metres) had been notified for acquisition by the state government under the Land Acquisition Act, 1894. However, 340,421.56 square metres of such notified area has already been denotified by the state government, pursuant to which our Company has been issued a letter of intent by the Director, Town and Country Planning, Haryana, with respect to a license for setting up of a residential plotted colony. The remaining portions of the notified areas will be denotified as per the policy of the state government.
- (3) We intend to construct hotels and IT Parks on some of the project land over which we have development rights in accordance with the permitted land use. Our definitive building or layout plans in relation to some of these projects are yet to be finalized and approved.
- (4) The project land has been notified for acquisition under Section 4 of the Land Acquisition Act, 1894. These acquisition proceedings has been challenged by our Company and others by way of a writ petition in the High Court of Punjab & Haryana (Civil Writ Petition No. 8939/2005), pursuant to which the Government of Haryana has undertaken to establish a high powered committee to examine the grievances of the petitioners. The matter is currently pending under the consideration of the said high-powered committee.
- (5) Further, the DMRC has issued a notice dated October 3, 2006 to us cancelling the letter of acceptance previously issued to us in relation to the proposed property development at Bhai Vir Singh Marg, New Delhi and further stating that action is being taken to release the earnest money deposited by our Company. The DMRC has not provided the grounds for



cancellation of the acceptance of our bid in the said notice. Our Company has through a letter dated October 6, 2006 raised certain contentions against the proposed cancellation and has requested that the notice be withdrawn.

- (6) Ms. Meghna Dubey has filed a suit against the Union Territory Administration before the Additional District Judge, Chandigarh. The Company is not a party to this suit and is therefore not in a position to comment on its implications, but it is understood on the basis of available information that it relates to a claim for compensation with respect to land acquired from her for the purpose of the development of a township at Rajiv Gandhi Technology Park in Chandigarh. The Additional District Judge has issued a notice to the Chandigarh Housing Board to appear as witness in this matter. The Chandigarh Housing Board has been directed to provide a copy of the letter of allotment issued to us, details of the land and terms of allotment, the final draft development plan for the project and details of the external and internal development carried out after acquisition of the said land. The matter is currently pending

Projects undertaken by our joint venture company

In addition to the above, our joint venture company Parsvnath Landmark Developers Limited has development rights in relation to the projects described below:

Joint Venture Entity	Name of Project and Location	Total Saleable Area (in square feet)	Percentage Interest in Joint Venture
Parsvnath Landmark Developers Private Limited	La Tropicana located at Khyber Pass, Civil Lines, New Delhi	1,542,345	50%
Parsvnath Landmark Developers Private Limited	Mall Manhattan located at Faridabad.	135,360	50%

Special Economic Zones

We intend to develop SEZs in various parts of the country. SEZs are geographically defined enclaves established for the purpose of promoting exports. The Gol provides incentives to developers that engage in the development of SEZs and businesses that establish units in SEZ designated areas. We have obtained in-principle approvals of the Gol for the development, operation and maintenance of nine SEZ projects for the information technology, multi product, food processing, auto, leather, gem and jewellery and handicraft sectors. We have begun obtaining land for the purpose of these projects. We have also applied for in-principle approval of the Gol for six additional SEZ projects.

The brief details of the SEZ projects for which we have received in-principle approval from the Gol are as follows:

Sl. No.	Description of the project	Area	Date of in-principle approval
1.	Multi product industry SEZ located at Kancheepuram, Tamil Nadu	10 million square metres	June 26, 2006
2.	Information technology industry SEZ located at Indore, Madhya Pradesh	307,600 square metres	June 26, 2006
3.	Biotechnology industry SEZ located at Hyderabad, Andhra Pradesh	101,100 square metres	June 26, 2006
4.	Food processing industry SEZ located at Sonapat, Haryana	1 million square metres	June 26, 2006
5.	Leather and leather product industry SEZ located at Agra, Uttar Pradesh	1 million square metres	June 26, 2006
6.	Automotive and auto component industry SEZ located at Pune, Maharashtra	1 million square metres	June 26, 2006



Sl. No.	Description of the project	Area	Date of in-principle approval
7.	Information technology/ information technology industry SEZ located at Dehradun, Uttaranchal#	140,000 square metres	June 26, 2006
8.	Handicraft industry SEZ located at Moradabad, Uttar Pradesh	1 million square metres	June 26, 2006
9.	Gems and jewellery industry SEZ located at Jaipur, Rajasthan	204,600 square metres	August 22, 2006

Once we receive the concurrence of the respective state governments where these projects are proposed to be located and the final approval of the GoI for the development of the SEZ we shall be able to plan and develop the SEZs and we will be eligible for certain tax and other benefits provided under the Special Economic Zones Act, 2005. For further details on the regulations applicable to development of SEZs and tax benefits available in respect of the same please refer to the sections titled "Regulations and Policies" and "Statement of Tax Benefits" beginning on pages 80 and 42 of this Red Herring Prospectus.

FORTHCOMING PROJECTS

In addition to our ongoing projects, we are in the initial planning stages in respect of the development of the following projects:

- Township at Dibbur village, Hesarghatta, Hubli, Bangalore; and
- Township at Hyderabad.

We have not commenced these proposed projects since we are either yet to acquire requisite area of land for their development or the necessary approvals for such development or both. For details of the status of these proposed projects, see the section titled "Government and Other Approvals" on page 245 of this Red Herring Prospectus.

COMPLETED PROJECTS

As of October 15, 2006, we have completed 17 projects including nine residential projects and eight commercial complexes. The details of our completed projects are as follows:

Project Name, Location	Area (Square Metres)	Built-up area in Sq.ft.	Project Cost (in Rs. million)*	Total No. of Units	No. of units sold as of September, 25, 2006
Residential Projects					
Parsvnath Estate, Greater Noida, Uttar Pradesh.	16,915.86	355,873	300.16	266	258
Parsvnath Residency, Noida, Uttar Pradesh.	4,390.75	92,090	124.94	54	54
Parsvnath Paradise, Mohan Nagar, Ghaziabad, Uttar Pradesh.	105,218.27	792,583	621.62	808	783
Parsvnath Edens, Greater Noida, Uttar Pradesh.	15,297.12	298,931	268.73	226	226
Parsvnath Gardenia, Noida, Uttar Pradesh.	4,856.23	121,978	179.00	92	92
The Presidency Floors, Gurgaon, Haryana.	8,093.71	107,995	111.00	72	72
Parsvnath Majestic Floors, Ghaziabad, Uttar Pradesh.	19,812.00	213,260	202.08	171	171
Project Parsvnath Prestige Phase I located at Plot No. 2, Sector 93 A, Taj Express Way, Noida, Uttar Pradesh.	44,625	955,772	1,080.89	644	643
Project Parsvnath Platinum located at D-01, Swarna Nagari, Greater Noida, Uttar Pradesh (Low Rise)	17,822	145,334	127.02	95	95
Total (A)	237,426.94	3,083,816	3,023.40	2,428	2,394



Project Name, Location	Area (Square Metres)	Built-up area in Sq.ft.	Project Cost (in Rs. million)*	Total No. of Units	No. of units sold as of September, 25, 2006
Commercial complexes					
Parsvnath Plaza – I, Moradabad, Uttar Pradesh.	2,832.80	72,463	65.00	123	99
Parsvnath Plaza-II, Moradabad, Uttar Pradesh.	2,832.80	60,085	40.30	54	13
Parsvnath Plaza Court Road, Saharanpur, Uttar Pradesh.	5,058.57	67,243	95.00	143	81
Parsvnath Plaza, Noida, Uttar Pradesh.	1,335.46	23,713	118.23	77	45
Parsvnath Bibhab Plaza, Greater Noida, Uttar Pradesh.	1,214.06	52,980	107.81	136	132
Parsvnath Arcadia, Gurgaon, Haryana.	607.03	35,102	62.81	10	4
Parsvnath Majestic Arcade, Indrapuram, Ghaziabad, Uttar Pradesh.	485.62	24,261	28.59	83	83
Parsvnath Paradise Arcade, Mohan Nagar, Uttar Pradesh.	526.09	39,996	41.90	142	109
Total (B)	14,892.43	375,843	559.64	768	566
Grand Total (A+B)	252,319.37	3,459,659	3,583.04	3,196	2,960

* We have not valued our land resources by an independent valuer

Sales

Our sales efforts begin as soon as practicable after we enter into an agreement to acquire land. We typically build, furnish and landscape model units for each residential project and maintain on-site sales offices. We generally open an on-site sales office before the construction of the model unit is completed. This on-site sales office is utilized to commence the sales process to potential customers. The sales center is later generally moved to one of the model units.

We generally sell our developments through sales representatives who typically work from the sales offices located either at the model units or at sales centers used in each subdivision. When appropriate, we also use listing and cooperative brokers to sell our units. We are generally able to sell a portion of our land inventory on a pre-development basis, thereby reducing the amount of external capital needed to complete improvements.

Our Competitors

The real estate development sector is still largely fragmented in India. Among the few organized entities in this sector, our chief competitors are large developers such as DLF Universal Limited, Unitech Limited, Ansal Properties and Infrastructure Limited in northern India, and Hiranandani, Raheja group and Lokhandwala group in western India.

Regulations and Policies

For details of the same see the section titled "Regulations and Policies" on page 80 of this Red Herring Prospectus.

Intellectual Property

Our Promoter, PAPL registered copyright over our corporate logo and has licensed it to us for a period of ten years by a license agreement dated March 6, 2006. The agreement has been amended through letter of agreement dated April 12, 2006 and we have been granted the license by PAPL for perpetuity. Although we have a registered trademark over the name "Parsvnath", we do not have a registered trademark over our corporate logo and consequently do not enjoy the statutory protections accorded to a registered trademark. We are currently in dispute with M/s Parshwanath Realty Private Limited in respect of the use of our trading name. For details of such applications and our other intellectual property and the litigation in respect of our trading name, see the section titled "Government and Other Approvals" on page 245 and "Outstanding Litigation" on page 231 of this Red Herring Prospectus.



Human resources

We believe that our employees are key contributors to our business success. To achieve this, we focus on hiring and retaining the best talents in the industry. We make serious efforts to impart training and development to newly hired professionals and view this process as a necessary tool to maximizing performance of employees. Our work force consists of (i) our permanent employees, (ii) consultants who are engaged by us on a contractual basis to assist in the architectural and structural design of our projects and, (iii) contractors who are engaged by us on a contractual basis and who employ labourers to work at project sites. In order to engage contract labourers for projects sites we are required to be registered under certain regulations. We are not registered under these regulations. For further information see "Risk Factors" beginning on page x of this Red Herring Prospectus.

	Five months ended August 31, 2006	Fiscal			
		2006	2005	2004	2003
Number of permanent employees	626	564	351	272	160

Corporate Social Responsibility

We are aware of our corporate social responsibilities and have made significant efforts to preserve the environment in and around our projects. As a socially responsible company, we believe that great emphasis should be placed on social and community service. This attitude has allowed us to engage in numerous social activities with the wholehearted support of our employees.

Insurance

Our operations are subject to hazards inherent in the construction industry, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may not have insurance coverage in relation to all risks in relation to our projects, for example, with respect to (a) most projects in which construction or development work is in progress; (b) stock or construction material at any project site; (c) insurance policy towards cash in transit, cash in safe, head office assets, etc, (d) insurance policy for liabilities in respect of workmen's compensation (e) other third party accidents insurance policy. We may also be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us within the warranty periods extended by us, which can range from 12 months from the date of their delivery to the client.

Our Office Properties

Our Registered Office is located at 6th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi over which we have leasehold rights until 2012.

Additionally, we conduct our business from several premises which we own or in respect of which we have entered into appropriate arrangements with the owners. Set forth below are the details of our properties in which our offices are located:

Location	Address
Jaipur	C-18, Siliver Square Bldg., 3rd Floor, Bhagwandas Road, "C", Scheme, Jaipur 302 001.
Bangalore	Cabins 'E' and 'F' at Jubilee Building, Museum Road, Bangalore
Agra	Unit No. 9 and 10 at Church Road Mall, Ram Nagar Colony, Hari Parwat Ward, Agra, UP
Lucknow	Flat No. 101, 102, 103, 104. 1 st Floor, Nikhlesh Palace, 17/4 Ashok Marg, Lucknow
Cochin	Compound adjoining and surrounding building bearing door no. 28/1232 on K.P. Vallon Road, Cochin
Pune	Office No. 404 in the building 'Nucleus' situated at 1, Church Road, Pune



Location	Address
Chandigarh	SCO1, 1 st Floor, Sector 26, Chandigarh
Delhi	<p>Unit No. G-1, Ground floor of Arunachal Building, 19, Barakhamba Road, New Delhi Flat No. 416 on Fourth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 415 on Fourth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi Flat No. 410 on Fourth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi Flat No. 616, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 615, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 614, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 613, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 612, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 611, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 610, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 609, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 608, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 607, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 606, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 605, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 604, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 602 & 603, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi Flat No. 602-A, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi Flat No. 601, Sixth Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 716 on Seventh Floor of Arunachal Building, 19, Barakhamba Road, New Delhi Flat No. 1103 on Eleventh Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 1101 & 1101 –A on Eleventh Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 714 on Seventh Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 715 on Seventh Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 1104 and 1106 on Eleventh Floor of Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Unit No. 13 and 14, Lower Ground Floor, Arunachal Building, 19, Barakhamba Road, New Delhi</p> <p>Flat No. 1301-1313, Thirteenth Floor, Vijaya Building, 17 Barakhamba Road, New Delhi</p> <p>Flat No. 704, Arunachal Building, 19 Barakhamba Road, New Delhi</p>
Ahmedabad	Flat No. A-604, Shapath IV, S.G. Highway Road, Ahmedabad
Goa	701, 7 th Floor, Dempo Trade Centre, Patta, Panjim, Goa
Jodhpur	2 nd Floor, Saboo Towers, Paota, Main Chopasni Road, Jodhpur
Mumbai	706-710, Balarama, Bandra Kurla Complex, Bandra (East), Mumbai
Saharanpur	Parsvnath Plaza, Court Road, Saharanpur
Dehradun	Parsvnath Eleganza Mall, 103, Rajpur Road, Dehradun
Moradabad	Parsvnath Plaza, Plot No. 5, Neelgiri Commercial Centre, Mansarover Scheme, Moradabad
Indore	1st Floor, 9/1/2 Suraj Bhavan, M.G. Road, Indore



FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our significant outstanding secured borrowings of Rs. 6,235.31 million as of October 10, 2006 together with a brief description of certain significant terms of such financing arrangements.

Name of Lender	Facility & Loan Documentation	Amount Outstanding	Interest Rate	Repayment Schedule	Security Created*
State Bank of India (3) (5) (6) (7) (8) (9)	Rs. 296.80 million by loan agreement dated September 19, 2006 consisting of working capital facility of Rs. 250 million and bank guarantee of Rs. 200 million.	Rs. 198.04 million in relation to the working capital facility. Rs. 216.90 million in relation to the bank guarantee.**	SBAR -1% i.e. 10% p.a.(presently) at monthly rests.	rests.	Not applicable Secured by first pari passu charge of stocks of construction, building materials etc for various projects except those specifically charges to other lenders. Further secured by equitable mortgage of certain immovable properties at Moradabad and Greater Noida.
Jammu and Kashmir Bank Limited ^{(1) (2) (3)}	Term loan facility of Rs. 250 million by term loan agreement dated January 18, 2005 and sanction letter dated December 17, 2004.	Rs. 156.40 million	8.75% per annum with monthly rests.	Repayables in two years in eight quarterly instalments between January 2006 and March 2008. The first seven instalments shall be of Rs. 31.2 million and the last instalment is of Rs. 31.6 million.	Secured by first charge on superstructure, material at site, wok-in-progress etc. relating to housing project at Green Ville, Sohna Road, Gurgaon. Further secured by first charge by way of assignment on receivables due from the prospective buyers. Equitable mortgage of project land by associate company.
Syndicate Bank ⁽¹⁾⁽⁷⁾⁽¹⁰⁾	Term loan facility of Rs. 300 million. by loan agreement dated June 2005.	Rs. 196.88 million	PLR - 1.75% i.e. 9.75 % (presently) per annum.	Repayable in 35 months including a three month repayment holiday. The first instalment is due in October, 2005.	Secured by exclusive charge by way of equitable mortgage of property situated at Noida.
Syndicate Bank ⁽¹⁾⁽⁷⁾⁽¹⁰⁾	Term loan of Rs. 250 million by loan agreement dated February 27, 2006.	Rs. 250.00 Million	PLR - 1.75% i.e. 9.75 % (presently) per annum.	35 months including repayment holiday of 11 months.	Secured by way of equitable mortgage of the property situated at Taj Nagari, Phase II, Agra.



Name of Lender	Facility & Loan Documentation	Amount Outstanding	Interest Rate	Repayment Schedule	Security Created*
Punjab National Bank ⁽¹⁾⁽⁴⁾	Term loan facility of Rs. 500 million by loan agreement dated March 31, 2005.	Rs. 500.00 million	BPLR + 0.5% term premia - 1.75% i.e. 10.25% (presently) per annum.	10 quarterly instalments of Rs. 50 million commencing June 2007.	Secured by way of <i>pari passu</i> charge/hypothecation of all present and future superstructure, material at site, work in progress, receivables from prospective buyers with respect to the project at Sonapat. Further secured by first charge on all fixed/block assets in respect of the project undertaken at Sonapat including equitable mortgage of the project land in the name of associate companies. Further secured by corporate guarantees of companies/ individuals, whose land is mortgaged
Karnataka Bank ⁽⁷⁾	Fund based facility of Rs. 250 million and bank guarantee of Rs. 247.25 million by loan agreement dated 30-01-2006. Bank Guarantee of Rs. 10 crores by agreement dated July 26, 2006 Rs. 91.23 million in relation to the working capital facility.	Rs. 331.40 million in relation to the bank guarantee. Rs. 150.00 million in relation to the loan facility	9.75% per annum on working capital facility. 1.75% per annum on the bank guarantee.	Not applicable	Secured by way of first <i>pari passu</i> charge on all present and future superstructure, material at site, work in progress, finished goods (flats) and book debts/receivables from prospective buyers with respect to various projects/sites, except those specifically charged other banks/ financial institutions. Secured by way of equitable mortgage by deposit of title deeds of property along with the building and structure thereon, relating to a commercial mall at Saharanpur, Uttar Pradesh. Secured by way of equitable mortgage of land situated at Rajpura, Punjab owned by M/s Home Life Real Estate Private Limited.



Name of Lender	Facility & Loan Documentation	Amount Outstanding	Interest Rate	Repayment Schedule	Security Created*
LIC Housing Finance Limited ⁽²⁾	Term loan of Rs. 450 million by loan agreement dated February 14, 2006.	Rs. 330.08 million	10.00% per annum prior to approval of the building plan and 8.75% per annum during construction of the project.	36 months from the date of first disbursement in four equal half-yearly instalments. The first instalment is due on January 1, 2007.	Secured by way of an equitable mortgage of the entire project land and structure thereon located at MRTS Subhash Nagar. Further secured by equitable mortgage of additional land measuring 421.05 square metres located at Moradabad, post dated cheques for repayment of the principal amount together with interest and by demand promissory note for Rs. 450 million.
PNB Housing Finance Limited ⁽¹⁾⁽³⁾	Term loan of Rs. 135.00 million by loan agreement dated March 31, 2006	Rs. 135.04 million	Interest linked to PNB HFR currently 10.25% per annum.	Repayable in 24 equal monthly instalments commencing after a moratorium of 6 months from the date of first disbursement.	Secured by way of hypothecation of present and future book debts in relation to land measuring 6,600 situated on Plot No. Shopping Mall 3, Sector 12, Urban Estate, Faridabad and superstructure thereon. The Company has undertaken to secure a mortgage over the said property within forty five days of the loan agreement or such other period as the lender may at its discretion allow.
Bank of Maharashtra ⁽⁷⁾	Term loan of Rs. 480 million and bank guarantee of Rs. 170 million by loan agreement dated March 13, 2006, subject to a total exposure of Rs. 480 million.	292.17 million	BPLR - 2.25% i.e. presently 9.25% per annum.	Repayable within a period of five years in yearly instalments.	Secured by way of a first charge on the movable and immovable assets in relation to the Company's project at Rohtak. Equitable mortgage of project land in the name of associate companies.



Name of Lender	Facility & Loan Documentation	Amount Outstanding	Interest Rate	Repayment Schedule	Security Created*
State Bank of Hyderabad ⁽¹⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁹⁾⁽¹²⁾	Facility of Rs. 150 million through memorandum of agreement dated April 18, 2006	109.25 million	9.25% per annum.	Repayable in quarterly instalments of Rs. 18.75 million each commencing from September 15, 2006.	Secured by way of mortgage of immoveable properties in relation to project Mall Eighteen located at Noida in the name of associate company. Further secured by way of a first charge on the Company's goods. Moveables and other assets in relation to project Mall Eighteen located at Noida. Further secured by way of corporate guarantee of M/s Noida Marketing Private Limited
State Bank of Travancore ⁽⁶⁾⁽⁸⁾⁽⁹⁾⁽¹³⁾	Short term corporate loan of Rs. 150 million through term loan agreement dated March 31, 2006.	150.00 million	SBTPLR – 1.50% subject to a minimum of 10.00% per annum.	Repayable in 12 months, in three instalments of Rs. 50 million each, beginning on the last day of the eleventh month from disbursement.	Secured by way of equitable mortgage of leasehold commercial property located at Sector 63, Noida in the name of M/s Vinu Promoters Private Limited. Secured by way of corporate guarantee of M/s Vinu Promoters Private
Limited. Hongkong Shanghai Banking Corporation Limited ^{(9)(a)(b)}	Short term loan facility of Rs. 350 million through term loan agreement dated May 12, 2006.	350.00 million	Between 8.15% and 8.25% per annum	Repayable in 6 months.	Exclusive charge over present and future receivables of Project Exotica project for Rs. 350 million. Post dated cheques for Rs. 350 million.
State Bank of Bikaner and Jaipur	Short term loan of Rs. 150 million through letter dated July 13, 2006.	150.00 million	BPLR – 2% subject to a minimum of 9.25% per annum.	Repayable in 12 months.	Equitable mortgage of commercial plot measuring 7,741.12 square metres located at plot 16, Civil Lines, Moradabad.
State Bank of Hyderabad ⁽¹⁾	Short term loan of Rs. 150 million through letter dated July 20, 2006.	150.00 million	9.25% per annum.	Repayable in 12 months.	Extension of charge over equitable mortgage of immovable property in relation to project at Mall 18, Noida in the name of Associate company.



Name of Lender	Facility & Loan Documentation	Amount Outstanding	Interest Rate	Repayment Schedule	Security Created*
Oriental Bank of Commerce	Temporary Overdraft Facility and bank guarantee of Rs. 149.07 million	26.23 million	8.25% per annum	NA	Pledge of Fixed Deposits with the bank Equitable mortgage of land located at Rajpura.
State Bank of Bikaner and Jaipur ##	Short term loan of Rs. 100 million through letter dated August 2, 2006.	100.00 million	BPLR – 2% subject to a minimum of 9.25% per annum.	Repayable in 12 months.	Equitable mortgage of residential plot measuring 22,939.94 square metres located at plot F-4, Taj Nagari Yojna, Agra
LIC Mutual Fund##	1,000 non-convertible debentures of face value Rs. 1,000,000 each through allotment letter dated August 18, 2006 and 100 non-convertible debentures of face value Rs. 10,000,000 each on September 19, 2006.	2,000.00 million	MIBOR plus 4% with a floor rate of 9.00% and a cap of 9.10% in relation to 1,000 non convertible debentures allotted on August 18, 2006. MIBOR plus 4% with a floor rate of 8.95% and a cap of 9.05% in relation to 100 non convertible debentures allotted on September 19, 2006.	Repayable in 364 days (for 1,000 non convertible debentures allotted on August 18, 2006). Repayable in two installments in 334 days and 364 days respectively (for 100 non convertible debentures allotted on September 19, 2006).	To be mutually decided by our Company and LIC Mutual Fund.
Bank of India (2)(3)(4)(7)(9)	Term loan of Rs. 500 million and bank guarantee of Rs. 250 million through a loan agreement with the Bank of India dated October 4, 2006.	250.00 million	BPLR minus 1% subject to a minimum of 10.50% in relation to the term loan. Commission of 1.22% per annum in relation to the bank guarantee.	Repayable in 30 monthly instalments commencing from June 2007.	Secured by way of pari passu charge on the properties of the Company situated at, Ujjain and Equitable mortgage of company's land at Dera Bassi Further secured by a pari passu charge on 70% of the receivables of the Company pertaining to the Chandigarh Housing project.



Name of Lender	Facility & Loan Documentation	Amount Outstanding	Interest Rate	Repayment Schedule	Security Created*
Oriental Bank of Commerce (3)(4)(7)(9)	Term loan of Rs. 500 million through a loan agreement dated October 4, 2006	250.00 million	11.50%	Repayable in 36 equal monthly instalments after a moratorium of 12 months.	Secured by way of pari passu charge on the properties of the company situated at Ujjain Further secured by a pari passu charge on 70% of the receivables of the Company pertaining to the Chandigarh Housing project.
Syndicate Bank (3)(4)(7)(9)©	Term loan of Rs. 350 million and bank guarantee of Rs. 350 million through a loan agreement dated October 5, 2006.	250.00 million	11.25% in relation to the term loan.	Repayable in 30 equal monthly instalments after a moratorium of 12 months.	Further secured by way of pari passu charge on the properties of the Company situated at Ujjain. Further secured by a pari passu charge on 70% of the receivables of the Company pertaining to the Chandigarh Housing project.
Karur Vysya Bank	Corporate loan of Rs. 150 million through a loan agreement dated October 5, 2006.	150.00 million	BPLR minus 2.5% i.e. 10% (presently)	Repayable in 364 days	Secured by way of an equitable mortgage of land located at Dera Bassi held by Parasnath and Associates Private Limited.

* Each of the above-mentioned loan facilities except debentures issued to LIC Mutual Fund (by personal guarantee of our Director, Mr. Pradeep Kumar Jain) are further secured by personal guarantee of our Directors Mr. Pradeep Kumar Jain, Mr. Sanjeev Jain and Mr. Rajeev Jain.

** The balance is in excess of the sanctioned limit, as the bank has issued guarantees in excess of sanctioned limits against 100% cash margins.

- (1) Under the terms of the loan agreement, the lender bank shall be at the liberty to stop making advances at any time without previous notice and without assigning any reason even though the term loan limit has not been fully availed.
- (2) Under the terms of the loan documentation, the Company has undertaken that during the pendency of the financial assistance, it shall not, without obtaining the prior approval of the lender bank, declare any dividend on its share capital if it fails to meet its obligations to pay interest/ and or instalments and/or other monies due to the lenders as long as it is in such default.
- (3) Under the terms of the loan agreement, our Company is required to obtain the prior consent of the bank in writing before creating any lien, charge, mortgage or encumbrance in favour of any person on the property charged to the lender bank.
- (4) Under the terms of the loan documentation, the terms and conditions stipulated by other lenders shall also apply in respect of the term loan in addition to the terms and conditions specified in the loan documentation at the discretion of the lender bank.
- (5) Under the term of the loan agreement, during the currency of the loan, the shareholding of the Directors, the principal

shareholders and Promoters of the Company shall not be varied without the previous written consent of the bank.

- (6) Under the terms of the loan agreement, during the subsistence of the liability of the Company in respect of the facility, the lender bank shall have the right to appoint and/or remove, from time to time, a Director or Directors to protect the interest of the bank, subject however, that the Director or Directors so appointed shall not be liable to retire by rotation and need not possess any share qualification prescribed by the articles of association of the Company.
- (7) Under the terms of the loan agreement, our Company is required to maintain the security margin/ coverage ratio specified by the bank.
- (8) Under the terms of the loan agreement, our Company is required to carry out the entire banking transactions of the business with the lender bank or its associate banks. However, our Company may with the prior permission of the lender bank deal with any other banks.
- (9) Under the terms of the loan agreement, the Company shall not during the subsistence of the liability with respect to the facility, without the prior written consent:
 - (a) Change or in any way alter its capital structure.
 - (b) Effect any scheme of amalgamation and reconstruction.
 - (c) Implement a new scheme of expansion or take up an allied line of business or manufacture.
 - (d) Declare a dividend or distribute profits after deduction of taxes, except where the instalments of principal and interest payable to the lender bank in respect of the aforesaid credit facilities are being paid regularly and there are no irregularities whatsoever in respect of any of the aforesaid credit facilities.
 - (e) Enlarge the scope of the other manufacturing/trading activities, if any, undertaken at the time of the application and notified to the lender bank as such;
 - (f) Withdraw or allow to be withdrawn any moneys brought in by the promoters and directors or relatives and friends of the promoters or directors of the Company;
 - (g) Invest any funds by way of deposits, or loans or in share capital of any other concern (including subsidiaries) so long as any money is due to the lender bank; the Company will however, be free to deposit funds by way of security, with third parties in the normal course of business or if required for the business;
 - (h) Borrow or obtain credit facilities of any description from any other bank or credit agency or money-lenders or enter into a hire-purchase arrangement during the subsistence of liability of the Company to the bank.
- (10) Under the terms of the loan agreement, the lender bank is permitted, at its sole discretion to demand by notice in writing and recover the entire amount outstanding with interest and other charges by enforcing the security or recover the monies in any other manner as it thinks fit, irrespective of the dates of instalments fixed for repayment of the loan or the date fixed for repayment of the overdraft.
- (11) Under the terms of the loan documentation, our Company is required to obtain a no objection certificate from the lender bank for availing credit facilities from other banks/financial institutions, for further expansion of business, taking up of a new business activity and/or setting up/investing in a subsidiary.
- (12) Under the terms of the loan agreement, the Company shall forthwith and from time to time as may be required by the bank make alterations in its Memorandum and Articles of Association or in its capital structure.
- (13) Under the terms of the loan agreement, the Company is required to obtain the prior consent of the lender before increasing the remuneration of Directors.



REGULATIONS AND POLICIES

Our Company is involved in the real estate development businesses. Since our real estate business involves the acquisition of land in several states, we are governed by a number of central and state legislation regulating substantive and procedural aspects of the acquisition of, and transfer of land. Additionally, our projects require, at various stages, the sanction of the concerned authorities under the relevant state legislation and local bye-laws.

While the real estate development industry remains largely unregulated, we are subject to land acquisition, town planning and social security laws. The following discussion details the important laws and regulations which govern the real estate development sector.

CENTRAL LAWS:

Laws Relating to Land Acquisition and Land Use.

The Urban Land (Ceiling & Regulation) Act, 1976 prescribes the limits to urban areas that can be acquired by an entity. It has been repealed in some states and union territories under the Urban Land (Ceiling & Regulation) Repeal Act, 1999. Further, land holdings are subject to the Land Acquisition Act, 1894 which provides for the compulsory acquisition of land by the appropriate government for public purposes including planned development and town and rural planning. However, any person having an interest in such land has the right to object and the right to compensation.

Laws Regulating Transfer of Property:

Transfer of Property Act, 1882.

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by the operation of law, is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908.

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of the execution of documents affecting a transfer of interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. An unregistered document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered.

The Indian Stamp Act, 1899.

There is a direct link between the Registration Act and the Indian Stamp Act, 1899 ("Stamp Act"). Stamp duty needs to be paid on all documents which are registered and the rate varies from state to state. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the said Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein.

The Easements Act, 1882.

The law relating to easements is governed by the Easements Act, 1882 ("Easements Act"). The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of



land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the dominant owner, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

Laws relating to Employment

The employment of construction workers is regulated by a wide variety of generally applicable labour laws, including the Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Payment of Wages Act, 1936.

Special Economic Zones Act, 2005 ("SEZ Act")

The SEZ Act which was notified February 10, 2006, provides for establishment, development and management of SEZ's with the objective inter alia for the generation of additional economic activity, promotion of exports of goods and services, promotion of domestic and foreign investment and development of infrastructure facilities. The SEZ Act provides that the GoI, any State Government or any person may, either jointly or severally, establish a SEZ in accordance with the procedure under the SEZ Act.

Any person who intends to set up a SEZ, after identification of the area, is required to make an application to the concerned state government or the board of approval constituted under the SEZ Act ("Board") for approval of the same. The application is required to contain certain prescribed particulars including the location and area of the proposed SEZ with details of the existing or proposed infrastructure. In case the application is made to the state government, it may forward the same together with its recommendations to the Board. In the event the application is made directly to the Board, it may grant the approval which shall be subject to concurrence of the concerned state government. Once the Board has approved the proposal, it is required to communicate the same to the GoI, which shall grant a letter of approval upon such terms, conditions and entitlements as may be approved by the Board.

The GoI has prescribed the minimum area requirements stipulated for various categories of SEZs which are as follows:

- Multi-product SEZs: 1,000 hectares or more.
- Services-sector SEZs: 100 hectares or more.
- Sector-specific SEZs such as gems and jewellery, information technology, biotechnology: 10 hectares or more.
- All other sectors: 100 hectares or more.

However, for certain states, the area requirement for multi-product SEZs and sector specific SEZs has been relaxed to 200 hectares and 50 hectares respectively.

The functioning of SEZs is governed by a three-tier administrative set-up: (i) an Inter-Ministerial Committee i.e. the Board, which is the apex body (ii) the Unit Approval Committee, at the zonal level committee, which deals with approving units in SEZs and other related issues (iii) Development Commissioner in relation to each SEZ.

STATE LAWS:

Urban Development Laws

State legislations provide for the planned development of urban areas and the establishment of regional and local development authorities charged with the responsibility of planning and development of urban areas within their jurisdiction. Real estate projects have to be planned and developed in conformity with the norms established in these laws and regulations made thereunder and require sanctions from the government departments and developmental authorities at various stages. For instance in certain states such as Haryana, a group housing licence is required for development of a set of residential structures. Where projects are undertaken on lands which form part of the approved layout plans and/or fall within municipal limits of a town, generally the building plans of the projects have to be approved from concerned municipal or developmental authority. Building plans are required to be approved for individual buildings. Clearances with respect to other aspects of development such as fire, civil aviation and pollution control are required from appropriate authorities, depending on the nature, size and height of the projects. The approvals granted by the authorities generally prescribe a time limit for completion of the projects.



These time limits are renewable upon payment of a prescribed fee. The regulations provide for obtaining a completion/occupancy certificate upon completion of the project.

Agricultural development laws

The acquisition of land is regulated by state land reform laws which prescribe limits up to which an entity may acquire agricultural land. Any transfer of land which results in the aggregate land holdings of the acquirer in the state to exceed this ceiling is void, and the surplus land is deemed, from the date of the transfer, to have been vested in the state government free of all encumbrances. When local authorities declare certain agricultural areas as earmarked for townships, lands are acquired by different entities. After obtaining a conversion certificate from the appropriate authority with respect to a change in use of the land from agricultural to non-agricultural for development into townships, commercial complexes etc. such ceilings are not applicable. While granting licences for development of townships, the authorities generally levy development/external development charges for provision of peripheral services. Such licences require approvals of layout plans for development and building plans for construction activities.

The licences are transferable on permission of the appropriate authority. Similar to urban development laws, approvals of the layout plans and building plans, if applicable, need to be obtained.

Regulations regarding foreign investment:

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 ("Real Estate Sector"), subject to certain conditions enumerated in Press Note No. 2 (2005 series). 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 six months of commencement of business of the company.
- (c) Further, the investment is not permitted to be repatriated before three 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 five years of obtaining all statutory clearances and the responsibility for obtaining it is cast on the foreign investor. Further, the sale of undeveloped plots is prohibited.
- (e) Compliance with rules, regulations and bye-laws of state government, municipal and local body has been mandated and the investor is given the responsibility for obtaining all necessary approvals.

However, the Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India, has through letter dated May 4, 2006, clarified that investments in equity shares in public issues by FIIs is under Portfolio Investment Scheme and the restrictions of Press Note 2 (2005 series) are not applicable to FIIs. The Reserve Bank of India has also clarified the same through letter dated May 12, 2006. Therefore, FIIs are allowed to participate in this Issue.

Note:

Non-residents other than FIIs, such as NRIs, FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Only resident Indians and FIIs are allowed to participate in this Issue.



HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on July 24, 1990 under the Companies Act, 1956 as Parsvnath Developers Limited. We obtained a certificate of commencement of business on November 20, 1990.

At the time of incorporation, the registered office of our Company was situated at G-2, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001. On March 1, 2004, the registered office of our Company was changed to the 6th floor, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001, which is the present Registered Office of the Company.

Major Events:

Year	Event
July 1990	Parsvnath Developers Limited was incorporated.
March 2002	Received DR3 ICRA-NAREDCO rating from ICRA Limited indicating moderate project development capacity. Parsvnath Developers Limited was the first real estate developer whose grading was published under by ICRA-NAREDCO.
November 2002	Received ISO 9001:2000 rating from the International Certifications Limited ("ICL") in relation to the development, construction and marketing of infrastructures.
September 2005	Received upgraded rating DR2- ICRA-NAREDCO rating from ICRA Limited indicating strong project development capacity.
December 2005	Received certificate from the ICL certifying compliance with the Environment Management System Standard ISO 14001.
December 1997 –August 2006	Completed eight commercial projects in Uttar Pradesh, Haryana and Delhi.
January 2003 –August 2006	Completed nine residential projects in Uttar Pradesh and Delhi.
September 2004 – August 2006	Secured ten concessions from the DMRC for the development of malls at metro stations.
January 2006 – August 2006	Secured acceptance of bid from the DMRC for one property development projects in Delhi.
June 2006	Our bid for the development of an integrated facility at Rajiv Gandhi Chandigarh Technology Park on 500,960.80 square metres of land was accepted by the Chandigarh Housing Board subsequent to which the Company has entered into a development agreement and lease deed with the Chandigarh Housing Board.
June 2006- August 2006	Received in-principle approval in relation to the development of nine SEZs.
August 2006	Received integrated management system certification comprising of ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:1999 certification from RINA in relation to design, development, construction and marketing of infrastructures.

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

1. To carry on in India or in any part of the world the business of construction, promotion, development and colonizer of any type of residential, commercial, multistoried buildings, flats, houses, apartments, agricultural lands, cinemas, hotels, bridges, road or works of any description on any land, buying and selling the same in full or in parts and giving it away or parting away the possession of the same in full or in parts on lease, hire or licence basis or in any other manner to individual, partnership concerns, companies or to general public on such terms and conditions as may be considered necessary.
2. To construct and to act as consultants and civil contractors for any individuals, firms, companies, Government Authorities or semi Government Authorities for the construction of buildings of all description, roads, earth work, tanks, bridge,



tunnels, road-sidings, dock, ports, drains, culverts, channels, sewage, power house, railway sidings or other constructional works related there to in India or abroad.

3. To deal with all kinds of immovable properties free-hold or leasehold or having any other rights interest or share attached to them whether belonging to the company or not.
4. To act as agent for sellers and buyers for lands, buildings, flats both commercial and residential, agricultural farms and other immovable properties in India or abroad and to collect rent and income thereof.

Changes in Memorandum of Association

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

Date of Amendment	Amendment
March 15, 1999	The authorized share capital of the Company was increased from Rs. 10 million to Rs. 15 million.
August 28, 2003	The authorized share capital of the Company was increased from Rs. 15 million to Rs. 100 million.
June 16, 2005	The authorized share capital of the Company was increased from Rs. 100 million to Rs. 500 million.
December 23, 2005	The authorized share capital of the Company was increased from Rs. 500 million to Rs. 750 million.
March 11, 2006	The authorized share capital of the Company was increased from Rs. 750 million to Rs. 1,500 million.
August 7, 2006	The authorized share capital of the Company was increased from Rs. 1,500 million to Rs. 2,000 million.

Our Subsidiaries

Parsvnath SEZ Limited ("PSL")

PSL was incorporated on September 19, 2006 with the object amongst other things to carry on the activity of developing special economic zones. The registered office of the company is located at 6th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of PSL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parsvnath Developers Limited	49,400	98.80
Parasnath and Associates Private Limited	100	0.20
Mr. Pradeep Kumar Jain	100	0.20
Ms. Nutan Jain	100	0.20
Mr. Sanjeev Jain	100	0.20
Dr. Rajeev Jain	100	0.20
Mr. Yogesh Jain	100	0.20



Board of Directors

The board of directors of PSL comprises of Mr. Pradeep Kumar Jain, Ms. Nutan Jain and Mr. Sanjeev Jain.

Financial Performance

The company was incorporated on September 19, 2006. Hence no audited information on its financial performance is available.

Our Joint Ventures

We have two joint ventures. These are as follows:

1. Parsvnath Landmark Developers Private Limited and
2. Parsvnath Developers, AOP.

Parsvnath Landmark Developers Private Limited ("Landmark")

Landmark was incorporated on October 6, 2003 pursuant to the joint venture arrangement through agreement dated September 26, 2003 between OCL India Limited ("OCL") and our Company with the object among other things to promote, buy, sell, acquire and develop land. Its registered office is located at No.4, Second Floor, Scindia House, New Delhi 110 001. The equity shares of Landmark are not listed on any stock exchange.

The salient features of the joint venture arrangement through agreement dated September 26, 2003 between OCL India Limited ("OCL") and our Company for incorporating Landmark are as follows:

- The joint venture company is to undertake a mini township project in Sonapat (Kundli). It may enter into other projects with mutual consent.
- Each of the parties nominate two directors.
- There are certain specified affirmative voting rights to be captured in the articles of association of the company, which require to be passed by all the directors.
- Transfer of shares to an affiliate of either party is possible with the consent of the other party, but no transfer of shares is possible during the continuation of the project.

Shareholding pattern

Pursuant to the terms of supplemental agreement dated March 25, 2004, OCL transferred its shareholding in Landmark to its affiliates.

The shareholding pattern of Landmarks as of the date of filing this Red Herring Prospectus, is as follows:

Sl. No.	Name of shareholder	Number of Shares	% of Issued Capital
1.	Parsvnath Developers Limited	1,280,000	50.00
2.	Landmark Land Holdings Private Limited	1,280,000	50.00

Board of Directors

The board of directors of Landmark comprises Mr. Pradeep Kumar Jain, Mr. Sanjeev Jain, Mr. Gaurav Dalmia and Mr. Hira Lal Agarwal.



Financial Performance

(Rs. In 000's, unless otherwise stated)

	March 31, 2005	March 31, 2004
Equity Capital	25,600	10,000*
Reserves (excluding revaluation reserve)	Nil	Nil
Income/Sales	376,069.15	132.052.35
Profit/ Loss after Tax	(1,531.92)	(178.90)
Earnings per share (Rs.)	Nil	Nil
Book Value per share (Rs.)	9.26	(33.03)

* Does not include Rs. 25.50 million - share application money pending for allotment.

Parsvnath Developers, Association of Persons

Our Company has entered into an agreement dated October 10, 2005 for "Association of Persons" with HB Estate Developers Limited ("HB Estate").

The salient features of this agreement are as follows:

- The purpose of the association of persons is to undertake real estate projects.
- All tenders/auctions/purchases shall be in our name or in the name of the association of persons.
- The association of persons has the right to contract out the construction work with a right of first refusal to the Company.
- The share of contribution in the project is as follows: the Company is to contribute 42.5% and HB Estate is to contribute 57.5% of the project cost. Parties may also raise loan by mutual consent.
- Profits, liability and shortfall are to be borne in equal proportion by the parties.

Ratan Parsvnath Developers, Association of Persons

Our Company has entered into an agreement dated September 18, 2006 with Ratan Housing Developers Limited ("Ratan"). The salient features of this agreement are as follows:

- The purpose of the association of persons is to undertake real estate projects, beginning with projects in Kanpur.
- All transfer deeds shall be in our name or in the name of the association of persons.
- The share of contribution in the project is as follows: the Company is to contribute 50% and Ratan is to contribute 50% of the project cost.
- Profits, liability and shortfall are to be borne in equal proportion by the parties.

Companies in which we have Substantial Investments

We do not have any subsidiaries. However, we hold substantial investments in the equity shares of the following companies:

1. Home Life Real Estate Private Limited; and
2. Amazon India Limited.

The details of these entities, in which our Company has substantial shareholding are as follows:

Home Life Real Estate Private Limited ("Home Life Real Estate")

Home Life Real Estate was incorporated on July 2, 2003 with the object among other things to promote, buy, sell, acquire and develop land. Its registered office is located at 254, First Floor, Sector 9C, Chandigarh - 160 022.



Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Home Life Real Estate is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Parsvnath Developers Limited	775,000	50
2.	Aadharshilla Contractors (P) Ltd.	775,000	50

Board of Directors

The board of directors of Home Life Real Estate comprises Mr. P K. Jain, Mr. M.C. Jain and Mr. Surjan Singh Sodhi.

Financial Performance

The financial results of the company for fiscal 2006 are in the process of being prepared. Further, Home Life Real Estate was incorporated on July 2, 2003, hence, the financial statements for the fiscal year 2003 are not available. The financial results of Home Life Real Estate for the period ended September 30, 2004 and the fiscal year 2005 are set forth below:

(Rs. In '000, unless otherwise stated)

	March 31, 2005	September 30, 2004
Equity Capital	15,500	15,500
Reserves (excluding revaluation reserve)	53.21	Nil
Income/Sales	84.81	Nil
Profit/ Loss after Tax	53.21	Nil
Earnings per share (Rs.)	0.03	Nil
Book Value per share (Rs.)	10.03	9.99

Amazon India Limited ("Amazon India")

Amazon India was incorporated on December 22, 1994 with the object among other things to promote, buy, sell, acquire and develop land. Its registered office is located at 201, Arunanchal Building, 19 Barakhamba Road, New Delhi 110 001.

Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Amazon India is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Parsvnath Developers Limited.	25,000	48.31
2.	Aadharshilla Contractors (P) Ltd.	24,700	47.73
3.	Dr. Rajeev Jain	1,410	2.72
4.	Ms. Rekha Rani Jain	600	1.16
5.	Mr. Pradeep Kumar Jain	10	0.02
6.	Mr. Sanjeev Jain	10	0.02
7.	Ms. Nutan Jain	10	0.02
8.	Ms. Neelam Jain	10	0.02



Board of Directors

The board of directors of Amazon India comprises Mr. Pradeep Kumar Jain, Mr. Sanjeev Jain and Mr. M.C. Jain.

Financial Performance

The financial results of the company for fiscal 2006 are in the process of being prepared. The financial results of Amazon India for the years ended March 31, 2003, 2004, 2005 and 2006 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	517.50	517.50	517.50
Reserves (excluding revaluation reserve)	Nil	Nil	Nil
Income/Sales	Nil	Nil	Nil
Profit/ Loss after Tax	Nil	Nil	Nil
Earnings per share (Rs.)	Nil	Nil	Nil
Book Value per share (Rs.)	7.96	7.96	7.96

Other Agreements

There are three types of agreements we enter into in the normal course of business for acquiring the development rights for a project being undertaken by us. These agreements are as follows:

1. Agreements entered into with title holders of land for development by our Company ("**Development Agreements**");
2. Agreements entered into with third parties for the acquisition of land selected by us, which is to be developed by our Company ("**Agreements for Acquisition of Land**"); and
3. Agreements entered into with the DMRC for grant of concession for the purpose of, among other things, developing specified areas in and around metro stations in New Delhi ("**Concession Agreements**").

Development Agreements:

Our Company has entered into several Development Agreements, for the development of real estate projects, with contracting parties having an interest over the land on which the projects have been envisaged. The principal terms of the Development Agreements are as follows:

1. Our Company is authorized to develop, construct, finance and market the project on the said land. For the purpose of development and construction of the project, our Company is required to comply with approved building plans in relation to the project. Further, the contracting party is required to keep the title and land use of the plot valid.
2. The contracting party is required to make the land identified for development available to our Company for the purpose of development and construction. As consideration for providing the land for development of the project, the contracting party is entitled to (i) a specified percentage of the total sale proceeds of the project and/or (ii) a specified portion of the built-up or saleable area upon completion of the project. The Development Agreement also requires our Company to make an interest-free refundable/adjustable security deposit of a specified amount to the contracting party.
3. Our Company is authorized to fix the sale price in relation to the project at its sole discretion. However, in order to ensure a minimum guaranteed return to the contracting party, our Company undertakes to pay and underwrite a basic minimum sale price per square feet of the entire saleable area.

Set forth below is the summary of the various Development Agreements entered into with third parties in relation to certain projects. For further details on these projects please refer to the section entitled "Government and Other Approvals" on page 245 of this Red Herring Prospectus.



Sl. No.	Description of the project	Name of the contracting party	Date of Development Agreement
1.	Parsvnath Sterling located at village Arthala, Loni, Ghaziabad, Uttar Pradesh.	M/s Devidayal Aluminium Industries Private Limited	October 28, 2004
2.	Parsvnath LA-Tropicana located at Magazine Road, Civil Lines, Kyber Pass, Delhi.	Delhi Metro Rail Corporation Limited. Our Company and M/s OCL India Limited have formed a consortium for the purpose of this project, of which our Company is the lead member. Subsequently, our Company and M/s OCL India Limited have formed a joint venture company M/s Parsvnath Landmark Developers Private Limited to function as a special purpose vehicle for implementation of the project.	March 30, 2004
3.	Parsvnath Paradise Arcade located at C-Block, JP Garden Estate, Mohan Nagar, Ghaziabad, Uttar Pradesh.	M/s Delhi Iron & Steel Company Limited	June 14, 2003
4.	Parsvnath Plaza located at G-75-B, Sector-27, Noida, Uttar Pradesh.	M/s Honey Builders Private Limited	April 15, 2003
5.	Parsvnath Arcadia located at Mehrauli Gurgaon Road, Gurgaon, Haryana.	Mr. Jagdish Yadav	May 27, 2004
6.	Parsvnath Eleganza located at 103, Rajpur Road, Dehradun, Uttaranchal.	M/s. Amity Amusement Limited	September 22, 2005
7.	Paradise (J.P. Enclave) located at Arthala village, G.T. Road, Mohan Nagar, Ghaziabad, Uttar Pradesh.	M/s. Delhi Iron & Steel Company Limited	Three agreements dated October 16, 2002, July 1, 2002 and April 1, 2002.
8.	Parsvanath Mall Eighteen located at 1-A, 1-B, Block-K, Sector 18, Noida, Uttar Pradesh.	M/s. Noida Marketing Private Limited	May 7, 2004
9.	Parsvnath Gardenia located at E-8-B, Sector 61, Noida, Uttar Pradesh.	M/s New Hind Enterprises Private Limited	May 21, 2001
10.	Parsvnath Regalia located at village Pasonda, Paragana - Loni, G.T. Road, Sahibabad, Ghaziabad, Uttar Pradesh.	M/s Devi Dayal Aluminium Industries Private Limited	October 28, 2004
11.	Parsvnath Green Ville located at village Fazilpur Jharsa, Sohna Road, Gurgaon, Haryana.	M/s Amazon India Limited, M/s India Builders and M/s R.S. & Co.	September 18, 2003
12.	Presidency floors located at D-Block, Ardee City, Gurgaon, Haryana.	M/s Ardee Infrastructure Private Limited	February 14, 2002
13.	Parsvnath Exotica located at village Wazirabad, Sector-53, Gurgaon, Haryana.	M/s Puri Construction Limited and other landowners	November 24, 2004 and March 21, 2005



Sl. No.	Description of the project	Name of the contracting party	Date of Development Agreement
14.	Koyla Vihar Presidency Villa located at D-Block, Ardee City, Gurgaon, Haryana.	M/s. Ardee Infrastructure Private Limited.	September 26, 2002
15.	Parsvnath Pleasant located at village Dharuhera, District Rewari, Haryana.	Mr. Shivdeep Singh and Mr. Devish Kumar	September 8, 2005
16.	Parsvnath Majestic located at Plot No. 18 A, Vaibhav Khand, Indrapuram, Ghaziabad, Uttar Pradesh.	M/s Indo Continental Hotels & Resorts Limited	September 2, 2002
17.	Parsvnath Kaushambi Mall located at 42, 43 Kaushambi Scheme, Ghaziabad, Uttar Pradesh.	M/s Maak Softech Private Limited and M/s Maxworth Buildcon Private Limited	June 30, 2004
18.	Project Parsvnath Bibhab Plaza located at C-2, Block-E, Alfa Commercial Belt, Greater Noida, Uttar Pradesh.	M/s Nav Bharat Constructions	May 28, 2003
19.	Parsvnath Shopper's Den located at Block H, Sector-63, Noida, Uttar Pradesh.	M/s Vinu Promoters Private Limited	September 20, 2004
20.	The Mall located at Building No. 3, Municipal No. 362/XIII, Amritsar.	Ms. Balbir Kaur and Mr. Harpratap Singh	February 9, 2006
21.	Project King City located at Rajpura, Punjab.	M/s Home Life Real Estate Private Limited	March 7, 2005
22.	Information Technology Park located at Gurgaon, Haryana.	Mr. Ram Chander and others	October 27, 2004
23.	Parsvnath City located at Dharuhera, Haryana.	Mr. Shamsher Singh	October 27, 2005
24.	Parsvnath City located at Jaipur, Rajasthan.	M/s Shree Salasar Overseas Private Limited	August 31, 2005
25.	Parsvnath City located at Indore, Madhya Pradesh.	M/s Shri Shristi Construction Private Limited and M/s Sunderdeep Construction Private Limited	March 24, 2006
26.	Parsvnath City at Rajiv Gandhi Chandigarh Technology Park	Chandigarh Housing Board	October 6, 2006
27.	Project located at Kanchipuram	M/s Sumeru Soft Private Limited and M/s Gomathi Visweshwaran Trust	September 10, 2006

Agreements for Acquisition of Land

We have also entered into Agreements for Acquisition of Land for acquiring land and pooling land resources for the purpose of development of certain projects including integrated townships. The principal terms of these agreements are as follows:

1. The contracting party/ parties agree to acquire land in their own name in certain areas selected by our Company and we agree to provide an interest-free fund to such contracting party/ parties for meeting the costs of the acquisitions. Further, the contracting party/ parties are required to pool the acquired land with the land owned by our Company and deliver possession of the same to our Company for the purpose of developing the project and for obtaining licenses from the



competent authorities in relation to the project.

2. Our Company is free to develop the land at its absolute discretion and is also authorized to develop, market and sell the project at its own cost, risk and expense.
3. In consideration of the obligations undertaken by the contracting party/ parties, they are entitled to Rs. 25,000 per acre which shall become payable on the booking of sold area by the Company on a pro-rata basis. In case the individual entity of the land as a marketable entity is lost, then the third contracting party/ parties are entitled to a specified amount per acre of the net area actually booked or sold.
4. In the event the agreement becomes incapable of performance, void or unenforceable, our Company is not entitled to demand or enforce the recovery of the interest free funds advanced to the contracting parties. Further, in such a situation the title, interest and claims of the third parties to the land shall stand forfeited to our Company.

Set forth below are the details of the various such agreements entered into with third parties in relation to certain projects. For further details on these projects please refer to the section entitled "Government and Other Approvals" on page 245 of this Red Herring Prospectus.

Sl. No.	Description of the project	Name of the contracting parties	Date of Agreement for Acquisition of Land
1.	Parsvnath City located at Kurukshetra, Haryana.	1. Roopak Infrastructure Private Limited; 2. Nishtha Realtors Private Limited 3. Poorti Infrastructure Private Limited and Sarvapriya Realtors Private Limited	August 23, 2005 July 24, 2006
2.	Parsvnath City located at Rohtak, Haryana.	1. Rangoli Buildwell Private Limited; 2. Sapphire Buildtech Private Limited; 3. Gem Buildwell Private Limited; 4. Pearl Promart Private Limited; 5. Rangoli Infrastructure Private Limited; 6. Adela Buildcon Private Limited; and 7. Bliss Infrastructure Private Limited	December 8, 2005
3.	Parsvnath Greens located at Dera Bassi, Patiala, Punjab.*	1. Parasnath And Associates Private Limited; and 2. M/s New Hind Enterprises Private Limited.	April 2, 2004
4.	Parsvnath City located at Nedumbassery, Taluk Alwaye in vicinity of the new Kochi International Airport.	1. Lakshya Realtors Private Limited; 2. Coral Buildwell Private Limited; 3. Mirage Buildwell Private Limited; and 4. Jaguar Buildwell Private Limited.	April 21, 2005
5.	Parsvnath City located at Sohna, Gurgaon, Haryana.	1. Limelight Realtors Private Limited;* and 2. M/s Concord Buildwell Private Limited. *	November 15, 2004
		1. M/s Honey Builders Private Limited; * and 2. M/s Symphony Realtors Private Limited.*	September 16, 2004
		1. M/s Dolphin Buildwell Private Limited; 2. Crimson Infrastructure Private Limited; and 3. Anjaney Developers Private Limited.	August 8, 2005
6.	Parsvnath City located at Bastipura village, Mysore, Karnataka.	1. M/s Bharath Infra-Tech Private Limited	September 22, 2005



Sl. No.	Description of the project	Name of the contracting parties	Date of Agreement for Acquisition of Land
7.	Parsvnath City at Dharuhera, Haryana.	1. M/s Springdale Realtors Private Limited; 2. Prasadhi Developers Private Limited; 3. Parikrama Infrastructure Private Limited; 4. Prastut Real Estate Private Limited; and 5. Arunachal Infrastructure Private Limited.	August 18, 2005
8.	Parsvnath City at Sonapat, Haryana.	1. M/s Arctic Buildwell Private Limited; 2. M/s Dreamweaver Realtors Private Limited; 3. Evergreen Realtors Private Limited; 4. M/s Harmony Buildwell Private Limited; 5. M/s Ideal Buildwell Private Limited; 6. M/s Sedna Properties Private Limited; 7. M/s Spearhead Realtors Private Limited; 8. Trishla Realtors Private Limited; and 9. M/s Symphony Realtors Private Limited.	November 29, 2004
		1. M/s Emerald Buildwell Private Limited; and 2. M/s Anubhav Buildwell Private Limited.	December 10, 2004
		1. M/s New Hind Enterprises Private Limited.	May 3, 2004
		1. M/s Yamuna Buildwell Private Limited; and 2. M/s Neelgagan Realtors Private Limited.	January 24, 2005
		1. M/s Jaguar Buildwell Private Limited .	October 10, 2005
9.	Parsvnath City located at village Marotha, Dehradun, Uttaranchal.**	1. M/s Welcome Builders Private Limited; and 2. M/s Omkam Developers Private Limited. 3. A separate memorandum of understanding has been entered into with Mr. Anil Kumar Seth.	April 7, 2005
10.	Parsvnath City located at Village Mavi Kalan, Saharanpur, Uttar Pradesh.	1. Navneet Realtors Private Limited; 2. Scorpio Realtors Private Limited; 3. Springdale Realtors Private Limited; 4. Afra Infrastructure Private Limited; 5. Perpetual Infrastructure Private Limited; and 6. Baidehi Infrastructure Private Limited	August 11, 2005 and September 4, 2006
11.	Parsvnath King City, Rajpura, Punjab.	1. M/s Emerald Buildwell Private Limited; 2. M/s Anubhav Buildwell Private Limited; 3. M/s Yamuna Buildwell Private Limited; and 4. M/s Neelgagan Realtors Private Limited.	January 20, 2005
12.	Parsvnath Narayan City located at Jodhpur, Rajasthan.	1. Scorpio Realtors Private Limited.	August 18, 2005
		1. Jodhpur Infrastructure Private Limited.	December 8, 2005
13.	Parsvnath Plaza located at Saharanpur.	1. Navneet Realtors Private Limited; 2. Scorpio Realtors Private Limited; and 3. Springdale Realtors Private Limited.	August 11, 2005
14.	Information Technology Park at Mysore	Bharath Infratech Private Limited	September 22, 2005



Sl. No.	Description of the project	Name of the contracting parties	Date of Agreement for Acquisition of Land
15.	Information Technology Park at Cochin	1. Lakshya Realtors Private Limited; 2. Coral Buildwell Private Limited; 3. Mirage Buildwell Private Limited; and 4. Jaguar Buildwell Private Limited;	April 21, 2005
16.	Parsvnath Premium located at Chikli District Centre PCNT, Chikli, Pune, Maharashtra.	1. Symphony Realtors Private Limited; and 2. Dolphin Buildwell Private Limited	September 21, 2005
17.	Parsvnath City located at Karnal, Haryana	1. M/s Mirage Buildwell Private Limited; 2. M/s Afra Infrastructure Private Limited; 3. M/s Navneet Realtors Private Limited; 4. M/s Perpetual Infrastructure Private Limited; 5. M/s Prosperity Infrastructure Private Limited; 6. M/s Banita Buildcon Private Limited; 7. M/s Silverstreet Infrastructure Private Limited; and 8. M/s Ashirwad Realtors Private Limited	September 7, 2006

* Under the terms of these agreements, the contracting parties have been given the right to opt out of the agreement by giving prior notice to our Company. In such an event our Company is not entitled to enforce the payment of the interest free advances extended to the contracting parties but may adjust the same from the consideration payable to the contracting parties on booking of sales on a pro-rata basis.

** Under the terms of this agreement, the contracting parties shall transfer the lands acquired in pursuance of the agreement to our Company after conversion of the land use to residential without any charge or profit, if so required by our Company.

Concession Agreements

We have entered into ten Concession Agreements with the DMRC, the principal terms of which are as follows:

1. Our Company has been granted a concession by the DMRC for a period of either 12 or 30 years for the purpose of development, procurement, financing, construction, management, maintenance and licensing the use of built-up spaces/facilities in specified areas in and around metro stations at New Delhi. However, our Company is required to obtain further permits, approvals, clearances and sanctions from the competent authorities as may be required for the development of the specified areas.
2. During the subsistence of the Concession Agreement, our Company is entitled to sub-license the use of the project facility. However, our Company is not entitled to assign any other right or interest arising under the Concession Agreement in favour of any other person.
3. In consideration of the rights, privileges and interests granted by DMRC under the Concession Agreement, our Company is required to pay a fixed up-front fee and additionally make specified payments on a quarterly basis. Further, the DMRC has a first and paramount charge over all receivables that our Company is entitled to claim/receive from the sub-licensees.
4. Our Company is required to obtain the prior approval of the DMRC before effecting any change in its shareholding structure till the completion of the project.
5. At the end of the concession period, the area under the concession and the entire facility developed thereon shall stand transferred to the DMRC without the payment of any consideration to our Company. The DMRC may at its own discretion allow the sub-licensees to continue on mutually agreeable terms.



Sl. No.	Name of Project/ Location	Date of Agreement	Area under the Concession Agreement
1.	Parsvnath Metro Mall at Metro Station, Tis Hazari, Delhi.	February 25, 2005	1,058 square metres on the ground floor and 948 square metres on the first floor within the station box.
2.	Parsvnath Metro Mall located at Metro Station, Pratap Nagar, Delhi.	March 21, 2005	2,000 square metres outside the Pratap Nagar metro station.
3.	Parsvnath Metro Mall located at Metro Station, Shahdara, Delhi.	February 26, 2005	7,704 square metres close to the station box at the Shahdara metro station.
4.	Parsvnath Metro Mall located at Metro Station, Inderlok, Delhi.	September 6, 2004	5,630 square metres on the ground floor and first floor within the station box at the Inderlok metro station.
5.	Parsvnath Metro Mall (Annexe) located at Metro Station, Inderlok, Delhi.	September 6, 2004	1,331 square metres adjacent to the Inderlok metro station
6.	Parsvnath Mega Metro Mall located outside Metro Station, Seelampur, Delhi.	August 10, 2005	41,034 square metres outside Seelampur metro station.
7.	Parsvnath Metro Mall located on ground within the station box of Metro Station, Seelampur, Delhi.	February 25, 2005	1,322 square metres on the ground floor within the station box.
8.	Parsvnath Metro Mall located at Kashmere Gate Metro Station.	April 28, 2006	2,660 square metres on the ground floor within the station box.
9.	Parsvnath Metro Mall outside the Welcome Metro Station.	June 9, 2006	30,604 square metres outside Welcome metro authority.
10.	Parsvnath Metro Mall at Azadpur Metro Station and an adjoining commercial complex	July 20, 2006	30,000 square metres.

In addition to the Concession Agreement, the DMRC has confirmed their acceptance of our bid for property development in relation to the following projects, pursuant to which we shall enter into Concession Agreements with the DMRC.

Sl. No.	Name of Project/ Location	Date of Acceptance of Bid	Area to be developed (In square metres)
1.	Parsvnath Metro Mall located at Bhai Vir Singh Marg, near Gole Market, New Delhi	January 27, 2006	15,583.83

Agreement for lease of movie screens

Our Company has entered into a memorandum of understanding dated August 17, 2006 with Movietime Cineplex Private Limited ("Movietime") in relation to the lease of 100 screens in malls and multiplex cinemas to be developed by us, for an initial period of nine years extendable for another term of nine years with the consent of the parties. Out of this period an initial tenure of six years shall be a lock-in period during which period the agreement may not be terminated by either of the parties. The other principal terms of this agreement are as follows:

- Movietime has agreed to take on lease 100 screens of various sizes and seating capacities offered by our Company as part of malls or commercial complexes to be developed by our Company. A separate lease agreement shall be executed for each screen.
- The agreement provides that the number of screens leased to Movietime may be increased or decreased depending on the approvals received from relevant authorities.



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- Screens in mall and multiplexes to be developed by our Company on land owned by third parties shall not be leased to Movietime without the consent of such third parties.
 - Prior to execution of a lease agreement for each screen, in the event Movietime is not satisfied with respect to our title to the land, they shall provide a notice to our Company to clarify or rectify it. In the event we are unable to do so, Movietime shall have the option to decline the offer to lease the screen. In no other circumstance shall Movietime have the option to decline an offer to lease the screen.
 - The chargeable areas shall be measured on super area basis with an efficiency of 75% of the top line i.e. 75 square feet of built up area out of 100 square feet of super area.
 - Movietime has paid an initial deposit at the time of execution of the agreement and has agreed to pay specified amounts per screen at the time of commencement of construction of the screen and at the time of handing over of possession. The deposit amount shall be refundable by our Company on a per screen basis at the time of expiry of the lease.
 - In addition to the above, Movietime has agreed to pay a specific lease rent per square foot of the chargeable area. The lease rent payable shall be escalated by 15% at the end of every three years.



OUR MANAGEMENT

Board of Directors

Under our Articles of Association we cannot have fewer than three directors or more than 12 directors. We currently have twelve Directors on our Board of Directors. Our Board of Directors have through a resolution dated April 26, 2006, authorized the Company to make the requisite application to the Gol in order to increase in the number of Directors from 12 to 16. Our shareholders have through special resolution dated May 19, 2006 authorized the increase in the number of Directors from 12 to 16, subject to the approval of the Gol pursuant to which our Company has made an application dated July 31, 2006 to the Gol for increasing the number of Directors from 12 to 16.

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

Name, Father's/ Husband's Name, Designation and Occupation	Age	Address	Other Directorships
Mr. Pradeep Kumar Jain S/o Mr. Sheetal Prasad Jain Chairman Industrialist	41 years	10, Babar Lane, First Floor, Bengali Market, New Delhi 110 001.	1. Amazon India Limited; 2. Parasnath and Associates Private Limited; 3. Parsvnath Landmark Developers Pvt. Limited; 4. Honey Builders Private Limited; 5. New Hind Enterprises Private Limited; 6. Parasnath Travels and Tours Private Limited; 7. Indo Continental Hotels and Resorts Limited; 8. PHD Chamber of Commerce and Industry; and 9. Parsvnath SEZ Limited
Ms. Nutan Jain W/o Mr. Pradeep Kumar Jain Vice Chairman, Non-Executive Director Business	40 years	10, Babar Lane, First Floor, Bengali Market, New Delhi 110 001.	1. Parasnath Travels and Tours Private Limited; and 2. Parsvnath SEZ Limited
Mr. Sanjeev Jain S/o Mr. Sheetal Prasad Jain Managing Director Industrialist	36 years	P-3/6, DLF City, Phase II, Gurgaon, Haryana 122 002.	1. Amazon India Limited; 2. Parasnath and Associates Private Limited; 3. Parsvnath Landmark Developers Pvt. Limited; 4. Honey Builders Private Limited; 5. New Hind Enterprises Private Limited; 6. Scriptech Finlease and Securities Private Limited; and 7. Parsvnath SEZ Limited
Dr. Rajeev Jain S/o Mr. Sheetal Prasad Jain Whole-time Director Industrialist	32 years	C-110, Ramprastha, Ghaziabad, Uttar Pradesh 201 011.	1. Aadharshilla Contractors Private Limited; 2. K.B. Realtors Private Limited; 3. K.V. Multi Healthplex Private Limited; 4. Landmark Malls and Towers Private Limited; 5. Landmark Township Planners Private Limited; and 6. P.S. Realtors Private Limited
Mr. G.R. Gogia S/o (Late) Mr. K.L. Gogia Whole-time Director Business Executive	71 years	A-13A, Green Park Main, New Delhi 110 016.	Noida Marketing Private Limited.



Name, Father's/ Husband's Name, Designation and Occupation	Age	Address	Other Directorships
Mr. Ashok Kumar S/o (Late) Mr. Jai Prakash Non-Executive Director Business	68 years	DISCO Compound, G.T. Road, Ghaziabad, Uttar Pradesh 201 011.	1. Adayar Gate Hotel Limited; 2. Delhi Iron and Steel Company Private Limited; 3. Indo Continental Hotel and Resorts Limited; 4. Jai Parabolic Springs Limited; 5. Kay Inns Private Limited; 6. Uniworth Textiles Limited; 7. Amrit Steels Private Limited; and 8. Ornate Secfin Private Limited
Mr. Sunil Kumar Jain S/o Mr. Jaswant Rai Jain Independent Director Business	43 years	C-3/15, Ashok Vihar, Phase II, New Delhi 110 052.	1. North Eastern Carrying Corporation Limited; 2. NECC Logistics Limited; 3. NECC Financial Services Private Limited; 4. NECC Securities Private Limited; 5. Shreyans Buildwell Private Limited; 6. Bhikshu Enterprises Private Limited; 7. Indika Agro Products Private Limited; and 8. Visesh Infotecnics Limited.
Dr. Pritam Singh S/o Late Mr. R.D. Singh Independent Director Director, Management Development Institute, Gurgaon	64 years	F-1, MDI Campus, Mehrauli Road, Sukhrali, Gurgaon 122 001	1. Shipping Corporation of India Limited; 2. Indian Medicines Pharmaceuticals Limited; and 3. Hero Honda Motors Limited.
Mr. Ram Niwas Lakhotia S/o Late Mr. Mohan Lal Independent Director Advocate	74 years	Lakhotia Niwas, S-228, Greater Kailash II, New Delhi 110 048	Nil
Mr. R.J. Kamath S/o Late Mr. J.R. Kamath Independent Director Retired Executive	64 years	LEELA 707, 12 th Cross, 7 th Block, Jayanagar, Bangalore 560 082.	1. A.B. Hotels Limited; 2. Alok Industries Limited; 3. Subash Kabini Power Corporation Limited; and 4. Vomsil India Limited
Mr. Vijay B. Raheja S/o Mr. B.S. Raheja Independent Director Industrialist	55 years	87/1, G.B. Marg, Juhu, Mumbai 400 049	1. Avani Housing Complex Private Limited; 2. B. Raheja Builders Private Limited; 3. Houston Traders and Developers Private Limited; 4. Bandra Construction Private Limited; 5. Bandra Properties Private Limited; 6. Capricorn Plaza Private Limited; 7. Beau Rivage Investment & Finance Private Limited; 8. Beau Rivage Trading Company Private Limited; 9. D.B.R. Properties Private Limited; 10. G.V.R. Builders Private Limited; 11. Juhu Beach Resorts Limited; 12. Kalpitam Investment & Finance Private Limited;



Name, Father's/ Husband's Name, Designation and Occupation	Age	Address	Other Directorships
			13. Kanyakumari Builders Private Limited; 14. Kaveri Estates Private Limited; 15. Lavina Estates Private Limited; 16. Leman Hotels & Resorts Private Limited; 17. Louisiana Estates Private Limited; 18. Mont Blanc Hotels Private Limited; 19. Neel Sarita Investment & Finance Private Limited; 20. Neha Grihanirman Private Limited; 21. Queens Construction Private Limited; 22. Queens Villa Developers Private Limited; 23. Rajdeep Raheja Exports Private Limited; 24. S.B.R. Estates & Finance Private Limited; 25. Seaside Properties Private Limited; 26. Sunanda Construction Private Limited; 27. Valencia Builders Private Limited; 28. Valencia Developers Private Limited; 29. Villar Builders Private Limited; 30. Villar Hotels & Resorts Private Limited; 31. Annonay Traders & Developers Private Limited; 32. Baltimore Developers & Traders Private Limited; 33. Beau Ganga Developers & Traders Private Limited; 34. Beau Jhelum Traders & Developers Private Limited; 35. Beau Yamuna Traders & Developers Private Limited; 36. Belmonte Developers & Traders Private Limited; 37. Brindaban Traders & Developers Private Limited; 38. Congo Developers & Traders Private Limited; 39. Dallas Traders & Developers Private Limited; 40. Dawlish Developers & Traders Private Limited; 41. Detroit Developers & Traders Private Limited; 42. Grand Bay Developers & Traders Private Limited; 43. Hamsphire Developers & Traders Private Limited; 44. Gstaad Hotels Private Limited; 45. Kali Traders & Developers Private Limited; 46. Kamakshi Traders & Developers Private Limited; 47. Kaveri Traders & Developers Private Limited; 48. Lhotse Developers & Traders Private Limited; 49. Lushan Developers & Traders Private Limited;



Name, Father's/ Husband's Name, Designation and Occupation	Age	Address	Other Directorships
			50. Matsya Traders & Developers Private Limited; 51. Mississippi Traders & Developers Private Limited; 52. Nile Traders & Developerst Private Limited; 53. Pingyao Developers & Traders Private Limited; 54. Pius Gomti Traders & Developers Private Limited; 55. Pius Jhelum Traders & Developers Private Limited; 56. Pius Krishna Traders & Developers Private Limited; 57. Ridhi Traders & Developers Private Limited; 58. San Jose Developers & Traders Private Limited; 59. Sindhu Traders & Developers Private Limited; 60. Sona Villa Developers & Traders Private Limited; 61. Villa Sorento Developers & Traders Private Limited; and 62. Winderemere Developers & Traders Private Limited
Mr. Subhash Kathuria S/o Mr. R.C. Kathuria Independent Director Industrialist	55 years	No. 3, Poorvi Marg, Vasant Vihar, New Delhi 110 057	1. Synergy Steels Limited; 2. Wonder Software Technology (P) Limited; 3. Life Medicare and Biotech Pvt. Limited; 4. Kathuria Special Steel Rolling Mills (P) Limited; 5. Ramnika Estates (P) Limited; 6. Geetanjali Properties (P) Limited; 7. Himalaya Estates (P) Limited. 8. Navin Vikas Construction Private Limited; 9. Synergy Global Steel Private Limited; and 10. Synergy Ispat Private Limited.

Details of Directors

Mr. Pradeep Kumar Jain, 41 years, our Executive Chairman has two decades of experience in the real estate sector. Mr. Jain has received awards including the 'Jawaharlal Nehru Award for Excellence', the 'Vijay Ratna Award', the 'Udyog Ratan' and the 'World Economic Progress Award' for his entrepreneurship. Mr. Jain is also a member of the board of trustees of the Moradabad Institute of Technology. As the Chairman of our Company, Mr. Jain is responsible for the overall working of the Company and is instrumental in making strategic decisions for the Company. He has been associated with our Company from its inception as a Promoter.

Ms. Nutan Jain, 40 years, our Director, graduated with a Masters in Commerce degree from Raheja College, Mumbai. She holds a post-graduate degree in Hospitality Administration from S.N.D.T College, Mumbai. Ms. Nutan Jain was appointed as a non-executive Director with effect from December 23, 2005.

Mr. Sanjeev Jain, 36 years, our Managing Director, graduated with a Bachelor of Engineering (Civil) degree from the B.V. College of Engineering, Pune where he specialised in advanced construction technology. He has 15 years of experience in the



real estate sector. He currently heads the architectural, construction and purchase departments of our Company. He has been a Director of our Company since incorporation and was appointed as Managing Director with effect from February 1, 2002.

Dr. Rajeev Jain, 32, years, a whole-time Director in our Company, is a qualified medical practitioner having graduated with an M.B.B.S degree from J.N. College, Wardha, Nagpur University. He worked with Indraprastha Apollo Hospital from September 1998 to November 2001. Dr. Rajeev Jain joined our Company in November 2001. He currently heads the marketing and commercial departments of the Company. He joined our Board of Directors on January 1, 2002.

Mr. G.R. Gogia, 71 years, our whole-time Director, graduated with a Bachelor of Arts (Hons) degree from Punjab University and a degree in law from the Delhi University. Mr. Gogia has over 25 years of experience in the field of real estate development having worked with the Ansals group in the capacity of whole-time director prior to joining our Company as advisor in April, 2004. He currently heads the business development department of our Company. Mr. Gogia also has 20 years of civil service experience in various government departments including development, cooperatives, planning and finance. He joined our Board of Directors with effect from May 19, 2005.

Mr. Ashok Kumar, 68 years, our Director, graduated with a Bachelor of Commerce (Hons.) degree. He also holds a post-graduate diploma in Business Management. Mr. Ashok Kumar presently heads the Mansingh group of Hotels. He joined our Board of Directors on January 14, 2004.

Mr. Sunil Kumar Jain, 43 years, our Director, graduated with a Bachelor of Commerce degree from Delhi University. He has over 20 years of experience in the transport industry and was awarded the 'Parivahan Shreshtha Award' by the All India Transport Welfare Association for his contribution to the transport industry. Mr. Sunil Kumar Jain joined our Board of Directors on August 9, 2004. Mr. Sunil Kumar Jain is an independent Director.

Dr. Pritam Singh, 64 years, our Director, graduated with a Masters in Commerce degree from the Banaras Hindu University. He also holds a doctorate (Ph.D.) from the Banaras Hindu University and a diploma in business administration. He is currently the director of the Management Development Institute, Gurgaon. He joined our Board of Directors on March 11, 2006 as an independent Director.

Mr. Ram Niwas Lakhotia, 74 years, graduated with a Masters in Commerce degree from Agra University. He also holds a Degree in Law from Agra University and was conferred a Honorary Degree of Doctorate of Taxation. Mr. Lakhotia previously worked with the Indian Revenue Service and is currently a practicing advocate and tax consultant. He has also authored several books on taxation. He joined our Board of Directors on March 11, 2006 as an independent Director.

Mr. R.J. Kamath, 64 years, graduated with a Bachelor of Commerce degree and he is a Certified Associate of the Indian Institute of Bankers. Mr. R.J. Kamath was previously the Chairman of Andhra Bank and Canara Bank. He joined our Board of Directors on March 11, 2006 as an independent Director.

Mr. Vijay B. Raheja, 55 years, graduated with a Bachelor of Architecture degree. He is a leading real estate developer and heads the Raheja group. He joined our Board of Directors on March 11, 2006 as an independent Director.

Mr. Subhash Kathuria, 55 years, is a technocrat and a leading industrialist with over 30 years of experience having interest in steel, pharmaceuticals and information technology sectors. He is the Chairman and Managing Director of Synergy Steels Limited and Director of Life Medicare and Biotech Pvt. Ltd. He joined our Board of Directors on March 11, 2006 as an independent Director.

Mr. Pradeep Kumar Jain, Mr. Sanjeev Jain and Dr. Rajeev Jain are related to each other as brothers. Ms. Nutan Jain is the wife of Mr. Pradeep Kumar Jain. None of our other Directors are related to each other.

Borrowing Powers of the Directors in our Company

Pursuant to a resolution passed by our shareholders in accordance with provisions of the Companies Act, our Board has been authorised to borrow sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board of Directors may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by the Company shall not exceed, at any time, a sum of Rs. 30,000 million.



Details of Appointment and Compensation of our Directors

Name of Directors	Contract/ Appointment Letter/Resolution	Details of Remuneration	Term
Mr. Pradeep Kumar Jain*	Resolution of the Board of Directors dated March 11, 2006 and resolution of the shareholders of our Company dated March 11, 2006.	Rs. 18 million per annum plus perquisites.	March 1, 2006 to February 28, 2011.
Mr. Sanjeev Jain*	Resolution of the Board of Directors dated March 11, 2006 and resolution of the shareholders of our Company dated March 11, 2006.	Rs. 6 million per annum plus perquisites.	March 1, 2006 to February 28, 2011.
Dr. Rajeev Jain*	Resolution of the Board of Directors dated March 11, 2006 and resolution of the shareholders of our Company dated March 11, 2006.	Rs. 4.2 million per annum plus perquisites.	March 1, 2006 to February 28, 2011.
Mr. G.R. Gogia*	Appointed as Director by resolution of the Board of Directors dated May 19, 2005 and resolution of the shareholders of our Company dated June 16, 2005.	Rs. 4.2 million per annum plus perquisites.	May 19, 2005 to May 18, 2010 subject to re-appointment by the shareholders of our Company. (Liable to retire by rotation.)
Ms. Nutan Jain	Appointed as Additional Director by resolution of the Board of Directors dated December 23, 2005. Appointed as Director by resolution of the shareholders of our Company dated May 19, 2006	No remuneration except sitting fees.	Liable to retire by rotation.
Mr. Ashok Kumar	Appointed as Additional Director by resolution of the Board of Directors dated January 14, 2004. Appointed as Director by resolution of the shareholders of our Company dated September 29, 2004. Reappointed as Director by resolution of the shareholders of our Company dated May 19, 2006	No remuneration except sitting fees.	Liable to retire by rotation.
Mr. Sunil Kumar Jain	Appointed as Additional Director by resolution of the Board of Directors dated August 9, 2004. Appointed as Director by resolution of the shareholders of our Company dated September 29, 2004.	No remuneration except sitting fees.	Liable to retire by rotation.



Name of Directors	Contract/ Appointment Letter/Resolution	Details of Remuneration	Term
Dr. Pritam Singh	Appointed as Additional Director by resolution of the Board of Directors dated March 11, 2006. Appointed as Director by resolution of the shareholders of our Company dated May 19, 2006	No remuneration except sitting fees.	Liable to retire by rotation.
Mr. Ram Niwas Lakhotia	Appointed as Additional Director by resolution of the Board of Directors dated March 11, 2006. Appointed as Directors by resolution of the shareholders of our Company dated May 19, 2006	No remuneration except sitting fees.	Liable to retire by rotation.
Mr. R.J. Kamath	Appointed as Additional Director by resolution of the Board of Directors dated March 11, 2006. Appointed as Directors by resolution of the shareholders of our Company dated May 19, 2006	No remuneration except sitting fees.	Liable to retire by rotation.
Mr. Vijay B. Raheja	Appointed as Additional Director by resolution of the Board of Directors dated March 11, 2006. Appointed as Director by resolution of the shareholders of our Company dated May 19, 2006	No remuneration except sitting fees.	Liable to retire by rotation.
Mr. Subhash Kathuria	Appointed as Additional Director by resolution of the Board of Directors dated March 11, 2006. Appointed as Director by resolution of the shareholders of our Company dated May 19, 2006	No remuneration except sitting fees.	Liable to retire by rotation.

* The remuneration of these Directors was increased to the amount disclosed above by Board resolution and shareholders resolution dated March 11, 2006.

Corporate Governance

Our Company is in compliance of the provisions for corporate governance as stipulated in the listing agreements with the Stock Exchanges, including with respect to the appointment of independent Directors to our Board and the constitution of the audit committee, investor grievance committee and compensation committee.

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

- (a) Audit Committee;
- (b) Shareholders'/ Investors' Grievance Committee;
- (c) Remuneration Committee.



Audit Committee

The members of the Audit Committee of the Board are Mr. Subhash Kathuria, Mr. R.N. Lakhoria and Mr. Ashok Kumar, of which two Directors are independent Directors. The Chairman of the Audit Committee is Mr. Subhash Kathuria, an independent Director. The secretary of the committee is Mr. V. Mohan.

The Audit Committee oversees the Company's financial reporting process and disclosure of its financial information. The Audit Committee further reviews the accounting and financial policies and practices, internal control systems, quarterly, half yearly and annual financial results. It also recommends appointment of statutory and internal auditors and considers and discusses reports and observations made by them.

Investors' Grievance Committee

The members of the Investors' Grievance Committee of the Board are Mr. Ashok Kumar and Mr. Sunil Kumar Jain.

The Investors' Grievance Committee is responsible for the redressal of shareholders and investors' grievances such as non-receipt of share certificates, balance sheet, dividend, etc.

Remuneration Committee

The members of the Remuneration Committee of the Board are Dr. Pritam Singh, Mr. R. J. Kamath and Mr. Sunil Kumar Jain. All members of the Remuneration Committee are independent Directors.

The Remuneration Committee determines the Company's remuneration policy, having regard to performance standards and existing industry practice.

Shareholding of Directors in our Company

The following table details the shareholding of our Directors in our Company prior to the Issue:

Sr. No.	Name of Shareholders	Number of Equity Shares
1.	Mr. Pradeep Kumar Jain	45,734,328
2.	Ms. Nutan Jain	22,012,000
3.	Mr. Sanjeev Jain	10,800
4.	Dr. Rajeev Jain	8,000

Interest of our Directors

All 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. The Chairman, Managing Director and our whole-time Directors are interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

All our Directors, including independent 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 the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, including independent Directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees.

Some of our Directors, may be deemed to be interested to the extent of consideration received /paid or any loans or advances provided to any body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees. For further details refer to the section titled "Financial Statements - Related Party Transactions" on page 193 of this Red Herring Prospectus.

Our Director, Mr. Pradeep Kumar Jain, may be deemed to be interested to the extent of the consideration payable by the Company with respect to the following:

- Lease agreement entered into with our Company in relation to certain parking spaces in New Delhi.
- Lease agreement between our Company and Pradeep Kumar Jain & Sons HUF of which Mr. Pradeep Kumar Jain is the karta, with respect to a flat located at Moradabad.



- License agreement dated March 6, 2006 between our Company and PAPL, amended through letter agreement dated April 12, 2006, of which Mr. Pradeep Kumar Jain is a director.

Our Director, Ms. Nutan Jain, may be deemed to be interested to the extent of consideration payable by the Company with respect to the following:

- Memorandum of Understanding dated September 4, 2003 for the development of a residential colony on land owned/to be acquired by Ms. Nutan Jain in villages Seedpur, Milkpur Gurjar, Saidpur in district Bhiwadi, Rajasthan.
- Lease agreements entered into with our Company with respect to flats in Arunachal Building, New Delhi. Lease agreement entered into with our Company with respect to two flats in Moradabad.

Our Director, Mr. Ashok Kumar may be deemed to be interested to the extent of the following:

- Four Development Agreements entered into by our Company with M/s. Delhi Iron and Steel Company Limited, of which Mr. Ashok Kumar is a director, for development of land at Ghaziabad.
- Agreement entered into by our Company with M/s. Indo Continental Hotels and Resorts Limited, of which Mr. Ashok Kumar is a director, for marketing of commercial space located at Ghaziabad.

Our Director, Mr. Sanjeev Jain may be deemed to be interested to the extent of the license agreement dated March 6, 2006 between our Company and PAPL, amended through letter agreement dated April 12, 2006, of which Mr. Sanjeev Jain is a director.

Changes in our Board of Directors during the last three years

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

Name	Date of Appointment	Date of Cessation	Reason
Mr. G.R. Gogia	May 19, 2005.	Continuing	Appointed as Director
Ms. Nutan Jain	December 23, 2005.	Continuing	Appointed as Director
Mr. Ashok Kumar	January 14, 2004.	Continuing	Appointed as Director
Mr. Sunil Kumar Jain	August 9, 2004.	Continuing	Appointed as Director
Dr. Pritam Singh	March 11, 2006	Continuing	Appointed as Director
Mr. Ram Niwas Lakhotia	March 11, 2006	Continuing	Appointed as Director
Mr. R.J. Kamath	March 11, 2006	Continuing	Appointed as Director
Mr. Vijay B. Raheja	March 11, 2006	Continuing	Appointed as Director
Mr. Subhash Kathuria	March 11, 2006	Continuing	Appointed as Director

Remuneration of Whole-Time Directors

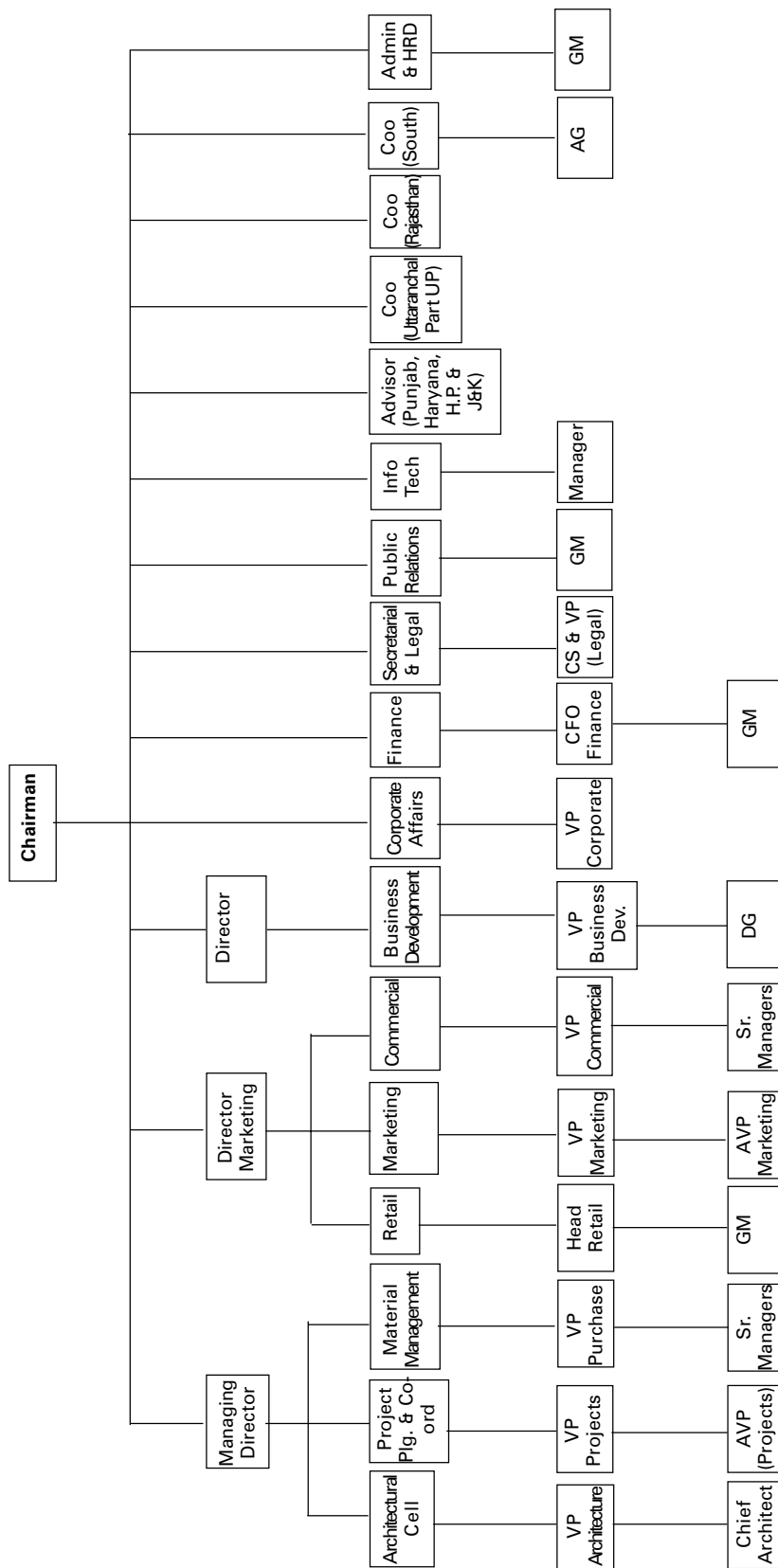
The following table sets forth the details of the remuneration for the whole-time Directors for the fiscal year ended March 31, 2006.

(In Rs.)						
Name	Basic Salary	Housing and Furnishing	Provident Fund	Medical	Perquisites (Car Running Maintenance)	Total
Mr. Pradeep Kumar Jain	7,100,000	Nil	Nil	Nil	Nil	7,100,000
Mr. Sanjeev Jain	3,100,000	Nil	Nil	Nil	Nil	3,100,000
Dr. Rajeev Jain	1,850,000	Nil	Nil	Nil	Nil	1,850,000
Mr. G. R. Gogia*	1,975,000	Nil	Nil	Nil	Nil	1,975,000

* Mr. G.R. Gogia, was appointed as Director with effect from May 19, 2005. The above details of remuneration paid to him for the fiscal year 2006, include the remuneration paid to him in his capacity as an advisor to the Company till such date and subsequently as Director.

Management Organisation Structure

Our management organization structure is set forth below:





Key Managerial Employees

Apart from our whole-time Directors (including the Chairman and the Managing Director), the following are our key managerial employees.

Mr. P.K. Jain, 55 years, is an advisor to our Company. He graduated with a Bachelor of Engineering (Civil) degree from Jodhpur University. Mr. Jain has 34 years of work experience in the field of civil construction and real estate development in India and abroad. Mr. Jain was previously associated with the Ansals group, Engineering Projects India Limited and the Gulf Fammon group. Mr. Jain joined our Company in September 2004 and he currently advises on projects undertaken by the Company in the states of Haryana, Punjab, Jammu and Kashmir and Himachal Pradesh. He joined our Company on September 27, 2004 and the remuneration paid to him in fiscal 2006 was Rs.1,093,984.

Mr. S.P. Oberoi, 62 years, is the Chief Operating Officer (South) of our Company. He graduated with a Bachelor of Arts degree from the Dayal Singh College, Delhi University. Mr. Oberoi has over four decades of experience in the real estate sector. Prior to joining our Company on January 1, 2005 he was an executive director with the Ansals Group. The remuneration paid to him in fiscal 2006 was Rs.1,325,000.

Mr. Anil Kumar Seth, 54 years, is the Chief Operating Officer (Uttaranchal) of our Company. He graduated with a Bachelor of Architecture degree from the Delhi School of Architecture and Planning, New Delhi. Mr. Seth has over two decades of experience in the construction sector. Mr. Seth joined our Company on April 11, 2005 and looks after our Company's operations in Uttaranchal. The remuneration paid to him in fiscal 2006 was Rs. 662,914.

Mr. Ravinder Babbar, 54 years, is the Chief Operating Officer (Rajasthan) of our Company. He graduated with a Bachelor of Science degree from St. Xavier's College, Ahmedabad, Gujarat University and a Masters degree in Business Administration from the Faculty of Commerce and Business Administration, Jodhpur University. Mr. Babbar was associated with the Ansals group and DLF group prior to joining our Company in May 2005. He currently looks after our Company's operations in Rajasthan. The remuneration paid to him in fiscal 2006 was Rs.690,968.

Dr. B.P. Dhaka, 55 years, is the Chief Operating Officer (M.P. and Corporate Governance) of our Company. He graduated with a Bachelor of Engineering degree from the University of Roorkee. He has also secured a post graduate diploma in Industrial Engineering from the National Productivity Council, Government of India and a degree in law from Delhi University. Mr. Dhaka has also completed his Ph.D. in Management Science from MD University, Rohtak. Prior to joining our Company he was a director of Usha Telehoist Limited. He was also the Secretary General of the PHD Chamber of Commerce from 2001 to 2005. He joined our Company on January 2, 2006. The remuneration paid to him in fiscal 2006 was Rs.415,483.

Mr. Sunit Sachar, 52 years, is the Chief Operating Officer (Uttar Pradesh and Head Publicity) of our Company. Mr. Sachar has graduated with a Bachelor of Commerce degree from Delhi University. Mr. Sachar holds a Masters degree in Commerce and Business Administration from Rajasthan University and also holds post-graduate diplomas in Advertising and Sales Management from Y.W.C.A, New Delhi and in Marketing Management from Faculty of Management Studies, Delhi University. Mr. Sachar has over 29 years of experience in marketing and was associated with the Times of India Group and the Ansals Group prior to joining our Company in April 2002. The remuneration paid to him in fiscal 2006 was Rs.1,321,847.

Mr. Madhur Narain, 61 years, is the Chief Financial Officer of our Company. Mr. Narain graduated with a Bachelor of Commerce (Hons.) degree from Delhi University. He is also a qualified chartered accountant and is a Fellow of the Institute of Chartered Accountants (F.C.A.). Mr. Narain has over 35 years of experience in financial management. He joined our Company on March 16, 2005. The remuneration paid to him in fiscal 2006 was Rs.453,935.

Mr. M.C. Jain, 47 years, is the Vice President (Corporate) of our Company. Mr. Jain graduated with a Bachelor of Commerce degree from Jodhpur University and has a degree in law from University of Rajasthan. He is also a qualified chartered accountant. Mr. Jain has 25 years of experience in financial management, corporate planning and administration. He joined our Company in December 2003. The remuneration paid to him in fiscal 2006 was Rs.745,000.

Mr. V. Mohan, 49 years, is the Vice President (Legal) and our Company Secretary and Compliance Officer. Mr. Mohan graduated with a Bachelor of Science degree from Madras University and has a degree in law from Delhi University. Mr. Mohan also holds a Masters degree in Business Administration from the Faculty of Management Studies, Delhi University and is a Fellow Member of the Institute of Company Secretaries of India (F.C.S). Mr. Mohan has over 25 years of experience in legal and company secretarial affairs. He joined our Company in May 2003. The remuneration paid to him in fiscal 2006 was Rs. 882,500.



Col. (Retd.) S.N. Mohla, 56 years, is the Vice President (Commercial) of our Company. Col. Mohla graduated with a Bachelor of Engineering (Mechanical) degree from M.C.E.M.E, Secunderabad. He also holds a post-graduate diploma in Mechanical Engineering from M.C.E.M.E, Secunderabad and a Masters in Technology degree in Systems and Management from the Indian Institute of Technology, Delhi. He has served in the Indian Army for 20 years and was a director with the Border Road Development Organization. He was also associated with the Escorts group before joining our Company in April 2003. The remuneration paid to him in fiscal 2006 was Rs. 790,040.

Mr. J.B. Karamchandani, 56 years, is the Vice President (Architecture) of our Company. Mr. Karamchandani graduated with a Government Diploma in Architecture from Government College of Fine Arts and Architecture, 1972. He is a fellow member of the Indian Institute of Architects, Mumbai, a member of Council of Architects, New Delhi and an associate member of the Indian Institute of Interior Designers, Mumbai. Mr. Karamchandani has over 32 years of experience in planning and designing townships, multistoried residential apartments and commercial buildings. He was associated with Omaxe Construction Limited and the Ansals Group prior to joining our Company in October 2003. The remuneration paid to him in fiscal 2006 was Rs. 1,430,000.

Col. (Retd.) V.K. Oberoi, 64 years, is the Vice President (Projects) of our Company. Col. Oberoi graduated with a Bachelor of Engineering (Civil) degree from College of Military Engineering, Pune. He also holds a post-graduate diploma in Structure and Highways from the College of Military Engineering, Pune, a Masters in Business Administration degree from Pune University and a post graduate diploma in German Interpretership from the School of Foreign Languages, Ministry of Defence. Prior to joining our Company in March 1997, he served in the Indian Army and was also associated with ITC and the Birla groups. He currently manages the projects division of our Company. The remuneration paid to him in fiscal 2006 was Rs. 959,600.

Mr. S.C. Wadhwa, 63 years, is the Vice President (Business Development) of our Company. Mr. Wadhwa graduated with a Masters in Science (Maths) degree from Delhi University. He also holds a post-graduate diploma in Business Management from University of Gorakhpur. He has over three decades of experience in the real estate sector and was associated with the Ansals group before joining our Company in September 2002. The remuneration paid to him in fiscal 2006 was Rs. 1,383,580.

Mr. Pawan Kumar, 50 years, is the Vice President (Purchase) of our Company. Mr. Kumar is a chartered accountant and a certified associate of the Indian Institute of Bankers. He has several years of experience in evaluation of tenders for purchase of construction material etc. besides experience in the field of banking, finance and commercial matters. Prior to joining our Company in October, 2002 he was associated with the National Building Construction Corporation Limited, Engineering Projects (India) Limited and Oriental Bank of Commerce. He currently heads the purchases division of our Company. The remuneration paid to him in fiscal 2006 was Rs. 860,000.

Mr. Rajesh Jain, 34 years, is the Vice President (Moradabad) of our Company. Mr. Jain graduated with a Bachelor in Arts degree from Meerut University. Mr. Jain joined the Company in May, 1997 and has over a decade of experience in the real estate sector. He currently heads the Moradabad office of our Company. The remuneration paid to him in fiscal 2006 was Rs. 262,560.

Ms. Rema Menon, 39 years, is the Vice President (Retail) of our Company. Ms. Menon graduated with a Bachelor of Arts degree from Delhi University. She also holds a diploma in Public Relations and Advertising from Y.M.C.A, New Delhi. Prior to joining our Company she was associated with the Ambience group. Ms. Menon joined our Company in February, 2005 and the remuneration paid to her for this period in fiscal 2006 was Rs. 595,292.

Mr. V. Gopalakrishnan, 61 years, is the Vice President (Technical) of our Company. Mr. Gopalakrishnan graduated with a Bachelor of Engineering (Civil) degree from Madras University and he also holds a post graduate diploma in timber technology from Forest Research Institute, Dehradun. He has been an executive engineer with the Ministry of Urban Works, Government of India for 10 years. Prior to joining our Company in October 2002 he was a senior general manager in Ansals Properties and Industries Limited. The remuneration paid to him in fiscal 2006 was Rs. 754,020.

Mr. Pawan Kumar Gupta, 41 years, is the Chief Operating Officer (West Bengal) of our Company. He graduated with a bachelors degree in commerce from Sri Ram College of Commerce, New Delhi. He is also a member of the Institute of Chartered Accountants of India. He joined our Company in May 2006.

Ms. Jayanti A.R., 48 years, is the Vice President (Business Development) of our Company. She graduated with a master of arts degree in English. She has 20 years of experience as a free lance consultant. She joined our Company on July 10, 2006.



Mr. C.A. Prabhakar, 64 years, is the Vice President, of our Company. He graduated with a bachelor of engineering degree from University of Bombay. Prior to joining our Company he was working with Louis Berger International Inc. He has 40 years of experience in the management and execution of civil projects. He joined our Company on July 17, 2006.

Mr. Ravi Gupta, 49, is the Vice President (Finance and Taxation) of our Company. He graduated with a bachelor of commerce degree from Jodhpur University. He is also a qualified chartered accountant from the Institute of Chartered Accountants. Prior to joining our Company he was working with Jindal Polyfilms Limited. He has 25 years of experience. He joined our Company on August 7, 2006.

All our key managerial employees are permanent employees of our Company. None of our key managerial personnel are related to each other.

Shareholding of the Key Managerial Employees

None of our key managerial personnel hold any Equity Shares of our Company.

Bonus or Profit Sharing Plan for our Key Managerial Employees

There is no bonus or profit sharing plan for our key managerial employees.

Interest of Key Managerial Personnel

Except as disclosed below none of our key managerial employees have any interest in the Company except to the extent of remuneration and reimbursement of expenses.

The following of our key managerial personnel are directors in our Promoter group companies:

Sl. No.	Name of Key Managerial Personnel	Directorships held in Promoter group companies
1.	Mr. M.C. Jain	<ol style="list-style-type: none"> 1. Noida Marketing Private Limited; 2. Vinu Promoters Private Limited; 3. Mirage Buildwell Private Limited; 4. Jaguar Buildwell Private Limited; 5. Panchvati Buildwell Private Limited; 6. Nishtha Realtors Private Limited; 7. Anjaney Developers Private Limited; 8. Dolphin Buildwell Private Limited; 9. Navneet Realtors Private Limited; 10. Springdale Realtors Private Limited; 11. Prasidhi Developers Private Limited; 12. Parikrama Infrastructure Private Limited; 13. Jodhpur Infrastructure Private Limited; 14. Amazon India Limited; 15. Home Life Real Estate Private Limited; 16. Brinly Properties Private Limited; 17. Charushila Buildwell Private Limited; 18. Dhiren Real Estates Private Limited; 19. Generous Buildwell Private Limited; 20. Paavan Buildcon Private Limited; 21. Primetime Realtors Private Limited; 22. Stupendous Buildtech Private Limited; 23. Vital Buildwell Private Limited; 24. Enormity Buildcon Private Limited; 25. Laban Real Estates Private Limited; 26. Aaron Real Estates Private Limited; 27. Balbina Real Estates Private Limited;



Sl. No.	Name of Key Managerial Personnel	Directorships held in Promoter group companies
		28. Label Real Estates Private Limited; 29. Dai Real Estates Private Limited; 30. Bae Buildwell Private Limited; 31. Dae Realtors Private Limited; and 32. Balwaan Buildwell Private Limited.
2.	Mr. Madhur Narain	1. Prosperity Infrastructures Private Limited; 2. Perpetual Infrastructure Private Limited; 3. Bliss Infrastructure Private Limited; 4. Banita Buildcon Private Limited; 5. Bakul Infrastructure Private Limited; 6. Baidehi Infrastructure Private Limited; 7. Afra Infrastructure Private Limited; 8. Adela Buildcon Private Limited; 9. Aries Infrastructure Private Limited; 10. Arunachal Infrastructure Private Limited; 11. Sumeru Developers Private Limited; 12. Sarvapriya Realtors Private Limited; 13. Scorpio Realtors Private Limited; 14. Roopak Infrastructure Private Limited; 15. Poorti Infrastructure Private Limited; 16. Himsagar Infrastructure Private Limited; 17. Elixir Infrastructure Private Limited; 18. Silverstreet Infrastructure Private Limited.
3.	Mr. S.C. Wadhwa	1. Lakshya Realtors Private Limited; 2. Jaguar Buildwell Private Limited; 3. Panchvati Buildwell Private Limited; 4. Coral Buildwell Private Limited; 5. Nishtha Realtors Private Limited; 6. Anjaney Developers Private Limited; 7. Crimson Infrastructure Private Limited; 8. Navneet Realtors Private Limited; 9. Prastut Real Estate Private Limited; 10. Sumeru Developers Private Limited; 11. Poorti Infrastructure Private Limited; 12. Aries Infrastructure Private Limited; 13. Afra Infrastructure Private Limited; 14. Bakul Infrastructure Private Limited; 15. Bliss Infrastructure Private Limited; 16. Perpetual Infrastructure Private Limited; and 17. Ashirwad Realtors Private Limited
4.	Mr. P.K. Jain	1. Home Life Real Estate Private Limited.
5.	Mr. Ravinder Babbar	1. Jodhpur Infrastructure Private Limited.



Changes in our Key Managerial Employees during the last three years

The changes in our key managerial employees during the last three years are as follows:

Name	Designation	Date of appointment as Key Managerial Employees	Whether continuing, if not, date of cessation	Reason
Mr. Sunil Malhotra	Vice-President (Finance)	May 26, 1997	February 2, 2005	Resignation
Mr. Arun Kumar Mathur	Chief Architect	February 15, 2001	January 2, 2006	Resignation
Mr. J.B. Karamchandani	Vice President (Architecture)	October 13, 2003	Continuing	Appointment
Mr. M.C. Jain	Vice President (Corporate)	December 1, 2003	Continuing	Appointment
Mr. P.K. Jain	Advisor	September 27, 2004	Continuing	Appointment
Mr. S.P. Oberoi	Chief Operating Officer (South)	January 1, 2005	Continuing	Appointment
Ms. Rema Menon	Head (Retail)	February 10, 2005	Continuing	Appointment
Mr. Anil Kumar Seth	Chief Operating Officer (Uttaranchal)	April 11, 2005	Continuing	Appointment
Mr. Ravinder Babbar	Chief Operating Officer (Rajasthan)	May 2, 2005	Continuing	Appointment
Mr. B.P. Dhaka	Chief Operating Officer (M.P. & Corporate Governance)	January 2, 2006	Continuing	Appointment
Mr. Madhur Narain	Chief Financial Officer	March 16, 2005	Continuing	Appointment
Mr. V. Gopalakrishnan	Vice President (Technical)	November 1, 2005	Continuing	Promotion
Mr. Pawan Kumar Gupta	Chief Operating Officer (West Bengal)	May 9, 2006	Continuing	Appointment
Ms. Jayanti A.R.	Vice President (Business Development)	July 10, 2006	Continuing	Appointment
Mr. C.A. Prabhakar	Vice President	July 17, 2006	Continuing	Appointment
Mr. Ravi Gupta	Vice President (Finance and Taxation)	August 7, 2006	Continuing	Appointment

Employees Share Purchase Scheme/Employee Stock Option Scheme

We do not have any stock option scheme or stock purchase scheme for the employees of our Company.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.



OUR PROMOTERS AND GROUP COMPANIES

The Promoters of our Company are two natural persons, one HUF and one company. The natural persons who are our Promoters are:

1. Mr. Pradeep Kumar Jain; and
2. Ms. Nutan Jain.

The HUF which is a Promoter of our Company is Pradeep Kumar Jain & Sons (HUF). The company which is our Promoter is Parasnath and Associates Private Limited ("PAPL"). The details of our Promoters are as follows:



Mr. Pradeep Kumar Jain, 42 years, (Passport no.E 0758353, Voter Id Number: DL/01/003/006374, Driving license number: P030120064884773, PAN: AEHPJ6194D), a resident Indian national is, our Promoter. He has two decades of experience in the real estate sector. Mr. Jain has received awards including the 'Jawaharlal Nehru Award for Excellence', the 'Vijay Ratna Award', the 'Udyog Ratan' and the 'World Economic Progress Award' for his entrepreneurship. Mr. Jain is also a member of the board of trustees of the Moradabad Institute of Technology. As the Chairman and Promoter of our Company, Mr. Jain is responsible for the overall working of the Company and is instrumental in making strategic decisions for the Company. He has been associated with our Company from its inception as a Promoter.



Ms. Nutan Jain, 40 years, (Passport no.F 2933689, PAN:ACBPJ 9940M, Driving License Number P02021999104821), a resident Indian national is our Promoter. She graduated with a Masters in Commerce degree from Raheja College, Mumbai. She holds a postgraduate degree in Hospitality Administration from S.N.D.T College, Mumbai.

Parasnath and Associates Private Limited ("PAPL")

PAPL was incorporated on October 30, 1986 with the object among other things to construct buildings and to deal with immovable properties. Its registered office is located at G-2, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of PAPL is as follows:

Name of Shareholder	Number of Shares	% of Issued Capital (approximated)
Mr. Pradeep Kumar Jain	5,600	70.89
Ms. Nutan Jain	2,200	27.85
Mr. Sanjeev Jain	100	1.26

Except for the transfer of 2,200 equity shares of PAPL from Mr. Sheetal Prasad Jain, Ms. Neelam Jain, Ms. Sumitra Jain and Mr. Ajay Jain to Ms. Nutan Jain on August 21, 2006 there has been no change in the capital structure or management of PAPL in the last six months.



Board of Directors

The board of directors of PAPL comprises Mr. Pradeep Kumar Jain and Mr. Sanjeev Jain.

Financial Performance

The financial results of PAPL for the years ended March 31, 2003, 2004, 2005 and 2006 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	790	790	790
Reserves (excluding revaluation reserves)	3,258.02	2,193.01	1,372.61
Income	6,709.09	5,215.90	4,897.36
Profit After Tax	1,065.01	820.40	204.03
Earning Per Share (in Rs.)	134.81	103.85	25.83
Asset value per share (in Rs.)	512.41	377.59	273.75

The details of PAPL's permanent account number, registration number, bank account number and the address of the RoC where it is registered are as follows:

PAN	AAACP0061B
Registration Number	55-25942
Bank Account	Syndicate Bank, New Delhi (Account Number 4183)
Address of the RoC	Pariyavaran Bhawan, Block B, 2 nd Floor, CGO Complex, Lodhi Road, New Delhi 110 003.

The details of permanent account number and bank account number of Pradeep Kumar Jain & Sons (HUF):

PAN	AAFHP8013H
Bank Account	Syndicate Bank, New Delhi (Account Number 46711)

Interest in promotion of our Company

Our Company had been promoted by Mr. Pradeep Kumar Jain and PAPL. For this purpose, Mr. Pradeep Kumar Jain and PAPL had subscribed to our Memorandum of Association and had subscribed to the initial issue of our Equity Shares.

Payment of benefits to our Promoters during the last two years

Except as stated in the section titled "Financial Statements - Related Party Transactions" beginning on page 193 of this Red Herring Prospectus, 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 and passport numbers of our individual Promoters have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

We confirm that the details of the permanent account number, bank account number and registration number of PAPL have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Further, our Promoters and Promoter group entities, including relatives of the Promoters have confirmed that they have not been detained as willful defaulters by the RBI 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 the Promoters named above, the following natural persons and companies are part of our Promoter group.

The natural persons who are part of our Promoter group (due to their relationship with our Promoters), other than the Promoters named above are as follows:-

1. Mr. S.P. Jain (father of Mr. Pradeep Kumar Jain);	8. Ms. Sumitra Jain (sister of Mr. Pradeep Kumar Jain);	15. Ms. Shyamvati Devi Jain (mother of Ms. Nutan Jain);
2. Mr. V. K. Jain (brother of Mr. Pradeep Kumar Jain);	9. Ms. Manorama Jain (sister of Pradeep Kumar Jain);	16. Ms. Krishna Jain (sister of Ms. Nutan Jain);
3. Mr. S. K. Jain (brother of Mr. Pradeep Kumar Jain);	10. Ms. Shashi Bala Jain (sister of Mr. Pradeep Kumar Jain);	17. Ms. Seema Aggarwal (sister of Ms. Nutan Jain);
4. Mr. Ajay Jain (brother of Mr. Pradeep Kumar Jain);	11. Ms. Savita Jain (sister of Mr. Pradeep Kumar Jain);	18. Mr. Yogesh Jain (brother of Ms. Nutan Jain);
5. Mr. Sanjeev Jain (brother of Mr. Pradeep Kumar Jain);	12. Ms. Rekha Jain (sister of Mr. Pradeep Kumar Jain);	19. Mr. Praveen Jain (brother of Ms. Nutan Jain);
6. Mr. Rajeev Jain (brother of Mr. Pradeep Kumar Jain);	13. Ms. Neelam Jain (sister of Mr. Pradeep Kumar Jain);	20. Ms. Neha Jain (daughter of Mr. Pradeep Kumar Jain and Ms. Nutan Jain); and
7. Ms. Trishla Jain (sister of Mr. Pradeep Kumar Jain);	14. Ms. Minu Jain (sister of Mr. Pradeep Kumar Jain);	21. Mr. Pranav Jain (son of Mr. Pradeep Kumar Jain and Ms. Nutan Jain)

The companies which are part of our Promoter group other than the Promoters are as follows:

1. Honey Builders Private Limited;	26. Poorti Infrastructure Private Limited;
2. Parasnath Travels & Tours Private Limited;	27. Himsagar Infrastructure Private Limited;
3. Janak Finance & Leasing Private Limited;	28. Whitegold Constructions Private Limited;
4. New Hind Enterprises Private Limited;	29. Arunachal Infrastructure Private Limited;
5. Noida Marketing Private Limited;	30. Aries Infrastructure Private Limited;
6. Vinu Promoters Private Limited;	31. Adela Buildcon Private Limited;
7. Mirage Buildwell Private Limited;	32. Afra Infrastructure Private Limited;
8. Lakshya Realtors Private Limited;	33. Baidehi Infrastructure Private Limited;
9. Jaguar Buildwell Private Limited;	34. Bakul Infrastructure Private Limited;
10. Panchvati Buildwell Private Limited;	35. Banita Buildcon Private Limited;
11. Coral Buildwell Private Limited;	36. Bliss Infrastructure Private Limited;
12. Nishtha Realtors Private Limited;	37. Elixir Infrastructure Private Limited;
13. Anjaney Developers Private Limited;	38. Perpetual Infrastructure Private Limited;
14. Crimson Infrastructure Private Limited;	39. Prosperity Infrastructures Private Limited;
15. Dolphin Buildwell Private Limited;	40. Sapphire Buildtech Private Limited;
16. Navneet Realtors Private Limited;	41. Gem Buildwell Private Limited;
17. Springdale Realtors Private Limited;	42. Pearl Propmart Private Limited;
18. Prasidhi Developers Private Limited;	43. Rangoli Buildcon Private Limited;
19. Parikrama Infrastructure Private Limited;	44. Rangoli Infrastructure Private Limited;
20. Prastut Real Estate Private Limited;	45. Jodhpur Infrastructure Private Limited;
21. Sumeru Developers Private Limited;	46. Basundhra Properties Private Limited;
22. Sarvapriya Realtors Private Limited;	47. Silverstreet Infrastructure Private Limited;
23. Scorpio Realtors Private Limited;	48. Genuine Properties Private Limited;
24. VKB Constructions Private Limited;	49. Goodworth Overseas Private Limited;
25. Roopak Infrastructure Private Limited;	50. Real Touch Developers Private Limited



51. Nilanchal Realtors Private Limited;	64. Enormity Buildcon Private Limited.;
52. Ajit Board Private Limited;	65. Adinath Buildwell Limited; and
53. LSD Realcon Private Limited;	66. Prop Shopee Private Limited;
54. Kalyani Pulp Private Limited;	67. Laban Real Estates Private Limited;
55. Timebound Contracts Private Limited.	68. Aaron Real Estates Private Limited;
56. Brinly Properties Private Limited;	69. Balbina Real Estates Private Limited;
57. Charushila Buildwell Private Limited;	70. Label Real Estates Private Limited;
58. Dhiren Real Estates Private Limited;	71. Dai Real Estates Private Limited;
59. Generous Buildwell Private Limited;	72. Bae Buildwell Private Limited;
60. Paavan Buildcon Private Limited;	73. Dae Realtors Private Limited;
61. Primetime Realtors Private Limited;	74. Balwaan Buildwell Private Limited; and
62. Stupendous Buildtech Private Limited;	75. Ashirwad Realtors Private Limited
63. Vital Buildwell Private Limited;	

The details of the companies that form a part of our Promoter group are as follows:

Honey Builders Private Limited ("Honey Builders")

Honey Builders was incorporated on November 15, 2001 with the object amongst other things to promote, buy, sell, acquire and develop land. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Honey Builders is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Mr. Pradeep Kumar Jain	5,000	50
Mr. Naveen Agarwal	2,500	25
Pradeep Kumar Jain & Sons (HUF)	2,500	25

There has been no change in the capital structure of Honey Builders in the last six months.

Board of Directors

The board of directors of Honey Builders comprises Mr. Naveen Agarwal, Mr. Pradeep Kumar Jain and Mr. Sanjeev Jain.

Financial Performance

The financial results of Honey Builders for the years ended March 31, 2003, 2004, 2005 and 2006 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006	March 31, 2005	March 31, 2004
Equity Capital	100.00	100.00	100.00
Reserves (excluding revaluation reserves)	Nil	Nil	Nil
Income	Nil	Nil	Nil
Profit After Tax	Nil	Nil	Nil
Earning Per Share (in Rs.)	Nil	Nil	Nil
Net Asset value Per Share (in Rs.)	6.75	5.66	4.58



Parasnath Travels & Tours Private Limited ("Parasnath Travels")

Parasnath Travels was incorporated on August 31, 1994 with the object amongst other things to act as travel agents and cargo consultants. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Parasnath Travels, is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding
Mr. Sheetal Prasad Jain	6,000	58.81
Dr. Rajeev Jain	4,000	39.21
Mr. Pradeep Kumar Jain	101	0.99
Ms. Nutan Jain	101	0.99

There has been no change in the capital structure of Parasnath Travels in the last six months.

Board of Directors

The board of directors of Parasnath Travels comprises Mr. Pradeep Kumar Jain and Ms. Nutan Jain.

Financial Performance

The financial results of Parasnath Travels for the years ended March 31, 2003, 2004, 2005 and 2006 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006	March 31, 2005	March 31, 2004
Equity Capital	102.20	102.02	102.02
Reserves (excluding revaluation reserves)	8.77	8.21	8.07
Income	8.00	5.25	5.00
Profit After Tax	0.56	0.14	0.27
Earning Per Share (in Rs.)	0.05	0.01	0.03
Net Asset value Per Share (in Rs.)	10.86	10.80	10.79

Janak Finance & Leasing Private Limited ("Janak Finance")

Janak Finance was incorporated on July 8, 1996 with the object amongst other things to finance and lease industrial equipment and consumer products. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Janak Finance is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding
Aadharshilla Contractors (P) Ltd.	85,000	62.88
Dr. Rajeev Jain	50,000	36.98
Mr. S.P. Jain	100	0.07
Mr. T.P. Chauhan	100	0.07

There has been no change in the capital structure of Janak Finance in the last six months.



Board of Directors

The board of directors of Janak Finance comprises Mr. Sheetal Prasad Jain and Mr. T.P. Chauhan.

Financial Performance

The financial results of Janak Finance for the years ended March 31, 2003, 2004, 2005 and 2006 are set forth below:

	(Rs. In 000's, unless otherwise stated)		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity Capital	1,352.00	1,352.00	1,352.00
Reserves (excluding revaluation reserves)	2,603.65	2,566.53	163.62
Income	89.51	2,880.16	110.25
Profit After Tax	37.12	2,402.91	39.43
Earning Per Share (in Rs.)	0.27	17.77	0.29
Net Asset value Per Share (in Rs.)	29.26	28.98	11.21

New Hind Enterprises Private Limited ("New Hind")

New Hind was incorporated on October 30, 2000 with the object amongst other things to promote, buy, sell, acquire and develop land. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of New Hind is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Ms. Neelam Jain	6,000	59.88
Parasnath and Associates Private Limited	4,020	40.12

Change in Management

Except for the transfer of 4,000 equity shares from Dr. Rajeev Jain and 10 equity shares each from Mr. Pradeep Kumar Jain and Mr. Sanjeev Jain to PAPL on March 27, 2006, there has been no change in the capital structure or management of New Hind in the last six months.

Board of Directors

The board of directors of New Hind comprises Mr. Pradeep Kumar Jain and Mr. Sanjeev Jain.

Financial Performance

The financial results of New Hind for the years ended March 31, 2003, 2004 and 2005 are set forth below:

	(Rs. In 000's, unless otherwise stated)		
	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	100.20	100.20	100.20
Reserves (excluding revaluation reserves)	586.68	273.82	Nil
Income	1,947.44	11,000.00	9,812.58
Profit After Tax	312.86	273.82	Nil
Earning Per Share (in Rs.)	31.22	27.32	Nil
Net Asset value Per Share (in Rs.)	68.55	36.68	8.70



Noida Marketing Private Limited ("Noida Marketing")

Noida Marketing was incorporated on June 2, 2000 with the object amongst other things to act as dealers, buyers, sellers, agents, importers, exporters etc of goods and merchandise. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Noida Marketing is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding
Ms. Nutan Jain	9,250	50
Mr. Sheetal Prasad Jain	4,625	25
Mr. Apurva Sanghvi	2,500	13.51
Mr. Sailesh Kumar	2,125	11.48

Change in Capital Structure

The High Court of Delhi has in an order dated September 26, 2005, sanctioned the scheme of amalgamation between A.G.K. Exim Private Limited and Noida Marketing, pursuant to which shareholders of A.G. K. Exim Private Limited i.e. Ms. Nutan Jain, Mr. Sheetal Prasad Jain and Mr. Sailesh Kumar have been allotted 85 shares in Noida Marketing for every 100 shares held in A.G.K Exim Private Limited.

Except as stated above, there has been no change in the capital structure of Noida Marketing in the last six months.

Board of Directors

The board of directors of Noida Marketing comprises Mr. M.C. Jain, Mr. G.R. Gogia and Mr. Apurva Sanghvi.

Financial Performance

The financial results of Noida Marketing for the years ended March 31, 2003, 2004 and 2005 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	100.00	100.00	100.00
Reserves (excluding revaluation reserves)	Nil	Nil	Nil
Income	Nil	Nil	Nil
Profit After Tax	Nil	Nil	Nil
Earning Per Share (in Rs.)	Nil	Nil	Nil
Net Asset value Per Share (in Rs.)	8.92	8.92	8.92



Vinu Promoters Private Limited ("Vinu Promoters")

Vinu Promoters was incorporated on January 17, 2001 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Vinu Promoters is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Noida Marketing Private Limited	7,500	75
Mr. Vinay Jain	2,500	25

The High Court of Delhi has in an order dated September 26, 2005, sanctioned the scheme of amalgamation between A.G.K. Exim Private Limited and Noida Marketing, pursuant to which 2,500 shares of Vinu Promoters held by A.G.K. Exim Private Limited was allotted to Noida Marketing Private Limited on December 19, 2005.

Except as stated above, there has been no change in the capital structure of Vinu Promoters in the last six months.

Board of Directors

The board of directors of Vinu Promoters comprises Mr. M.C. Jain, Mr. M.S. Nair and Mr. Vinay Jain.

Financial Performance

The financial results of Vinu Promoters for the years ended March 31, 2003, 2004 and 2005 are set forth below:

	(Rs. In 000's, unless otherwise stated)		
	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	100.00	100.00	100.00
Reserves (excluding revaluation reserves)	9.52	9.52	7.93
Income	Nil	17.31	20.23
Profit After Tax	Nil	5.84	5.88
Earning Per Share (in Rs.)	Nil	0.58	0.58
Net Asset value Per Share (in Rs.)	10.55	10.15	9.59

Mirage Buildwell Private Limited ("Mirage")

Mirage was incorporated on February 24, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Mirage is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Mirage in the last six months.



Board of Directors

The board of directors of Mirage comprises of Mr. M.C. Jain and Mr. M.S. Nair.

Financial Performance

The company was incorporated on February 24, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.62

Lakshya Realtors Private Limited ("Lakshya")

Lakshya was incorporated on February 24, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Lakshya is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath And Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Lakshya in the last six months.

Board of Directors

The board of directors of Lakshya comprises of Mr. S.C. Wadhwa and Mr. M.S. Nair.

Financial Performance

The company was incorporated on February 24, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.62



Jaguar Buildwell Private Limited ("Jaguar")

Jaguar was incorporated on February 24, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Jaguar, is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Jaguar in the last six months.

Board of Directors

The board of directors of Jaguar comprises of Mr. S.C. Wadhwa and Mr. M.C. Jain.

Financial Performance

The company was incorporated on February 24, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.62

Panchvati Buildwell Private Limited ("PBPL")

PBPL was incorporated on February 24, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of PBPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of PBPL in the last six months.

Board of Directors

The board of directors of PBPL comprises of Mr. S.C. Wadhwa and Mr. M.C. Jain.



Financial Performance

The company was incorporated on February 24, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.62

Coral Buildwell Private Limited ("Coral")

Coral was incorporated on February 24, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Coral is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Coral in the last six months.

Board of Directors

The board of directors of Coral comprises of Mr. S.C. Wadhwa and Mr. M.S. Nair.

Financial Performance

The company was incorporated on February 24, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.63



Nishtha Realtors Private Limited ("NRPL")

NRPL was incorporated on March 13, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of NRPL, is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of NRPL in the last six months.

Board of Directors

The board of directors of NRPL comprises of Mr. S.C. Wadhwa and Mr. M.C. Jain.

Financial Performance

The company was incorporated on March 13, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

		March 31, 2006
Equity Capital		100.00
Reserves (excluding revaluation reserves)		Nil
Income		Nil
Profit After Tax		Nil
Earning Per Share (in Rs.)		Nil
Net Asset value Per Share (in Rs.)		9.73

Anjaney Developers Private Limited ("ADPL")

ADPL was incorporated on June 6, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of ADPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of ADPL in the last six months.

Board of Directors

The board of directors of ADPL comprises of Mr. S.C. Wadhwa and Mr. M.C. Jain.



Financial Performance

The company was incorporated on June 6, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.10

Crimson Infrastructure Private Limited ("Crimson")

Crimson was incorporated on June 6, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Crimson is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Crimson in the last six months.

Board of Directors

The board of directors of Crimson comprises of Mr. S.C. Wadhwa and Mr. M.S. Nair.

Financial Performance

The company was incorporated on June 6, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Dolphin Buildwell Private Limited ("Dolphin")

Dolphin was incorporated on June 6, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of Dolphin is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Dolphin in the last six months.



Board of Directors

The board of directors of Dolphin comprises of Mr. M.C. Jain and Mr. M.S. Nair.

Financial Performance

The company was incorporated on June 6, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	10.00
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.14

Navneet Realtors Private Limited ("Navneet")

Navneet was incorporated on June 6, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Navneet, is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Navneet in the last six months.

Board of Directors

The board of directors of Navneet comprises of Mr. S.C. Wadhwa and Mr. M.C. Jain.

Financial Performance

The company was incorporated on June 6, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.14



Springdale Realtors Private Limited ("Springdale")

Springdale was incorporated on June 6, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Springdale is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Springdale in the last six months.

Board of Directors

The board of directors of Springdale comprises of Mr. M.C. Jain and Mr. M.S. Nair.

Financial Performance

The company was incorporated on June 6, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.12

Prasidhi Developers Private Limited ("Prasidhi")

Prasidhi was incorporated on June 6, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Prasidhi is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Prasidhi in the last six months.

Board of Directors

The board of directors of Prasidhi comprises of Mr. M.C. Jain and Mr. M.S. Nair.



Financial Performance

The company was incorporated on June 6, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.09

Parikrama Infrastructure Private Limited ("Parikrama")

Parikrama was incorporated on June 6, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Parikrama is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Parikrama in the last six months.

Board of Directors

The board of directors of Parikrama comprises of Mr. M.C. Jain and Mr. M.S. Nair.

Financial Performance

The company was incorporated on June 6, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.12

**Prastut Real Estate Private Limited ("PREPL")**

PREPL was incorporated on June 6, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19 Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of PREPL, is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of PREPL in the last six months.

Board of Directors

The board of directors of PREPL comprises of Mr. S.C. Wadhwa and Mr. M.S. Nair.

Financial Performance

The company was incorporated on June 6, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.08

Sumeru Developers Private Limited ("SDPL")

SDPL was incorporated on August 4, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of SDPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of SDPL in the last six months.

Board of Directors

The board of directors of SDPL comprises of Mr. S.C. Wadhwa and Mr. Madhur Narain.



Financial Performance

The company was incorporated on August 4, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.06

Sarpapriya Realtors Private Limited ("SRPL")

SRPL was incorporated on August 4, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of SRPL, is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of SRPL in the last six months.

Board of Directors

The board of directors of SRPL comprises of Mr. Madhur Narain and Mr. T.P. Chauhan.

Financial Performance

The company was incorporated on August 4, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.06

**Scorpio Realtors Private Limited ("Scorpio")**

Scorpio was incorporated on August 4, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Scorpio, is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Scorpio in the last six months.

Board of Directors

The board of directors of Scorpio comprises of Mr. Madhur Narain and Mr. T.P. Chauhan.

Financial Performance

The company was incorporated on August 4, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.17

VKB Construction Private Limited ("VKB")

VKB was incorporated on December 20, 1994 with the object amongst other things to carry on business in relation to immovable property. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of VKB are not listed on any stock exchange. The shareholding pattern of equity shares of VKB is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	94,450	50
New Hind Enterprises Private Limited	94,450	50

Change in Management

Parasnath and Associates Private Limited acquired 94,450 equity shares of VKB from Parsvnath Landmark Developers Private Limited and its nominees on March 22, 2006. New Hind Enterprises Private Limited acquired equity shares of VKB from Parsvnath Landmark Developers Private Limited and its nominees on March 22, 2006.

Except as stated above, there has been no change in the management of VKB in the last six months.



Board of Directors

The board of directors of VKB comprises of Mr. Atul Jain and Mr. C.P. Srivastava.

Financial Performance

The financial results of VKB for the years ended March 31, 2003, 2004 and 2005 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	1,889	1,889	1,889
Reserves (excluding revaluation reserves)	Nil	7.67	14.75
Income	Nil	Nil	6.90
Profit After Tax	(10.38)	(7.07)	(3.69)
Earning Per Share (in Rs.)	Nil	Nil	Nil
Net Asset value Per Share (in Rs.)	15.39	15.44	10.13

Roopak Infrastructure Private Limited ("Roopak")

Roopak was incorporated on August 4, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Roopak is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Roopak in the last six months.

Board of Directors

The board of directors of Roopak comprises of Mr. Madhur Narain and Mr. T. P. Chauhan.

Financial Performance

The company was incorporated on August 4, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.06

**Poorti Infrastructure Private Limited ("PIPL")**

PIPL was incorporated on August 4, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of PIPL, is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of PIPL in the last six months.

Board of Directors

The board of directors of PIPL comprises of Mr. S.C. Wadhwa and Mr. Madhur Narain.

Financial Performance

The company was incorporated on August 4, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.06

Himsagar Infrastructure Private Limited ("Himsagar")

Himsagar was incorporated on August 4, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Himsagar is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Himsagar in the last six months.

Board of Directors

The board of directors of Himsagar comprises of Mr. Madhur Narain and Mr. T.P. Chauhan.



Financial Performance

The company was incorporated on August 4, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	0.93
Income	12.00
Profit After Tax	0.93
Earning Per Share (in Rs.)	0.09
Net Asset value Per Share (in Rs.)	9.25

Whitegold Constructions Private Limited ("WCPL")

WCPL was incorporated on October 27, 2004 with the object amongst other things to carry on business in relation to immovable property. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of WCPL are not listed on any stock exchange. The shareholding pattern of WCPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

Change in Management

Parasnath and Associates Private Limited acquired 5,000 equity shares of WCPL from Parsvnath Landmark Developers Private Limited and its nominees on March 22, 2006. New Hind Enterprises Private Limited acquired 5,000 equity shares of WCPL from Parsvnath Landmark Developers Private Limited and its nominees on March 22, 2006.

Except as stated above, there has been no change in the management of WCPL in the last six months.

Board of Directors

The board of directors of WCPL comprises of Mr. Atul Jain and Mr. C.P. Srivastava.

Financial Performance

The company was incorporated on October 27, 2004. Hence financial results of WCPL are only available for the year ended March 31, 2005 which is set forth below:

(Rs. In 000's, unless otherwise specified)

	March 31, 2005
Equity Capital	100
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	(24.04)
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	6.42

**Arunachal Infrastructure Private Limited ("Arunachal")**

Arunachal was incorporated on August 5, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Arunachal is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Arunachal in the last six months.

Board of Directors

The board of directors of Arunachal comprises of Mr. Madhur Narain and Mr. T.P. Chauhan.

Financial Performance

The company was incorporated on August 5, 2005. The audited financial results of the company for the year ending March 31, 2006 are as follows:

(Rs. In 000's, unless otherwise stated)

	March 31, 2006
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	9.16

Aries Infrastructure Private Limited ("Aries")

Aries was incorporated on September 27, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Aries is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Aries in the last six months.

Board of Directors

The board of directors of Aries comprises of Mr. S.C. Wadhwa and Mr. Madhur Narain.



Financial Performance

The company was incorporated on August 4, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Adela Buildcon Private Limited ("ABPL")

ABPL was incorporated on September 27, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of ABPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of ABPL in the last six months.

Board of Directors

The board of directors of ABPL comprises of Mr. Madhur Narain and Mr. T.P. Chauhan.

Financial Performance

The company was incorporated on September 27, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Afra Infrastructure Private Limited ("AIPL")

AIPL was incorporated on September 27, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of AIPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath And Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of AIPL in the last six months.

Board of Directors

The board of directors of AIPL comprises of Mr. S.C. Wadhwa and Mr. Madhur Narain.

Financial Performance

The company was incorporated on September 27, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.



Baidehi Infrastructure Private Limited ("BIPL")

BIPL was incorporated on September 27, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of BIPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath And Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of BIPL in the last six months.

Board of Directors

The board of directors of BIPL comprises of Mr. Madhur Narain and Mr. T.P. Chauhan.

Financial Performance

The company was incorporated on September 27, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Bakul Infrastructure Private Limited ("Bakul")

Bakul was incorporated on September 27, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Bakul is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Bakul in the last six months.

Board of Directors

The board of directors of Bakul comprises of Mr. S.C. Wadhwa and Mr. Madhur Narain.

Financial Performance

The company was incorporated on September 27, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Banita Buildcon Private Limited ("BBPL")

BBPL was incorporated on September 27, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.



Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of BBPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of BBPL in the last six months.

Board of Directors

The board of directors of BBPL comprises of Mr. Madhur Narain and Mr. T.P. Chauhan.

Financial Performance

The company was incorporated on September 27, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Bliss Infrastructure Private Limited ("Bliss")

Bliss was incorporated on September 27, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of Bliss is set forth below:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Bliss in the last six months.

Board of Directors

The board of directors of Bliss comprises of Mr. S.C. Wadhwa and Mr. Madhur Narain.

Financial Performance

The company was incorporated on September 27, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

There has been no change in the capital structure of Bliss in the last six months.

Elixir Infrastructure Private Limited ("EIPL")

EIPL was incorporated on September 27, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.



Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of EIPL is set forth below:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of EIPL in the last six months.

Board of Directors

The board of directors of EIPL comprises of Mr. Madhur Narain and Mr. T.P Chauhan.

Financial Performance

The company was incorporated on September 27, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Perpetual Infrastructure Private Limited ("PIPL")

PIPL was incorporated on September 27, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of PIPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of PIPL in the last six months.

Board of Directors

The board of directors of PIPL comprises of Mr. S.C. Wadhwa and Mr. Madhur Narain.

Financial Performance

The company was incorporated on September 27, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Prosperity Infrastructure Private Limited ("Prosperity")

Prosperity was incorporated on September 27, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Prosperity is set forth below:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath And Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of Prosperity in the last six months.



Board of Directors

The board of directors of Prosperity comprises of Mr. Madhur Narain and Mr. T.P. Chauhan.

Financial Performance

The company was incorporated on September 27, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Sapphire Buildtech Private Limited ("Sapphire")

Sapphire was incorporated on September 29, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of Sapphire is set forth below:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

Change in Management

Parasnath And Associates Private Limited acquired 5,000 equity shares of Sapphire from Mr. Praveen Kumar Jolly on November 26, 2005. New Hind Enterprises Limited acquired 4,000 equity shares of Sapphire from Mr. Praveen Jolly and 1,000 equity shares from Mr. Pradeep Jolly on November 26, 2005.

Except as stated above, there has been no change in the management or capital structure of Sapphire in the last six months.

Board of Directors

The board of directors of Sapphire comprises of Mr. T.P. Chauhan and Mr. M.S. Nair.

Financial Performance

The company was incorporated on September 29, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Gem Buildwell Private Limited ("Gem")

Gem was incorporated on September 29, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of Gem is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50



Change in Management

Parasnath And Associates Private Limited acquired 5,000 equity shares of Gem from Mr. Praveen Kumar Jolly on November 26, 2005. New Hind Enterprises Limited acquired 4,000 equity shares of Gem from Mr. Praveen Jolly and 1,000 equity shares from Mr. Pradeep Jolly on November 26, 2005.

Except as stated above, there has been no change in the management of Gem in the last six months.

Board of Directors

The board of directors of Gem comprises of Mr. T.P. Chauhan and Mr. M.S. Nair.

Financial Performance

The company was incorporated on September 29, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Pearl Propmart Private Limited ("Pearl")

Pearl was incorporated on September 29, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Pearl is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

Change in Management

Parasnath And Associates Private Limited acquired 5,000 equity shares of Pearl from Mr. Praveen Kumar Jolly on November 26, 2005. New Hind Enterprises Limited acquired 4,000 equity shares of Pearl from Mr. Praveen Jolly and 1,000 equity shares from Mr. Pradeep Jolly on November 26, 2005.

Except as stated above, there has been no change in the management or capital structure of Pearl in the last six months.

Board of Directors

The board of directors of Pearl comprises of Mr. T.P. Chauhan and Mr. M.S. Nair.

Financial Performance

The company was incorporated on September 29, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Rangoli Buildcon Private Limited ("Rangoli")

Rangoli was incorporated on March 1, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Rangoli is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50



Change in Management

Parasnath and Associates Private Limited acquired 5,000 equity shares of Rangoli from Mr. Praveen Kumar Jolly on November 26, 2005. New Hind Enterprises Limited acquired 4,000 equity shares of Rangoli from Mr. Praveen Jolly and 1,000 equity shares from Mr. Pradeep Jolly on November 26, 2005.

Except as stated above, there has been no change in the management of Rangoli in the last six months.

Board of Directors

The board of directors of Rangoli comprises of Mr. T.P. Chauhan and Mr. M.S. Nair.

Financial Performance

The company was incorporated on March 1, 2005, hence, there are no financial statements for the financial years 2003 and 2004. Further, the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. The financial results of the company for the year ended March 31, 2005 are set forth below:

	March 31, 2005
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	(3.96)
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	8.54

Rangoli Infrastructure Private Limited ("RIPL")

RIPL was incorporated on March 11, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of RIPL is set forth below:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

Change in Management

Parasnath and Associates Private Limited acquired 5,000 equity shares of RIPL from Mr. Praveen Kumar Jolly on November 26, 2005. New Hind Enterprises Limited acquired 4,000 equity shares of RIPL from Mr. Praveen Jolly and 1,000 equity shares from Mr. Pradeep Jolly on November 26, 2005.

Except as stated above, there has been no change in the management of RIPL in the last six months.

Board of Directors

The board of directors of RIPL comprises of Mr. T.P. Chauhan and Mr. M.S. Nair.



Financial Performance

The company was incorporated on March 11, 2005, hence, the financial statements for the financial years 2003 and 2004 and are not available. Further, the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. The financial results of the company for the year ended March 31, 2005 are set forth below:

	March 31, 2005
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Sales	Nil
Profit After Tax	(4.09)
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	8.53

Jodhpur Infrastructure Private Limited ("JIPL")

JIPL was incorporated on February 2, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of JIPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

Change in Management

Mr. Pramod Kumar Agarwal acquired 5,000 equity shares of JIPL from Mr. Saurabh Kakkar on November 26, 2005. Ms. Kamlesh Dangayach acquired 4,999 equity shares of JIPL from Shaina Builders Private Limited and one equity share of JIPL from Mr. Sunil Talwar on November 26, 2001. Subsequently, New Hind Enterprises Private Limited purchased 5,000 equity shares of JIPL from Mr. Pramod Kumar Agarwal on November 30, 2005. Further, Parasnath And Associates Private Limited purchased 5,000 equity shares from Ms. Kamlesh Dangayach on November 30, 2005.

Except as disclosed above, there has been no change in the management of JIPL in the last six months.

Board of Directors

The board of directors of JIPL comprises of Mr. M.C. Jain and Mr. R. Babbar.

Financial Performance

The audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. The financial results of the company for the year ended March 31, 2005 are set forth below:

(Rs. In 000s, unless otherwise specified)

	March 31, 2005
Equity Capital	100.00
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	6.35



Basundhra Properties Private Limited ("BPPL")

BPPL was incorporated on January 13, 1977 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of BPPL is as follows:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Mr. Yogesh Jain	9,800	98
Dr. Rajeev Jain	100	1
Mr. Rajesh Jain	100	1

Mr. Yogesh Jain acquired 9,800 shares of BPPL from Mr. Satish Garg on August 26, 2005.

Except as stated above, there has been no change in the capital structure of BPPL in the last six months.

Board of Directors

The board of directors of BPPL comprises of Mr. Yogesh Jain and Mr. Sayantan Sinha.

Financial Performance

The financial results of BPPL for the years ended March 31, 2003, 2004, 2005 and 2006 are set forth below:

(Rs. in 000's, unless otherwise stated)

	March 31, 2006	March 31, 2005	March 31, 2004
Equity Capital	100.00	100.00	100.00
Reserves (excluding revaluation reserves)	1,297.45	464.05	258.75
Income	41,524.70	15,766.23	5,176.13
Profit After Tax	833.40	205.30	167.68
Earning Per Share (in Rs.)	83.34	20.53	16.77
Net Asset value Per Share (in Rs.)	140.65	56.40	35.87

Silverstreet Infrastructure Private Limited ("SIPL")

SIPL was incorporated on September 7, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of SIPL is set forth below:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of SIPL in the last six months.

**Board of Directors**

The board of directors of SIPL comprises of Mr. Madhur Narain and Mr. M.S. Nair.

Financial Performance

The company was incorporated on September 7, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

Genuine Properties Private Limited ("Genuine")

Genuine was incorporated on October 29, 2004 with the object amongst other things to carry on business in relation to immovable property. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of Genuine are not listed on any stock exchange. The shareholding pattern of equity shares of Genuine is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

Change in Management

Parasnath and Associates Private Limited acquired 5,000 equity shares of Genuine from Parasnath Landmark Developers Private Limited and its nominees on March 22, 2006. New Hind Enterprises Private Limited acquired 5,000 equity shares of Genuine from Parasnath Landmark Developers Private Limited and its nominees on March 22, 2006.

Except as stated above, there has been no change in the management of Genuine in the last six months.

Board of Directors

The board of directors of Genuine comprises of Mr. Atul Jain and Mr. C.P. Srivastava.

Financial Performance

The audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. The financial results of Genuine are only available for the year ended March 31, 2005 which is set forth below:

	March 31, 2005
Equity Capital	100
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	(24.37)
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	6.39



Goodworth Overseas Private Limited ("Goodworth")

Goodworth was incorporated on May 7, 1996 with the object amongst other things to carry on business in relation to immovable property. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of Goodworth are not listed on any stock exchange. The shareholding pattern of equity shares of Goodworth, is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,100	50
New Hind Enterprises Private Limited	5,100	50

Change in Management

Parasnath and Associates Private Limited acquired 5,100 equity shares of Goodworth from Parsvnath Landmark Developers Private Limited and its nominees on March 22, 2006. New Hind Enterprises Private Limited acquired 5,100 equity shares of Goodworth from Parsvnath Landmark Developers Private Limited and its nominees on March 22, 2006.

Except as stated above, there has been no change in the management of Goodworth in the last six months.

Board of Directors

The board of directors of Goodworth comprises of Mr. Atul Jain and Mr. C.P. Srivastava.

Financial Performance

The financial results of Goodworth for the years ended March 31, 2003, 2004 and 2005 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	102	102	102
Reserves (excluding revaluation reserves)	Nil	Nil	Nil
Income	Nil	Nil	15,062.5
Profit After Tax	(15.34)	(17.49)	65.94
Earning Per Share (in Rs.)	Nil	Nil	6.46
Net Asset value Per Share (in Rs.)	3.84	5.27	7.43

Real Touch Developers Private Limited ("Real Touch")

Real Touch was incorporated on May 7, 1996 with the object amongst other things to carry on business in relation to immovable property. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of Real Touch are not listed on any stock exchange. The shareholding pattern of equity shares of Real Touch, is set forth below:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	7,100	50
New Hind Enterprises Private Limited	7,100	50



Change in Management

Parasnath and Associates Private Limited acquired 7,100 equity shares of Real Touch from Parsvnath Landmark Developers Private Limited and its nominees on March 22, 2006. New Hind Enterprises Private Limited acquired 7,100 equity shares of Real Touch from Parsvnath Landmark Developers Private Limited and its nominees on March 22, 2006.

Except as stated above, there has been no change in the management of Real Touch in the last six months.

Board of Directors

The board of directors of Real Touch comprises of Mr. Atul Jain and Mr. C.P. Srivastava.

Financial Performance

The financial results of Real Touch for the years ended March 31, 2003, 2004 and 2005 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	142	142	142
Reserves (excluding revaluation reserves)	Nil	Nil	Nil
Income	Nil	Nil	15,062.50
Profit After Tax	(4.77)	(14.66)	70.51
Earning Per Share (in Rs.)	Nil	Nil	4.97
Net Asset value Per Share (in Rs.)	6.82	7.10	8.44

Nilanchal Realtors Private Limited ("Nilanchal")

Nilanchal was incorporated on December 23, 2004 with the object amongst other things to carry on business in relation to immovable property. The registered office of the company is located at 201, Arunachal Buidling, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of Nilanchal are not listed on any stock exchange. The shareholding pattern of equity shares of Nilanchal, is set forth below:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

Change in Management

Parasnath and Associates Private Limited acquired 5,000 equity shares of Nilanchal from Parsvnath Landmark Developers Private Limited and its nominees on March 22, 2006. New Hind Enterprises Private Limited acquired 5,000 equity shares of Nilanchal from Parsvnath Landmark Developers Private Limited and its nominees on March 22, 2006.

Except as stated above, there has been no change in the management of Nilanchal in the last six months.

Board of Directors

The board of directors of Nilanchal comprises of Mr. Atul Jain and Mr. C.P. Srivastava.



Financial Performance

The company was incorporated on December 23, 2004 hence, the financial statements for the financial years 2003 and 2004 are not available. Further, the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence financial results of Nilanchal are only available for the year ended March 31, 2005 which is set forth below:

(Rs. in 000's, unless otherwise stated)

	March 31, 2005
Equity Capital	100
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	Nil
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	10.00

Ajit Board Private Limited ("ABPL")

ABPL was incorporated on April 13, 1973 with the object amongst other things to carry on business in relation to immovable property. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of ABPL are not listed on any stock exchange. The shareholding pattern of equity shares of ABPL, is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	700	50
New Hind Enterprises Private Limited	700	50

Change in Management

Parasnath and Associates Private Limited acquired 700 equity shares of Rs. 100 each of ABPL from Mr. R.K. Jain on March 31, 2006. New Hind Enterprises Private Limited acquired 300 equity shares Rs. 100 each of ABPL from Mr. Sushant Jain, 300 equity shares Rs. 100 each of ABPL from Mr. Prashant Jain and 100 equity shares of Rs. 100 each of ABPL from Ms. Savita Jain on March 31, 2006.

Except as stated above, there has been no change in the management of ABPL in the last six months.

Board of Directors

The board of directors of ABPL comprises of Mr. Atul Jain and Mr. C.P. Srivastava.



Financial Performance

The financial results of ABPL for the years ended March 31, 2003, 2004 and 2005 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	140	140	140
Reserves (excluding revaluation reserves)	Nil	Nil	Nil
Income	Nil	Nil	Nil
Profit After Tax	(1.88)	(1.46)	(2.99)
Earning Per Share (in Rs.)	Nil	Nil	Nil
Net Asset value Per Share (in Rs.)	63.04	64.38	65.42

LSD Realcon Private Limited ("LSD")

LSD was incorporated on January 16, 2006 with the object amongst other things to carry on business in relation to immovable property. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of LSD are not listed on any stock exchange. The shareholding pattern of equity shares of LSD, is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

Change in Management

Parasnath and Associates Private Limited acquired 4,000 equity shares of LSD from Mr. Digvijay Singh and 1,000 equity shares of LSD from Mr. Sunil Chauhan on April 19, 2006. New Hind Enterprises Private Limited acquired 2,000 equity shares of LSD from Mr. Sunil Chauhan and 3,000 equity shares of LSD from Mr. Lokesh Chauhan on April 19, 2006.

Except as stated above, there has been no change in the management of LSD in the last six months.

Board of Directors

The board of directors of LSD comprises of Mr. Atul Jain and Mr. C.P. Srivastava.

Financial Performance

The company was incorporated on January 16, 2006. Hence no audited information on its financial performance is available.

Kalyani Pulp Private Limited ("Kalyani")

Kalyani was incorporated on March 14, 1991 with the object amongst other things to carry on business in relation to immovable property. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.



Shareholding Pattern

The equity shares of Kalyani are not listed on any stock exchange. The shareholding pattern of equity shares of Kalyani, is set forth below:

Name of shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	25,000	50
New Hind Enterprises Private Limited	25,000	50

Change in Management

Parasnath and Associates Private Limited acquired 13,380 equity shares of Kalyani from Mr. Ravendra Kumar Jain, 5,060 equity shares of Kalyani from Mr. Sushant Jain and 6,560 equity shares of Kalyani from Mr. Prashant Jain on March 31, 2006. New Hind Enterprises Private Limited acquired 5,000 equity shares of Kalyani from Mr. Ravendra Kumar Jain and 20,000 equity shares of Kalyani from Ms. Savita Jain on March 31, 2006.

Except as stated above, there has been no change in the management of Kalyani in the last six months.

Board of Directors

The board of directors of Kalyani comprises of Mr. Atul Jain and Mr. C.P. Srivastava.

Financial Performance

The financial results of Kalyani for the years ended March 31, 2003, 2004 and 2005 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	500	500	500
Reserves (excluding revaluation reserves)	Nil	Nil	Nil
Income	2,288.00	1,879.49	2,671.02
Profit After Tax	(1,104.75)	15.07	73.32
Earning Per Share (in Rs.)	Nil	0.30	1.47
Net Asset value Per Share (in Rs.)	Nil	9.87	9.57

Timebound Contracts Private Limited ("TCPL")

TCPL was incorporated on December 24, 2004 with the object amongst other things to carry on business in relation to immovable property. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of TCPL are not listed on any stock exchange. The shareholding pattern of equity shares of TCPL, is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	3,000	30.00
New Hind Enterprises Private Limited	2,000	20.00
Mr. Pradeep Kumar Singh	4,900	49.00
Mr. Raj Kumar Arora	100	1.00



Change in Management

Parasnath and Associates Private Limited acquired 3,000 equity shares of TCPL from Mr. Pradeep Kumar Singh on March 21, 2006. New Hind Enterprises Private Limited acquired 2,000 equity shares from Mr. Pradeep Kumar Singh on March 21, 2006.

Except as stated above, there has been no change in the management of TCPL in the last six months.

Board of Directors

The board of directors of TCPL comprises of Mr. M.S. Nair and Mr. Raj Kumar Arora.

Financial Performance

The company was incorporated on December 24, 2004, hence, the financial statements for the financial years 2003 and 2004 are not available. Further, the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence financial results of TCPL are only available for the year ended March 31, 2005 which is set forth below:

(Rs. in 000's, unless otherwise stated)

	March 31, 2005
Equity Capital	100
Reserves (excluding revaluation reserves)	Nil
Income	Nil
Profit After Tax	(6.24)
Earning Per Share (in Rs.)	Nil
Net Asset value Per Share (in Rs.)	8.28

Dhiren Real Estates Private Limited ("DREPL")

DREPL was incorporated on June 2, 2006 with the object *inter alia* to purchase any land, plot(s), of land or immovable property or any right or interest therein and to develop and construct residential and commercial complexes. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of DREPL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of DREPL in the last six months.

Board of Directors

The board of directors of DREPL comprises of Mr. M. C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.



Generous Buildwell Private Limited ("GBPL")

GBPL was incorporated on June 2, 2006 with the object *inter alia* to purchase any land, plot(s), of land or immovable property or any right or interest therein and to develop and construct residential and commercial complexes. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of GBPL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of GBPL in the last six months.

Board of Directors

The board of directors of GBPL comprises of Mr. M. C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.

Charushila Buildwell Private Limited ("CBPL")

CBPL was incorporated on June 3, 2006 with the object *inter alia* to purchase any land, plot(s), of land or immovable property or any right or interest therein and to develop and construct residential and commercial complexes. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of CBPL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of CBPL in the last six months.

Board of Directors

The board of directors of CBPL comprises of Mr. M. C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.



Stupendous Buildtech Private Limited ("SBPL")

SBPL was incorporated on June 3, 2006 with the object *inter alia* to purchase any land, plot(s), of land or immovable property or any right or interest therein and to develop and construct residential and commercial complexes. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of SBPL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of SBPL in the last six months.

Board of Directors

The board of directors of SBPL comprises of Mr. M. C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.

Brinly Properties Private Limited ("BPPL")

BPPL was incorporated on June 3, 2006 with the object *inter alia* to purchase any land, plot(s), of land or immovable property or any right or interest therein and to develop and construct residential and commercial complexes. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of BPPL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of BPPL in the last six months.

Board of Directors

The board of directors of BPPL comprises of Mr. M. C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.



Paavan Buildcon Private Limited ("PBPL")

PBPL was incorporated on June 10, 2006 with the object *inter alia* to purchase any land, plot(s), of land or immovable property or any right or interest therein and to develop and construct residential and commercial complexes. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of PBPL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of PBPL in the last six months.

Board of Directors

The board of directors of PBPL comprises of Mr. M. C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.

Primetime Realtors Private Limited ("PRPL")

PRPL was incorporated on June 10, 2006 with the object *inter alia* to purchase any land, plot(s), of land or immovable property or any right or interest therein and to develop and construct residential and commercial complexes. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of PRPL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of PRPL in the last six months.

Board of Directors

The board of directors of PRPL comprises of Mr. M. C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.



Vital Buildwell Private Limited ("VBPL")

VBPL was incorporated on June 10, 2006 with the object *inter alia* to purchase any land, plot(s), of land or immovable property or any right or interest therein and to develop and construct residential and commercial complexes. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of VBPL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of VBPL in the last six months.

Board of Directors

The board of directors of VBPL comprises of Mr. M. C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.

Enormity Buildcon Private Limited ("EBPL")

EBPL was incorporated on June 25, 2006 with the object *inter alia* to purchase any land, plot(s), of land or immovable property or any right or interest therein and to develop and construct residential and commercial complexes. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of EBPL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in the capital structure of EBPL in the last six months.

Board of Directors

The board of directors of EBPL comprises of Mr. M. C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.



Prop Shpee Private Limited ("PSP")

PSP was incorporated on January 14, 1998 with the object amongst other things to carry on business of real estate. The registered office of the company is located at G F 28, Antriksh Bhawan, 22, K.G Marg, New Delhi 110 001.

Shareholding Pattern

The equity shares of PSP are not listed on any stock exchange. The shareholding pattern of equity shares of PSP as is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Mr. S.K. Jain	21,000	50
Ms. Harsha Jain	21,000	50

There has been no change in the capital structure of PSP in the last six months.

Change in Management

There has been no change in the management of PSP in the last six months.

Board of Directors

The board of directors of PSP comprises of Mr. S.K Jain and Ms. Harsha Jain.

Financial Performance

The financial results of PSP for the years ended March 31, 2003, 2004 and 2005 are set forth below:

(Rs. In 000's, unless otherwise stated)

	March 31, 2005	March 31, 2004	March 31, 2003
Equity Capital	420.00	420.00	420.00
Reserves (excluding revaluation reserves)	1,813.12	1,165.55	720.50
Income	12,849.88	5,304.94	5,057.00
Profit After Tax	647.57	445.06	277.13
Earning Per Share (in Rs.)	15.42	10.60	6.60
Net Asset value Per Share (in Rs.)	53.10	37.66	27.04



Adinath Buildwell Limited ("Adinath")

Adinath was incorporated on September 22, 2005 and the certificate of commencement of business was obtained on October 7, 2005. The object amongst other things is to carry on business as house, land and estate agents and to arrange or undertake the sale, purchase of buildings and other property. Its registered office is located at 112, 1st Floor, Vardhman Tower, 16-18, Community Centre, Preet Vihar, Delhi-110 092.

Shareholding pattern

The equity shares of Adinath are not listed on any stock exchange. The shareholding pattern of Adinath as, is as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Mr. Vijender Kumar Jain	25,000	46.29
Ms. Sudha Jain	20,000	37.04
Ms. Rashi Jain	5,000	9.26
Mr. Sumat Prasad Jain	1,000	1.85
Ms. Subhadra Jain	1,000	1.85
Mr. Arun Kumar Jain	1,000	1.85
Mr. Manoj Gupta	1,000	1.85

There has been no change in the capital structure of Adinath in the last six months.

Board of Directors

As of March 14, 2006, the board of directors of Adinath comprises Mr. Vijender Kumar Jain, Ms. Sudha Jain and Ms. Rashi Jain.

Financial Performance

The company was incorporated on September 22, 2005. Hence no audited information on its financial performance is available.

Laban Real Estates Private Limited ("Laban")

Laban was incorporated on July 14, 2006 with the object *inter alia* to purchase sell, manage or develop any land, plots of land or immovable property or right or interest therein. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Laban is as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in capital structure of Laban for the last six months.

Board of Directors

The board of directors of Laban comprises of Mr. M.C. Jain and Mr. Atul Jain.



Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.

Aaron Real Estates Private Limited ("Aaron")

Aaron was incorporated on July 9, 2006 with the object *inter alia* to purchase sell, manage or develop any land, plots of land or immovable property or right or interest therein. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Aaron is as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath And Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in capital structure of Aaron for the last six months.

Board of Directors

The board of directors of Aaron comprises of Mr. M.C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.

Balbina Real Estates Private Limited ("Balbina")

Balbina was incorporated on July 12, 2006 with the object *inter alia* to purchase sell, manage or develop any land, plots of land or immovable property or right or interest therein. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Balbina is as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath And Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in capital structure of Balbina for the last six months.

Board of Directors

The board of directors of Balbina comprises of Mr. M.C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.



Label Real Estates Private Limited ("Label")

Label was incorporated on July 8, 2006 with the object *inter alia* to purchase sell, manage or develop any land, plots of land or immovable property or right or interest therein. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Label is as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath And Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in capital structure of Label for the last six months.

Board of Directors

The board of directors of Label comprises of Mr. M.C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.

Dai Real Estates Private Limited ("Dai")

Dai was incorporated on July 14, 2006 with the object *inter alia* to purchase sell, manage or develop any land, plots of land or immovable property or right or interest therein. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Dai is as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath And Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in capital structure of Dai for the last six months.

Board of Directors

The board of directors of Dai comprises of Mr. M.C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.



Bae Buildwell Private Limited ("Bae")

Bae was incorporated on July 8, 2006 with the object *inter alia* to purchase sell, manage or develop any land, plots of land or immovable property or right or interest therein. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Bae is as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in capital structure of Bae for the last six months.

Board of Directors

The board of directors of Bae comprises of Mr. M.C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.

Dae Realtors Private Limited ("Dae")

Dae was incorporated on July 12, 2006 with the object *inter alia* to purchase sell, manage or develop any land, plots of land or immovable property or right or interest therein. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Dae is as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in capital structure of Dae for the last six months.

Board of Directors

The board of directors of Dae comprises of Mr. M.C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.

**Balwaan Buildwell Private Limited ("Balwaan")**

Balwaan was incorporated on July 9, 2006 with the object *inter alia* to purchase sell, manage or develop any land , plots of land or immovable property or right or interest therein. Its registered office is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Balwaan is as follows:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

There has been no change in capital structure of Balwaan for the last six months.

Board of Directors

The board of directors of Balwaan comprises of Mr. M.C. Jain and Mr. Atul Jain.

Financial Performance

The company was incorporated in the current fiscal year. Hence no audited information on its financial performance is available.

Ashirwad Realtors Private Limited ("ARPL")

ARPL was incorporated on April 4, 2005 with the object amongst other things to promote, buy, sell, acquire or develop land. The registered office of the company is located at 201, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001.

Shareholding Pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of equity shares of SIPL is set forth below:

Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Parasnath and Associates Private Limited	5,000	50
New Hind Enterprises Private Limited	5,000	50

Except for the sale of 5,000 shares of ARPL from Mr. Kailash Gupta and Mr. Yogesh Kumar to PAPL and 5,000 equity shares of ARPL from Ms. Babita Gupta and Mr. Mohinder Pal to NHEPL on July 18, 2006 there has been no change in the capital structure or management of ARPL in the last six months.

Board of Directors

The board of directors of ARPL comprises of Mr. S.C. Wadhwa and Mr. Atul Jain.

Financial Performance

The company was incorporated on April 4, 2005 and the audited financial results of the company for the year ending March 31, 2006 are still in the process of being prepared. Hence no audited information on its financial performance is available.

None of the individuals or entities comprising our Promoter group have been restricted from accessing the capital markets. A number of our Promoter group companies have common pursuits and are involved in the real estate sector.



Companies with which Promoters have dissociated in the last three years

- (a) With effect from September 22, 2005, PAPL, our Promoter sold 5,000 equity shares of Amaze Buildwell Private Limited ("Amaze") for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of PAPL in Amaze. Further, NHEPL, our Promoter group company, sold 5,000 equity shares of Amaze for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of NHEPL in Amaze.
- (b) With effect from October 10, 2005, PAPL, our Promoter sold 5,000 equity shares of Daisy Realtors ("Daisy") for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of PAPL in Daisy. Further, NHEPL, our Promoter group company, sold 5,000 equity shares of Daisy for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of NHEPL in Daisy.
- (c) With effect from September 22, 2005, PAPL, our Promoter sold 5,000 equity shares of Prarambh Realtors Private Limited ("Prarambh") for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of PAPL in Prarambh. Further, NHEPL, our Promoter group company, sold 5,000 equity shares of Prarambh for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of NHEPL in Prarambh.
- (d) With effect from January 2, 2006, PAPL, our Promoter sold 5,000 equity shares of Antriksh Buildwell Private Limited ("Antriksh") for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of PAPL in Antriksh. Further, NHEPL, our Promoter group company, sold 5,000 equity shares of Antriksh for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of NHEPL in Antriksh.
- (e) With effect from March 31, 2005, Pradeep Kumar Jain and Sons (HUF), our Promoter sold 350,010 equity shares of Blox.com Technology Limited ("BTL") for a consideration of Rs. 10 per equity share. Which constituted the entire shareholding of Pradeep Kumar Jain and Sons (HUF) in BTL. Further, Mr. Pradeep Jain and Ms. Nutan Jain, our Promoters, each sold 10 equity shares of BTL for a consideration of Rs. 10 per equity share, which constituted their entire shareholding in BTL.
- (f) With effect from May 17, 2005, PAPL, our Promoter sold 400 equity shares of Angel Baby Products Private Limited ("Angel") for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of PAPL in Angel. Further, NHEPL, our Promoter group company, sold 350 equity shares of Angel for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of NHEPL in Angel. With effect from June 17, 2003, Mr. Pradeep Jain, our Promoter sold seven equity shares of Angel for a consideration of Rs. 10 per equity share, which constituted his entire shareholding in Angel. Further, Dr. Rajeev Jain, an individual in our Promoter group, sold 400 equity shares of Angel for a consideration of Rs. 10 per equity share, which constituted his entire shareholding in Angel.
- (g) With effect from March 30, 2006, PAPL, our Promoter sold 5,000 equity shares of Prithvi Buildcon Private Limited ("Prithvi") for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of PAPL in Prithvi. Further, NHEPL, our Promoter group company, sold 5,000 equity shares of Prithvi for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of NHEPL in Prithvi.
- (h) With effect from March 30, 2006, PAPL, our Promoter sold 5,000 equity shares of Vindhyachal Properties Private Limited ("Vindhyachal") for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of PAPL in Vindhyachal. Further, NHEPL, our Promoter group company, sold 5,000 equity shares of Vindhyachal for a consideration of Rs. 10 per equity share, which constituted the entire shareholding of NHEPL in Vindhyachal.

Related Party Transactions

For details of the related party transactions, see the section titled "Financial Statements—Related Party Transactions" on page 193 of this Red Herring Prospectus.



DIVIDEND POLICY

The declaration and payment of dividends on our equity shares will be recommended by our board of directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The dividend and dividend tax paid by our company during the last five fiscal years is presented below :-

Particulars	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
Number of Equity Shares of (million shares)	98.91	8.24	8.24	1.37	1.37
Rate of Dividend (%)					
Interim	-	-	-	-	-
Final	20.00	20.00	15.00	-	-
Amount of Dividend on Equity Shares (Rs. Million):					
Interim	-	-	-	-	-
Final	65.18*	16.49	7.04	-	-
Total Dividend Tax relating to Equity Shares (Rs. Million)	9.14	2.31	0.92	-	-

**on a pro rata basis*

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

Pursuant to the terms of some of our loan agreements, namely from Jammu and Kashmir Bank Limited, LIC Housing Finance Limited, State Bank of Hyderabad, State Bank of Travancore and State Bank of India, we cannot declare or pay any dividend to our shareholders during any financial year unless we have paid all the dues to the respective lenders or paid or have made satisfactory provisions therefor or if we are in default of the terms and conditions of such loan agreements. For details, see section titled "Financial Indebtedness" on page 73 of this Red Herring Prospectus.



FINANCIAL STATEMENTS

AUDITORS' REPORT

To,

The Board of Directors,
Parsvnath Developers Limited
6th Floor, "Arunachal" Building
19, Barakhamba Road,
New Delhi 110 001

Dear Sirs,

We have examined the financial information of Parsvnath Developers Limited ('the Company') annexed to this report for the purpose of inclusion in the Red Herring Prospectus ('the RHP'). The said financial information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'), the Securities and Exchange Board of India ("SEBI") – Disclosure and Investor Protection Guidelines, 2000 ('the Guidelines'), as amended vide notification SEBI/ CFD/ DIL/ DIP/ 14/ 2005/ 25/ 1 dated January 25, 2005 issued by the Securities and Exchange Board of India in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992; and related clarification; and in accordance with the terms of reference received from the Company requesting us to carry out work in connection with the offer document being issued by the Company in connection with its Proposed Initial Public Offer ('IPO') of Equity Shares. The financial information has been prepared by the Company and approved by the Board of Directors.

A. Financial Information as per Audited Financial Statements:

We have examined the attached 'Restated Summary Statement of Assets and Liabilities' of the Company as at 30 June, 2006, 30 June 2005, 31 March, 2006, 2005, 2004, 2003 and 2002 (Annexure I) and the attached 'Restated Summary Statement of Profits and Losses' (Annexure II) and the attached 'Restated Statement of Cash Flows' (Annexure III) for three months period ended 30 June 2006 & 30 June 2005 and each of the years ended 31 March 2006, 2005, 2004, 2003 and 2002 together referred to as 'Restated Summary Statements'. These Summary Statements have been extracted from the financial statements of the years ended 31 March, 2002, 2003 and 2004 audited by S. Prashad & Co., Chartered Accountants and for the year ended 31 March, 2005 audited by Shanti Prashad & Co., Chartered Accountants, being the auditors of the Company for those years, and have been adopted by the Board of Directors / Members for those respective years. The financial statements for the three months period ended 30 June, 2006, 30 June, 2005 and for the year ended 31 March 2006 have been adopted by the Board of Directors and audited by us. Based on our examination of these summary statements, we state that:

- i. The 'Restated Summary Statements' have to be read in conjunction with the notes given in Annexure IV to this report.
- ii. The 'Restated Summary Statements' of the Company have been restated with retrospective effect to reflect the significant accounting policies being adopted by the Company as at 30 June 2006, as stated in the Notes forming part of the restated Summary Statements vide Annexure IV to this report.
- iii. The restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as in our opinion are appropriate in the year / period to which they are related as described in Para 3 of the 'Notes Forming Parts of the Restated Summary Statements' appearing in Annexure IV.
- iv. Qualifications in the Auditors' Report which do not require any corrective adjustments in the financial statements are disclosed in Note 4 of Annexure IV.

B. Other Financial Information:

We have examined the following information in respect of the three months period ended 30 June 2006 & 2005 and the years ended 31 March 2006, 2005, 2004, 2003 and 2002 of the Company, proposed to be included in the RHP, as approved by the Board of Directors and annexed to this report:

- i. Details of Secured and Unsecured Loans (Annexure – V)
- ii. Details of Loans and Advances (Annexure – VI)



- iii. Details of Sundry Debtors (Annexure – VII)
- iv. Statement of Summary of Investments (Annexure – VIII)
- v. Details of Current Liabilities and Provisions (Annexure – IX)
- vi. Statement giving details of Other Income (Annexure – X)
- vii. Details of Contingent Liabilities (Annexure – XI)
- viii. Statement of Dividend paid (Annexure – XII)
- ix. Summary of Accounting Ratios based on adjusted profits related to earnings per share, net asset value and return on net worth (Annexure – XIII)
- x. Statement of Tax shelters (Annexure – XIV)
- xi. Capitalisation Statement of the Company as at 30 June, 2006 (Annexure – XV)
- xii. Related Party Disclosure (Annexure – XVI)

In our opinion, the 'Financial Information as per Audited Financial Statements' and 'Other Financial Information' mentioned above for the three months period ended 30 June, 2006 & 2005 and for the years ended 31 March 2006, 2005, 2004, 2003 and 2002 have been prepared in accordance with Part II of schedule II of the Act and the Guidelines.

This report should not in any way be construed as a reissuance or redating of any of the previous audit report by other firms of Chartered Accountants nor should this be construed as a new opinion on any of the financial statements referred to herein.

This report is intended solely for your information and for inclusion in RHP in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For DELOITTE HASKINS & SELLS

Chartered Accountants

JITENDRA AGARWAL

Partner

Membership No. 87104

New Delhi

October 14, 2006



ANNEXURE - I

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Fixed Assets							
Gross Block	539.42	231.16	446.48	205.03	71.66	38.05	29.30
Less: Depreciation	114.98	58.57	90.21	49.85	31.42	21.03	16.48
Net Block	424.44	172.59	356.27	155.18	40.24	17.02	12.82
Capital Work in Progress	212.89	34.51	172.69	-	-	0.00	-
Total-A	637.33	207.10	528.96	155.18	40.24	17.02	12.82
Investments - B	83.25	42.02	80.15	42.02	2.77	2.72	2.72
Deferred Tax Assets -C	4.64	1.03	0.59	-	1.10	0.29	-
Current Assets, Loans & Advances							
Inventory	4,578.12	2,038.44	3,894.17	2,471.08	1,344.76	902.93	310.82
Sundry Debtors	1,192.40	408.25	637.71	433.82	129.84	98.20	56.73
Cash & Bank Balances	400.38	446.04	412.45	841.03	25.88	11.64	4.87
Loans & Advances	4,884.76	2,189.82	3,942.38	1,642.13	112.34	50.32	52.93
Total -D	11,055.66	5,082.55	8,886.71	5,388.06	1,612.82	1,063.09	425.35
Total Assets (A + B + C+D) = E	11,780.88	5,332.70	9,496.41	5,585.26	1,656.93	1,083.12	440.89
Liabilities and Provisions							
Secured Loans	3,051.74	978.58	2,358.50	1,207.00	484.67	2.26	2.23
Unsecured Loans	60.00	-	-	-	-	2.53	-
Deferred Tax Liabilities	-	-	-	0.16	-	-	-
Current Liabilities	5,599.63	3,003.44	4,542.38	3,239.47	755.71	864.44	347.87
Provisions	692.55	173.54	584.02	122.92	38.78	11.92	3.64
Total -F	9,403.92	4,155.56	7,484.90	4,569.55	1,279.16	881.15	353.74
Net Worth (E-F)	2,376.96	1,177.14	2,011.51	1,015.72	377.77	201.97	87.15
Net Worth represented by							
Share Capital	989.14	82.43	989.14	82.43	82.43	13.74	13.74
Reserve & Surplus	1,387.82	1,094.71	1,022.37	933.54	295.68	188.24	73.41
Total	2,376.96	1,177.14	2,011.51	1,015.97	378.11	201.97	87.15
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-	0.26	0.34	-	-
Net Worth	2,376.96	1,177.14	2,011.51	1,015.72	377.77	201.97	87.15

The accompanying significant accounting policies and notes (Annexure IV) are an integral part of the accounts.



ANNEXURE - II

RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES

Rs./Millions

Particulars	Quarter ended		For the Financial Year Ended				
	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
INCOME							
Income from Operations	2,468.69	1,477.59	6,438.32	3,032.07	1,121.47	687.99	272.27
Other Income	21.46	20.03	99.35	36.39	7.98	5.81	0.68
Total	2,490.15	1,497.62	6,537.67	3,068.46	1,129.45	693.80	272.95
EXPENDITURE							
Cost of Construction/ Development	1,788.84	1,208.56	4,649.53	2,213.15	853.63	533.90	216.93
Personnel Expenses	32.21	20.13	81.00	39.61	24.85	12.84	6.57
Selling General and Administrative Expenses	89.10	26.77	267.76	54.88	35.29	15.68	9.57
Financial Expenses	13.20	4.54	26.87	10.55	3.56	1.19	0.83
Depreciation	24.78	8.74	42.17	20.32	10.68	4.55	3.00
Total	1,948.13	1,268.74	5,067.33	2,338.51	928.01	568.16	236.90
Adjusted profit before tax	542.02	228.88	1,470.34	729.95	201.44	125.64	36.06
Provision for taxation							
Current tax	180.00	68.50	398.74	72.04	18.14	11.11	3.08
Deferred Tax	(4.05)	(1.19)	(0.76)	1.26	(0.80)	(0.11)	-
Fringe benefit tax	0.62	0.40	2.50	-	-	-	-
Adjusted profit after tax	365.45	161.17	1,069.86	656.65	184.10	114.64	32.97
Carry Forward Profit from Previous year	910.52	821.69	821.69	258.83	162.39	47.56	14.59
Add: Deferred tax asset	-	-	-	-	-	0.18	-
Less: Capitalised for issue of bonus shares	-	-	826.71	-	68.69	-	-
Total	1,275.97	982.86	1,064.84	915.49	277.80	162.39	47.56
APPROPRIATIONS							
Dividend	-	-	65.18	16.49	7.04	-	-
Dividend Tax	-	-	9.14	2.31	0.92	-	-
General Reserve	-	-	80.00	75.00	11.00	-	-
Profit carried forward to Balance Sheet	1,275.97	982.86	910.52	821.69	258.83	162.39	47.56
	1,275.97	982.86	1,064.84	915.49	277.80	162.39	47.56

The accompanying significant accounting policies and notes (Annexure IV) are an integral part of the accounts.



ANNEXURE - III

RESTATED STATEMENT OF CASH FLOWS

Rs./Millions

	Quarter ended 30.06.2006	Quarter ended 30.06.2005	Year ended 31.03.2006	Year ended 31.3.2005	Year ended 31.3.2004	Year ended 31.3.2003	Year ended 31.3.2002
A. CASH FLOW FROM OPERATING ACTIVITIES							
Profit before tax and appropriations	542.02	228.88	1,470.34	729.95	201.44	125.64	36.46
Adjustments for :							
Depreciation	24.77	8.74	42.16	20.32	10.68	4.55	3.00
(Profit)/Loss on sale of Fixed Assets	-	-	(0.08)	0.00	(0.01)	-	(0.01)
Profit on sale of Investments	-	-	-	(0.50)	-	-	-
Preliminary expenses written off	-	0.25	0.25	0.08	0.09	-	-
Bad Debts/advances written off/rebates	-	4.21	16.07	-	-	-	-
Interest expense	67.88	4.54	124.60	10.55	3.56	1.19	0.83
Provision for retirement benefits	2.23	0.52	4.34	1.27	0.79	0.30	0.20
Interest Income on fixed deposits / advances	(4.85)	(12.63)	(7.34)	(14.27)	(1.31)	(0.64)	(0.02)
Dividend Income	-	-	(0.01)	(0.00)	-	-	-
Operating profit before working capital changes	632.05	234.51	1,650.33	747.40	215.24	131.04	40.46
Adjustments for :							
(Increase)/Decrease in Sundry Debtors	(554.69)	25.57	(203.89)	(303.98)	(31.64)	(41.47)	(54.38)
(Increase)/Decrease in Loans and Advances	(882.30)	(536.85)	(2,090.84)	(1,476.93)	(47.67)	5.33	(11.79)
(Increase)/Decrease in Inventories	(683.95)	432.64	(1,423.09)	(1,126.32)	(441.83)	(592.12)	(159.63)
Increase/(Decrease) in Current Liabilities	1,066.15	-236.04	1,308.37	2,483.76	(108.73)	516.57	192.52
Cash generated from / (used in) operations	(422.74)	(80.17)	(759.12)	323.93	(414.63)	19.35	7.18
Tax Paid	(60.08)	(15.05)	(263.61)	(52.86)	(14.38)	(5.84)	(1.45)
Net cash from/ (used in) operating activities	(482.82)	(95.22)	(1,022.73)	271.07	(429.01)	13.51	5.73



Rs./Millions

	Quarter ended 30.06.2006	Quarter ended 30.06.2005	Year ended 31.03.2006	Year ended 31.3.2005	Year ended 31.3.2004	Year ended 31.3.2003	Year ended 31.3.2002
B. CASH FLOW FROM INVESTING ACTIVITIES							
Purchase of fixed assets	(133.14)	(60.64)	(417.33)	(136.51)	(34.52)	(8.75)	(6.22)
Sale of assets	-	-	1.49	1.25	0.63	-	0.25
Investments	(3.10)	-	-	(41.75)	(0.05)	-	-
Sale of Investments	-	-	-	3.00	-	-	-
Interest received	4.85	12.63	7.34	14.27	1.30	0.64	0.02
Dividend received	-	-	0.01	0.00	-	-	-
Net cash from/ (used in) investing activities	(131.39)	(48.01)	(408.49)	(159.74)	(32.64)	(8.11)	(5.95)
C. CASH FLOW FROM FINANCING ACTIVITIES							
Interest expenses	(67.88)	(4.54)	(124.60)	(10.55)	(3.56)	(1.19)	(0.83)
Increase/(Decrease) in secured loans	684.33	(228.42)	1,146.04	722.33	482.41	0.03	1.82
Increase/(Decrease) in unsecured loans	60.00	-	-	-	(2.53)	2.53	-
Preliminary expenses	-	-	-	-	(0.43)	-	-
Dividend paid (including dividend tax)	(74.31)	(18.80)	(18.80)	(7.96)	-	-	-
Net cash from/ (used in) financing activities	602.14	(251.76)	1,002.64	703.82	475.89	1.37	0.99
Net increase/ (decrease) in cash and cash equivalents	(12.07)	(394.99)	(428.58)	815.15	14.24	6.77	0.77
Cash and cash equivalents as at the beginning of the year	412.45	841.03	841.03	25.88	11.64	4.87	4.10
Cash and cash equivalents as at the end of the year	400.38	446.04	412.45	841.03	25.88	11.64	4.87

Notes:

1. The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Negative figures have been shown in brackets.



ANNEXURE - IV

NOTES FORMING PART OF THE RESTATED SUMMARY STATEMENTS

1. Background

The Company was incorporated on 24 July, 1990. The Company is primarily engaged in the business of promotion, construction, development of integrated townships, residential and commercial, multistoried buildings, flats, shopping malls, IT parks, Hotels, SEZ, houses and apartments etc.

2. Significant Accounting Policies (for the Financial Statements as at and for the quarter ended 30 June 2006)

a. Basis of accounting

The financial statements have been prepared to comply with the requirements of the Companies Act, 1956, under the historical cost convention on the accrual basis of accounting and in accordance with the standards on accounting issued by the Institute of Chartered Accountants of India referred to in section 211(3C) of the Companies Act, 1956.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported accounts of revenues and expenses for the years presented.

c. Fixed assets

All fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

d. Depreciation

Depreciation is provided on written down value method at the rates specified in Schedule XIV to the Companies Act 1956 or based on the management's estimates of the useful life of the assets, whichever is higher. Accordingly, the depreciation rates used are as follows:

Building	5.00%
Plant & Machinery (including Office Equipments)	30.00%
Shuttering & Scaffolding	40.00%
Furniture & Fixtures	30.00%
Motor Vehicles	25.89%
Computers	60.00%

Cost of building on land held on licence basis is being amortized over the period of licence of project facility.

Assets costing less than Rs. 5,000 individually are fully depreciated in the year of purchase.

e. Revenue recognition

i. Revenue from projects is recognised on the 'Percentage of Completion Method' of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

The estimated cost of the project as determined, is based on management's estimate of the cost expected to be incurred till the final completion of the project and includes cost of land, materials, services and other related overheads.

ii. Income from construction contracts is recognised by reference to the stage of completion of the contract activity



at the reporting date of the financial statements. The related costs there against are charged to the profit and loss account of the year.

- iii. Income from licence fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensee.

f. Cost of construction/development

Cost of Construction/Development incurred is charged to the profit & loss account proportionate to project area sold. Adjustments, if required, are made on completion of the respective projects.

g. Inventories

Inventory comprises completed property for sale and property under construction (work-in-progress).

- i. Completed unsold inventory is valued at lower of cost or net realisable value. Cost is determined by including cost of materials, services and other related overheads.
- ii. Work-in-progress comprises cost of materials, services and other related overheads related to projects under construction.

h. Investments

Long term investments are stated at cost, less diminution other than temporary, if any.

i. Accounting for joint ventures

- Jointly controlled operations – The Company's share of revenues, expenses, assets and liabilities are included in the financial statements as Revenues, Expenses, Assets and Liabilities respectively.
- Jointly controlled entities – The Company's investment in joint ventures is reflected as investment and accounted for in accordance with para (h) above.

j. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Exchange differences on foreign exchange transactions other than those relating to fixed assets are recognised in the profit and loss account. Any gain/loss on exchange fluctuation on the date of payment of expenditure incurred for acquisition of fixed assets is treated as an adjustment to the carrying cost of such fixed assets.

k. Taxation

Income tax comprises current tax, deferred tax and fringe benefit tax. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the balance sheet date.

l. Earnings per share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. Diluted earning per equity shares are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

m. Provision for retirement benefits

- i. The Company's contribution to Provident Fund is deposited with the Employees Provident Fund Organisation (EPFO) and is charged to the profit and loss account each year.
- ii. Gratuity to employees is based on actuarial valuation carried out at the balance sheet date.
- iii. The balance of unavailed earned leave due to employees is measured and recognised based on the expected cost thereof.



n. Borrowing cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

o. Provisions

Provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

p. Impairment of assets

The Company identifies impairable assets based on individual assets or 'Cash Generating Unit' concept at the year-end in the terms of paragraphs 5-13 of AS-28 issued by ICAI for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss, if any, is charged to the profit and loss account.

q. Leases

Lease rentals in respect of assets taken on operating lease are charged to the Profit and Loss account on a straight line basis over the lease term.

3. Notes on adjustments for restated summary statements

The summary of adjustments on account of changes in accounting policies and its impact on profits and losses of the Company is as under:

	Financial Year Ended				
	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Adjustment on account of:					
Provision for gratuity	(2.31)	1.28	1.62	(0.21)	(0.38)
Provision for leave encashment	(3.12)	1.96	1.38	(0.09)	(0.13)
Change in rate of depreciation on fixed assets	16.59	(6.06)	(3.48)	(0.86)	(0.76)
Investments written off	0.09	-	-	-	(0.09)
Prior period items	1.17	(0.54)	(0.63)	-	-
Sub-total	12.42	(3.36)	(1.11)	(1.16)	(1.36)
Current tax impact	1.26	(2.04)	0.90	(0.08)	(0.04)
Deferred tax impact	(6.28)	3.15	0.24	2.89	-
Sub-total	(5.02)	1.11	1.14	2.81	(0.04)
Total credit / (charge)	7.40	(2.25)	0.03	1.65	(1.40)

The explanatory notes for these adjustments are discussed below:

a. Depreciation

The Company had, upto the year ended 31 March 2005, provided depreciation on fixed assets on written down value basis at the rates specified in Schedule XIV of the Companies Act, 1956. From the year ended 31 March 2006, depreciation has been provided based on estimated useful lives of the assets. Accordingly depreciation has been recomputed and adjusted based on revised rates of depreciation for earlier years. As a result, revised depreciation



rates adopted are higher than the rates prescribed under schedule XIV of the Companies Act, 1956 and the differential amount of depreciation has been adjusted for the years ended 31 March 2005, 2004, 2003 and 2002. The depreciation pertaining to the period prior to 31 March 2002 has been adjusted in the brought forward balance of Profit & Loss Account as at 1 April 2001, as under:

Particulars	Amount (Rs. / Millions)
Balance of Profit & Loss Account as on 01.04.2001 (Audited)	20.33
Change in depreciation rates	5.74
Balance of Profit & Loss Account as on 01.04.2001 (Restated)	14.59

b. Provision for current tax

The Restated Statement of Profit and Loss has been adjusted for respective years in respect of short/excess provision for income tax as compared to the tax payable as per income tax returns filed by the Company for these years.

c. Provision for deferred tax

The Accounting Standard AS-22 on Accounting for taxes on income issued by the Institute of Chartered Accountants of India became applicable to the Company with effect from the year ended 31 March 2003. The deferred tax asset of Rs. 0.18 millions relating to earlier years was adjusted against brought forward balance of Profit & Loss Account. The deferred tax asset/liability has been recomputed to give effect to the adjustments as detailed above and accordingly adjustments have been made in the respective years.

d. Deferred payment liability

The cost of land allotted to the Company was accounted for as cost of construction on the basis of actual payment made to the authorities during the year. With effect from 1 April 2005, the Company has recorded the land cost at contracted cost and the balance of instalments payable have been shown as deferred payment liability. The complete value of land and the resultant liabilities have been included in the respective years in the Restated Statement of Assets and Liabilities.

e. Investments

The investments were overstated by Rs. 0.09 millions. The amount has been adjusted in the year ended 31 March 2002 in the Restated Statement of Assets and Liabilities.

f. Prior period items

These represent material adjustments which arise in a particular period as a result of errors or omission in the preparation of financial statements of one or more prior periods. In the financial statements for the year ended 31 March 2006, certain items of income/expense have been identified as prior period items which have been shown as adjustments in the respective years to which these pertain. In the Restated Financial Statements, such prior period items have been adjusted in the respective years.

g. Material regroupings

The following balances have been regrouped in the Restated Statement of Assets & Liabilities and Restated Statement of Profit & Losses:

- Upto the year ended 31 March 2005, the balances due from customers were netted off with advances received from customers, in case of projects under construction. From the year ended 31 March 2006, the amount due from customers have been separately identified and reflected as Sundry Debtors. In the statement of Restated Assets and Liabilities for the years ended 31 March 2002 to 31 March 2005, the sundry debtors and advances received from customers have been regrouped and disclosed accordingly.
- Upto the year ended 31 March, 2005, provisions made for project completion expenses were shown as 'Provisions'. From the year ended 31 March 2006, such provisions have been reflected as 'Current Liabilities'. In the statement of Assets and Liabilities for the years ended 31 March 2002 to 31 March 2005, such provisions have been



regrouped as part of current liabilities and disclosed accordingly.

- iii. Upto the year ended 31 March 2005, loans taken from banks against hypothecation of vehicle/equipments were shown as 'Unsecured Loans'. From the year ended 31 March, 2006, these loans have been shown as 'Secured Loans' and accordingly regrouped in the Restated Statement of Assets and Liabilities.
- iv. During the year ended 31 March 2005, upfront fee paid for project facilities granted under the concession agreements was shown as work-in-progress under the head 'Inventory'. From the year ended 31 March 2006, the same has been classified as 'Advances recoverable in cash or in kind or for value to be received'. Accordingly, amount of 'Inventory' and 'Advances recoverable in cash or in kind or for value to be received' as of 31 March 2005 have been regrouped in the Restated Statement of Assets and Liabilities.
- v. Upto the year ended 31 March 2005, share application money paid was classified as 'Investments'. In the statement of Restated Assets and Liabilities, for the year ended 31 March 2002, 2003, 2004 and 2005, such share application amount paid has been classified as 'Loans & Advances'.

h. Deferred tax assets

The Company adopted Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India from the year ended 31 March 2003, as it was applicable to the Company from that year. Deferred tax asset/liability has not been recognised for the year ended 31 March 2002.

i. Provision for retirement benefits

Accounting Standard 15 (revised 2005) on 'Employee Benefits' is applicable from 1 April, 2006. The liability for employee benefits is calculated and recognised as per revised AS-15 for the three months period ended 30 June, 2006. Since the amounts as assessed after restatement are not material, no adjustments have been made for the earlier periods.

4. Qualifications in auditors report

The Statutory Auditors of the Company Shanti Prasad & Co., Chartered Accountants for the year ended 31 March 2005, have included qualification in their Auditors Report on the accounts. This is reproduced below:

"In term of long term contracts and building projects, we have relied upon the management's estimates of percentage of completion and cost of completion owing to the technical nature of such estimates on the basis of which revenue has been recognised."

Since the effect of the qualification has not been quantified, it has not been possible to adjust the differences in the 'Statement of Restated Assets and Liabilities' and the 'Statement of Restated Profits and Losses'.

5. Search & Seizure

The income tax department had conducted a search on the Company on 13 January, 2005 under section 132 of the Income Tax Act, 1961, pursuant to which certain records of the Company have been taken into custody by the Income Tax department. No demand order has been received till date.

6. As required by Accounting Standard 7 on 'Construction Contracts', the break-up of the contracts in progress at the reporting date is as under:

Rs./Millions

	Particulars	As on 30.06.06	As on 30.06.05	As on 31.03.06	As on 31.03.05	As on 31.03.04	As on 31.03.03	As on 31.03.02
1.	Revenue recognised	365.30	274.59	346.99	245.95	148.83	44.98	-
2.	Cost incurred	355.04	232.72	330.88	210.30	107.57	29.20	-
3.	Advances received	5.98	8.07	5.98	4.23	-	-	-
4.	Retentions	1.80	-	1.80	-	-	-	-



7. Earnings per share

The earnings considered in ascertaining the Company's EPS comprises the profit available for shareholders, i.e. profit after tax and statutory/regulatory appropriations, as restated. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

	Quarter ended		Years ended				
	30.06.06	30.06.05	31.03.06	31.03.05	31.03.04	31.03.03	31.03.02
Net Profit attributable to shareholders, as restated Rs./Millions	365.45	161.17	1,069.86	656.65	184.10	114.64	32.97
Weighted average number of equity shares No./Millions	148.37	148.37	148.37	148.37	148.37	148.37	148.37
Basic and diluted earnings per share – (Rs.)	2.46	1.09	7.21	4.43	1.24	0.77	0.22
Nominal Value of equity shares – (Rs.)	10	10	10	10	10	10	10

Note:

Earnings per share is calculated in accordance with Accounting Standard 29 "Earnings Per Share" issued by the Institute of Chartered Accountants of India. In terms of para 24 of As-20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as bonus shares as if the shares were issued at the beginning of the earliest reported period.

8. Deferred tax

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- Break-up of deferred tax assets/liabilities in the statement of Restated Assets and Liabilities and deferred tax charge credit in the Restated Statement of Profits and Losses is as under:

Rs./Millions

	As on 30.06.06	As on 30.06.05	As on 31.03.06	As on 31.03.05	As on 31.03.04	As on 31.03.03
Deferred Tax Assets / (Liability)						
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:						
- Depreciation	1.47	(0.11)	(1.83)	(1.12)	0.52	0.00
- Provision for retirement benefits	3.17	1.14	2.42	0.96	0.58	0.29
- Others	-	-	-	-	-	-
Total	4.64	1.03	0.59	(0.16)	1.10	0.29
Deferred Tax Charge / (credit)	(4.05)	(1.19)	(0.76)	1.26	(0.80)	(0.29)

The company adopted Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India from the year ended 31 March 2003.



9. Lease commitments

The company has entered into concession agreements with Delhi Metro Railway Corporation (DMRC) and has acquired the license rights to develop properties and sub license it to the customers for a defined period of time. The total of future minimum license payments / charge is as follows:

Rs. /Millions

		As on 30.06.06	As on 30.06.05	As on 31.03.06	As on 31.03.05
a.	Not later than one year	24.58	14.37	15.83	13.07
b.	Later than one year but not later than five years	295.94	75.03	151.75	73.31
c.	Later than five years	4,131.25	379.91	1,879.62	385.22
	Total	4,451.77	469.31	2,047.20	471.60

Upfront fees paid by the Company have not been considered as lease charges.

10. Interest in Joint venture

The Company's interest and share in joint ventures in the jointly controlled entities are as follows:

(i) Particulars of joint ventures

a. Parsvnath Landmark Developers Private Limited (PLDPL)

The Company has a 50% share in Parsvnath Landmark Developers Private Limited, a joint venture between the Company and OCL India Limited. The joint venture company is incorporated in India.

b. Parsvnath Developers AOP (AOP)

The Company, by virtue of an agreement, has entered into a joint venture with HB Estate Developers Limited by forming an 'Association of Persons' named Parsvnath Developers AOP. The Company has agreed to contribute 42.50% towards funds requirement of the joint venture. The Company has 50% share in the profit/loss of the joint venture.

(ii) Financial interest of the Company in jointly controlled entities is as under:

Rs. /Millions

		30 June, 2006		31 March, 2006	
		PLDPL	AOP	PLDPL	AOP
	Company's share of:				
a.	Assets	1,493.81	64.72	1,741.81	60.62
b.	Liabilities	1,480.19	12.35	1,729.02	9.57
c.	Income	6.65	-	0.23	-
d.	Expenditure	1.98	-	2.09	-
e.	Tax	-	-	-	-
f.	Capital Commitments	-	-	-	-
g.	Contingent Liabilities	-	-	-	-

Note: The Company's share of assets, liabilities, income and expenditure have been included on the basis of unaudited financial information received from joint ventures.



11. Segment information

a. Business segments:

Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into the following segments:

Self owned projects: Promotion, construction, development and sale of integrated townships, residential and commercial property etc, owned by the Company or for which the Company has development rights.

BOT projects: Construction and development of licensed properties on 'Build, Operate and Transfer (BOT)' basis.

Segment revenue and expenses include amounts, which can be directly identifiable to the segment and allocable on a reasonable basis. Segment assets include all operating assets used by the segment and consist primarily of fixed assets, inventories and debtors. Segment liabilities include all operating liabilities and consist primarily of creditors, advances/deposits from concessionaires and statutory liabilities.

b. Geographic segments

Operations of the Company do not qualify, for reporting as geographic segments, the criteria set out under Accounting Standard 17 on Segment reporting issued by The Institute of Chartered Accountants of India.

Segment information based on restated financial statements is as below:

Rs./Million

		Quarter ended 30 June, 2006			Quarter ended 30 June, 2005		
		Self owned projects	BOT projects	Total	Self owned projects	BOT projects	Total
1.	Segment revenues						
	Revenue	2,459.45	9.24	2,468.69	1,477.59		1,477.59
	Add: Unallocable revenue			21.46			20.03
	Total revenue	2,459.45	9.24	2,490.15	1,477.59		1,497.62
2.	Segment results	652.08	6.12	679.66	238.94		258.97
3.	Less: Unallocable expenses net of income			124.44			25.55
4.	Operating profit			555.22			233.42
5.	Less: Interest (net)			13.20			4.54
6.	Profit before tax			542.02			228.88
7.	Provision for taxation			176.57			67.71
8.	Profit after tax			365.45			161.17
9.	Other information						
	Segment assets	9,727.03	1,115.23	10,842.26	4,844.99	188.01	5,033.00
	Unallocated corporate assets			938.62			299.70
	Total assets			11,780.88			5,332.70
	Segment liabilities	7,528.73	398.76	7,927.49	3,680.49	5.68	3,686.17
	Unallocated corporate liabilities			1,476.43			469.39
	Total liabilities			9,403.92			4,155.56
10.	Capital expenditure	53.12	74.47	127.59	23.82	34.51	58.33
11.	Depreciation	20.34	1.31	21.65	8.74		8.74



Rs./Million

		Year ended 31 March, 2006			Year ended 31 March, 2005		
		Self owned projects	BOT projects	Total	Self owned projects	BOT projects	Total
1.	Segment revenues						
	Revenue	6,415.90	22.42	6,438.32	3,032.07	-	3,032.07
	Add: Unallocable revenue			99.35			36.39
	Total revenue	6,415.90	22.42	6,537.67	3,032.07	-	3,068.46
2.	Segment results	1,736.12	14.92	1,850.39	815.59	-	851.98
3.	Less: Unallocable expenses net of income			353.18			111.45
4.	Operating profit			1,497.21			740.53
5.	Less: Interest (net)			26.87			10.58
6.	Profit before tax			1,470.34			729.95
7.	Provision for taxation			400.48			73.30
8.	Profit after tax			1,069.86			656.65
9.	Other information						
	Segment assets	7,976.80	695.44	8,672.24	5,041.55	165.50	5,207.05
	Unallocated corporate assets			824.17			378.21
	Total assets			9,496.41			5,585.26
	Segment liabilities	6,014.13	26.10	6,040.23	4,140.13	0.60	4,140.73
	Unallocated corporate liabilities			1,444.67			428.82
	Total liabilities			7,484.90			4,569.55
10.	Capital expenditure	165.32	224.31	389.63	123.95	-	123.95
11.	Depreciation	39.15	3.02	42.17	15.63	-	15.63

Notes:

- Unallocated assets mainly include investments, fixed deposits, bank balances and advance tax.
- Unallocated liabilities mainly include secured/unsecured loans, deferred tax/current tax liabilities.
- Upto the year ended 31 March 2004, all the activities of the Company have been considered as single business/ geographical segment for the purpose of Accounting Standard 17.



ANNEXURE - V

SCHEDULES OF LOANS

A. Secured Loan

Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Term Loans							
A - From Banks							
Punjab National Bank	500.00	500.00	500.00	500.00	-	-	-
Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project on pari passu basis and further secured by personal guarantee of Chairman, Managing Director and Whole-time-director of the Company.							
The Jammu & Kashmir Bank Limited	187.60	250.00	218.80	250.00	-	-	-
Secured by first charge on project land, super structure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of directors of the Company.							
State Bank of Travancore	150.00	-	30.00	-	-	-	-
Secured by equitable mortgage of leasehold commercial property in Noida and further secured by personal guarantee of Chairman of the Company							
Syndicate Bank	250.00	-	208.40	-	-	-	-
Secured by mortgage of property situated in Taj Nagari Phase - II Agra with proposed construction. And further secured by personal guarantee of Chairman, Managing Director and a Whole-time Director of the Company.							
Karnataka Bank Ltd.	150.00	60.00	150.00	60.00	-	-	-
Secured by charge on the stock of construction and building material, work-in-progress, finished goods and book debts/receivables for various projects/sites on pari							



Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
passu basis except those specifically charged to other banks/Fls and exclusive charge on landed property situated in the village Pathanpura, Saharanpur and further secured by personal guarantee of Chairman, Managing Director and Whole-time Director of the Company.							
Bank of Maharashtra Secured by equitable mortgage of 200 acres of land along with construction thereof and further secured by personal guarantee of Chairman, Managing Director and a Whole-time Director of the Company.	292.17	-	236.80	-	-	-	-
Syndicate Bank Secured by exclusive charge on project property and construction thereon and further secured by personal guarantee of Chairman, Managing Director and Whole-time-director of the Company.	225.00	-	253.13	-	-	-	-
State Bank of Hyderabad Secured by equitable mortgage of project land situated at Plot No.I -A and 1-B, Block-K, admeasuring 660 sq mtrs. Each in Sector 18, Noida in favour of associate companies and further secured by personal guarantee of Chairman, Managing Director and Whole-time director of the Company.	124.85	-	-	-	-	-	-
HSBC Bank Secured by exclusive charge over present and future current assets (including project receivables, work-in-progress, construction materials / material at site and finished flats/units) of the project and further Secured by personal guarantee of Chairman, Managing Director and Whole-time director of the Company.	350.00	-	-	-	-	-	-
Interest accrued and due	14.73	11.85	7.80	-	-	-	-
Total - A	2,244.35	821.85	1,604.93	810.00	-	-	-



Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
B - From Others							
LIC Housing Finance Limited Secured by equitable mortgage of project land and structure thereon and further secured by personal guarantee of Chairman, Managing Director, and a Whole-time Director of the Company.	330.08	-	330.08	-	-	-	-
LIC Housing Finance Limited Secured by equitable mortgage of the Project land and structure thereon and further secured by personal guarantee of directors of the Company.	-	-	-	200.00	405.00	-	-
Housing Development Finance Corporation Limited Secured by mortgage of commercial complex, "Parsvnath Plaza" at Court Road, Saharanpur, Uttar Pradesh and further secured by personal guarantee of Chairman.	-	-	-	50.00	50.00	-	-
Housing Development Finance Corporation Limited Secured by mortgage of the project land and unsold flats of the project and further secured by personal guarantee of Chairman.	-	-	-	100.00	-	-	-
PNB Housing Finance Limited Secured by equitable mortgage of project land along with super structure thereon/and further secured by personal guarantee of Chairman, Managing Director and a Whole-time Director of the Company.	135.00	-	135.00	-	-	-	-
Interest accrued and due	1.98	-	-	-	-	-	-
Total - B	467.06	-	465.08	350.00	455.00	-	-



Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
C - Working Capital Loans From Banks							
UTI Bank	-	-	-	-	22.32	-	-
i) Hypothecation of stock of raw material, work-in-progress, finished goods (flats) at various project sites alongwith construction and building materials and book debts / receivables.							
ii) Equitable mortgage of commercial property at Neel Giri commercial complex, Moradabad.							
iii) Personal guarantees of Chairman, Managing Director and a director of the Company.							
Karnataka Bank Ltd.	124.26	6.46	100.00	34.91	-	-	-
Secured by charge on the stock of construction and building material, work-in-progress, finished goods and book debts/receivables for various projects/sites on pari passu basis except those specifically charged to other banks/FIs and exclusive charge on landed property situated in the village Pathanpura, Saharanpur and further secured by personal guarantee of Chairman, Managing Director and Whole-time-director of the Company.							
State Bank of India	154.07	141.28	153.94	-	-	-	-
i) Secured by first pari passu charge by way of hypothecation of stock of construction and building materials, work-in-progress, finished goods (flats) and book debts/receivables for various projects/sites, except those specifically charged to other banks/FIs and exclusive charge on land at Neelgiri Commercial Centre, Delhi Road, Moradabad .							



Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
ii) Exclusive charge on land and building at Neelgiri Commercial Centre, Moradabad							
iii) Exclusive charge on land and building at Noida							
iv) Exclusive charge on two flats in Arunachal Building, Barakhamba Road and land and building at Hailey road,							
v) Secured by personal guarantee of Chairman, Managing Director and Whole-time director of the Company							
Oriental Bank of Commerce	28.07	-	-	-	-	-	-
Secured against fixed deposits with bank							
Interest accrued and due	-	-	-	2.35	-	-	-
Total - C	306.40	147.74	253.94	37.26	22.32	-	-
D - Vehicle/equipment loans							
From Banks	33.93	8.99	34.55	9.72	6.63	0.85	1.32
Secured by way of first charge on vehicles / equipments financed by the bank							
From Others	-	-	-	0.02	0.72	1.41	0.91
Total - D	33.93	8.99	34.55	9.74	7.35	2.26	2.23
Total (A + B + C + D)	3,051.74	978.58	2,358.50	1,207.00	484.67	2.26	2.23

Principal terms of Secured Loans as on 30 June, 2006

Rs./Millions

Particulars of Loan	Institution / Bank	Amount sanctioned	Amount outstanding	Rate of interest (p.a.)	Repayment terms
Term Loan	Punjab National Bank	500.00	500.00	9.50%	10 quarterly instalments of Rs. 50 million each
Term Loan	The Jammu & Kashmir Bank Limited	250.00	187.60	8.75%	8 quarterly instalments
Term Loan	Syndicate Bank	300.00	225.00	9.50%	35 monthly instalments
Term Loan	PNB Housing Finance Limited	135.00	135.00	10.25%	24 monthly instalments of Rs. 5.62 millions



Rs./Millions

Particulars of Loan	Institution / Bank	Amount sanctioned	Amount outstanding	Rate of interest (p.a.)	Repayment terms
Term Loan	Bank of Maharashtra	480.00	292.17	9.00%	5 yearly instalments
Short Term Corporate Loan	State Bank of Travancore	150.00	150.00	9.50%	Within 12 months of disbursement
Short Term Loan	Syndicate Bank	250.00	250.00	9.50%	Repayable in 35 months.
Short Term Loan	LIC Housing Finance Limited	450.00	330.08	9.50%	4 half yearly instalments of Rs. 112.5 million each
Term Loan	State Bank of Hyderabad	150.00	124.85	9.25%	8 quarterly instalments of Rs. 18.75 million commencing from 15.09.2006
Short Term Working Capital Loan	HSBC Bank	350.00	350.00	8.25%	Within a period of 6 months
Working Capital Term Loan	Karnataka Bank	150.00	150.00	9.75%	-
Overdraft	Karnataka Bank	100.00	124.26	9.75%	-
Cash Credit	State Bank of India	250.00	154.07	9.75%	-
Overdraft	Oriental Bank of Commerce	N.A.	28.07	8.25%	-
Car/equipment loans	-	-	33.93	-	Repayable over a period of 3 to 5 years

B. Unsecured Loans

Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Unsecured Loans							
From:							
Corporate bodies	60.00	-	-	-	-	-	-
Promoters/Directors	-	-	-	-	-	2.53	-
Total	60.00	-	-	-	-	2.53	-



ANNEXURE - VI

RESTATED SCHEDULE OF LOANS & ADVANCES

Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Advances recoverable in cash or in kind or for value to be received							
Considered good	4,358.15	2,058.11	3,486.06	1,525.67	54.21	40.08	46.57
	4,358.15	2,058.11	3,486.06	1,525.67	54.21	40.08	46.57
Security Deposits							
Considered good	132.63	46.38	122.42	46.18	40.70	7.16	6.36
	132.63	46.38	122.42	46.18	40.70	7.16	6.36
Taxes							
Advance Tax	393.98	85.33	333.90	70.28	17.43	3.08	-
Total	4,884.76	2,189.82	3,942.38	1,642.13	112.34	50.32	52.93
Amount due from related parties							
(See Annexure - XVI)	2,325.74	898.34	1,877.46	734.60	12.60	0.22	1.42



ANNEXURE - VII

RESTATED SCHEDULE OF SUNDRY DEBTORS

Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Debts outstanding for a period exceeding six months							
Unsecured, considered good	24.41	24.62	16.41	36.04	2.20	4.36	0.67
	24.41	24.62	16.41	36.04	2.20	4.36	0.67
Other Debts							
Unsecured, considered good	1,167.99	383.63	621.30	397.78	127.64	93.84	56.06
	1,167.99	383.63	621.30	397.78	127.64	93.84	56.06
Total	1,192.40	408.25	637.71	433.82	129.84	98.20	56.73
Amount due from related parties							
(See Annexure - XVI)	25.03	12.42	12.42	-	-	-	-



ANNEXURE - VIII

RESTATED SCHEDULE OF INVESTMENTS

Rs./Millions

Particulars	No. of Shares	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
EQUITY SHARES								
QUOTED								
Ansal Buildwell Limited Equity Shares of Rs. 10/- each fully paid up	9,500	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Videocon Industries Ltd Equity Shares of Rs. 10/- each fully paid up	400	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Sub-total		0.22	0.22	0.22	0.22	0.22	0.22	0.22
UNQUOTED								
Parsvnath Landmark Developers Pvt. Ltd. Equity Shares of Rs. 10/- each fully paid up	1,280,000 (5,000 as on 31 March 04)	12.80	12.80	12.80	12.80	0.05	-	-
Amazon India Limited Equity Shares of Rs. 10/- each fully paid up	25,000	21.25	21.25	21.25	21.25	-	-	-
Home Life Real Estate Pvt Ltd. Equity Shares of Rs. 10/- each fully paid up	775,000	7.75	7.75	7.75	7.75	-	-	-
Blox Catalogue.Com Technology Limited Equity Shares of Rs. 10/- each fully paid up	250,000	-	-	-	-	2.50	2.50	2.50
Sub-total		41.80	41.80	41.80	41.80	2.55	2.50	2.50
OTHERS								
Investment in Jointly controlled entity Parsvnath Developers AOP	-	41.23	-	38.13	-	-	-	-
Total		83.25	42.02	80.15	42.02	2.77	2.72	2.72



ANNEXURE - IX

RESTATED SCHEDULE OF CURRENT LIABILITIES & PROVISIONS

Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Current Liabilities							
Sundry Creditors	446.58	231.00	394.64	210.10	161.59	41.10	86.09
Advances from Customers	4,709.57	2,508.86	3,542.50	2,564.79	330.52	209.26	100.43
Book Overdraft	206.96	138.91	384.97	159.45	124.71	48.56	11.22
Interest accrued but not due			-	0.19	3.99	-	-
Security deposits received	75.13	23.31	56.95	21.28	9.75	4.93	1.05
Deferred payment liability	152.49	97.93	152.49	279.60	122.70	559.37	148.91
Other Liabilities	8.90	3.43	10.83	4.06	2.45	1.22	0.17
Total - A	5,599.63	3,003.44	4,542.38	3,239.47	755.71	864.44	347.87
Provisions							
Income Tax	683.13	170.16	502.50	101.26	29.22	11.12	3.13
Retirement benefits	9.42	3.38	7.20	2.86	1.60	0.80	0.51
Proposed dividend	-	-	65.18	16.49	7.04	-	-
Corporate dividend tax	-	-	9.14	2.31	0.92	-	-
Total - B	692.55	173.54	584.02	122.92	38.78	11.92	3.64
Total (A + B)	6,292.18	3,176.98	5,126.40	3,362.39	794.49	876.36	351.51



ANNEXURE - X

SCHEDULE OF OTHER INCOME

Rs./Millions

Particulars	Quarter ended		For the Year ended					Nature of Income
	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002	
OTHER INCOME								
Interest on Fixed Deposits with Banks	4.85	3.38	7.34	6.68	1.31	0.64	0.02	Recurring
Interest on Others	7.86	9.25	56.46	7.34	0.00	3.90	0.03	Recurring
Rent Receipts	0.61	0.36	2.25	1.25	0.70	0.47	0.34	Recurring
Unclaimed balances written back	-	-	2.61	-	0.81	0.02	0.12	Non recurring
Miscellaneous receipts	1.39	0.29	3.60	2.62	5.16	0.77	0.02	Recurring
Profit on Sale of Investments	-	-	-	0.50	-	-	-	Non recurring
Expenses Recovered	6.75	6.75	27.00	18.00	-	0.01	0.14	Recurring
Dividend Received	-	-	0.01	0.00	-	0.00	0.00	Recurring
Profit on sale of Fixed Assets	-	-	0.08	-	-	-	0.01	Non recurring
Total	21.46	20.03	99.35	36.39	7.98	5.81	0.68	
Net Profit before tax as restated	542.02	228.88	1,470.34	729.95	201.44	125.64	36.06	-
Percentage of Other Income	3.96	8.75	6.76	4.99	3.96	4.63	1.88	-



ANNEXURE - XI

SCHEDULE OF CONTINGENT LIABILITIES

Rs./Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003
Estimated amount of contracts remaining to be executed on capital account	1,468.55	285.46	131.45	-	-	-
Claims against the company not acknowledged as debts	118.09	2.18	122.95	0.48	-	-
Counter guarantees given to bank	525.75	43.67	403.72	54.20	-	-
Corporate guarantee	250.00	250.00	250.00	250.00	-	-
Total	2,362.39	581.31	908.12	304.68	-	-



ANNEXURE - XII

SCHEDULE OF RATES OF DIVIDEND

The detail of dividends declared by the Company is as under:

Rs./Millions

Class of Shares	Quarter ended		For the year ended				
	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Equity Share Capital	989.14	82.43	989.14	82.43	82.43	13.74	13.74
Final dividend in %	-	-	20%	20%	15%	-	-
Amount of dividend*	-	-	65.18	16.49	7.04	-	-
Dividend Tax	-	-	9.14	2.31	0.92	-	-

* *Prorata*



ANNEXURE - XIII

SUMMARY OF ACCOUNTING RATIOS

Rs./Millions

Sl No.	Particulars	Quarter Ended		For the year ended				
		30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
1.	Adjusted profit to income from Operations (%)	21.96	15.49	22.84	24.07	17.96	18.26	13.24
2.	Earnings Per Share- Basic and diluted (Rs.)	2.46	1.09	7.21	4.43	1.24	0.77	0.23
3.	Cash Earnings per Share	2.63	1.15	7.49	4.56	1.31	0.80	0.24
4.	Net Asset Value per Share (Rs.)	16.02	7.93	13.56	6.85	2.55	1.36	0.59
5.	Return on Net Worth (%)	15.37%	13.69%	53.19%	64.65%	48.73%	56.76%	37.84%
6.	No. of Equity Shares (Basic)	98,913,600	8,242,800	98,913,600	8,242,800	8,242,800	1,373,800	1,373,800
7.	Restated No. of Equity Shares	148,370,400	148,370,400	148,370,400	148,370,400	148,370,400	148,370,400	148,370,400

Notes:

- The ratios have been computed as below:

$$\begin{aligned} \text{Adjusted profit to income from operations (\%)} &= \frac{\text{Adjusted profit before tax}}{\text{Income from operations}} \\ \text{Earnings Per Share (Rs.)} &= \frac{\text{Adjusted Profit / (Loss) after tax but before extraordinary items}}{\text{Weighted average number of Equity shares outstanding during the year}} \\ \text{Cash Earnings per Share} &= \frac{\text{Adjusted Profit after tax but before depreciation}}{\text{Weighted average number of Equity shares outstanding during the year}} \\ \text{Net Asset Value Per Share (Rs.)} &= \frac{\text{Net Worth excluding revaluation reserve}}{\text{Weighted average number of Equity shares outstanding during the year}} \\ \text{Return on Net Worth (\%)} &= \frac{\text{Adjusted Profit / (Loss) after tax but before extraordinary items}}{\text{Net Worth excluding revaluation reserve}} \end{aligned}$$

- Earnings per share is calculated in accordance with Accounting Standard 29 "Earnings Per Share" issued by the Institute of Chartered Accountants of India. In terms of para 24 of As-20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as bonus shares as if the shares were issued at the beginning of the earliest reported period.
- The restated number of equity shares have also been adjusted to reflect the issue of 49,456,800 shares as bonus shares issued by capitalisation of accumulated profit / reserves as approved by the board in their meeting held on 7 August, 2006.
- Profit and Loss as restated has been considered for the purpose of computing the above ratios.



ANNEXURE - XIV

TAX SHELTER STATEMENT

Rs./Millions

Particulars	Quarter ended		Financial year ended				
	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Profit before tax as restated (A)	542.02	228.88	1,470.34	729.95	201.44	125.64	36.06
Tax rate	33.66%	33.66%	33.66%	36.59%	35.88%	36.75%	35.70%
Tax as per actual rate on profits	182.44	77.04	494.92	267.11	72.26	46.17	12.87
Adjustments							
Permanent Differences							
Dividend (exempt from tax)	-	-	(0.01)	(0.00)	-	-	(0.00)
Indexation difference in Long Term capital gain/loss	-	-	-	0.04	-	-	-
Investments write-off	-	0.09	0.09	-	-	-	-
Deduction under section 80 IB of the Income Tax Act ("the Act")	(48.18)	(30.19)	(343.79)	(540.45)	(156.10)	(98.75)	(28.79)
Deduction under section 24 of the Income Tax Act	1.57	(0.01)	(6.45)	(0.32)	(0.21)	(0.14)	(0.10)
Disallowance for donations	-	-	-	0.46	0.15	0.06	-
Profit on sale of Investments	-	-	-	(0.50)	-	-	-
Capital expenditure	-	-	8.15	-	-	-	-
Expenses for proposed public issue	5.53	-	12.15	-	-	-	-
Prior-period items	-	-	1.17	-	-	-	-
Total Permanent Differences (B)	(41.08]	(30.11)	(328.69)	(540.77)	(156.16)	(98.83)	(28.89)
Timing Differences							
Difference between tax depreciation and book depreciation	10.16	3.90	14.57	(4.74)	1.47	0.01	0.22
Loss/Profit on sale of fixed asset	-	-	(0.05)	0.00	-	-	(0.01)
Unpaid Gratuity/Leave encashment	2.22	0.60	(1.09)	1.27	0.78	0.30	0.19
Difference in amortisation of preliminary expenses u/s 35D	-	-	-	0.09	-	-	-
Total Timing Differences (C)	12.38	4.50	13.43	(3.38)	2.25	0.31	0.40
Total Adjustments (B+C)	(28.70)	(25.61)	(315.26)	(544.15)	(153.91)	(98.52)	(28.49)
Tax Expense/(Saving) thereon	(9.66)	(8.62)	(106.12)	(199.12)	(55.21)	(36.21)	(10.17)
Tax Payable for the year	172.78	68.42	388.80	67.99	17.05	9.96	2.70
Interest u/s 234B & 234C (As per Income tax return)	7.22	0.08	-	3.86	0.83	1.09	0.32
Total Tax payable	180.00	68.50	388.80	71.85	17.88	11.05	3.02



ANNEXURE - XV

CAPITALISATION STATEMENT OF THE COMPANY

Rs. /Millions

Particulars	Pre-issue as at June 30, 2006	Post-issue as at June 30, 2006
Total Debts		
Short Term Debt		
- Term loans	1,373.35	
- Working capital loans	306.40	
	1,679.75	
Long Term Debt	1,431.99	
Total Debt - A	3,111.74	
Shareholders Fund		
Share Capital	989.14	Will be determined after finalisation of issue price
General Reserves	86.00	
Share Premium	25.85	
Profit & Loss Account	1,275.97	
Total Shareholders' funds - B	2,376.96	
Long term debt/Total shareholders' funds	0.60	-do-

Notes

1. The above have been computed on the basis of restated statement of accounts.
2. Short term debts are debts maturing within the next one year from the date of the respective statement of accounts.
3. The above ratio has been computed on the basis of total long term debt divided by shareholder's funds.

RELATED PARTY TRANSACTIONS**A. List of related parties**

i. Entities over which Company or key management personnel or their relatives, exercise significant influence

- Adela Buildcon Private Limited
- Afra Infrastructure Private Limited
- Ajit Board Private Limited
- Amazon India Limited
- Anjaney Developers Private Limited
- Aries Infrastructure Private Limited
- Arunachal Infrastructure Private Limited
- Baidehi Infrastructure Private Limited
- Bakul Infrastructure Private Limited
- Basundhra Properties Private Limited
- Banita Buildcon Private Limited
- Bliss Infrastructure Private Limited
- Brinly Properties Private Limited
- Blox Catalogue.com Technology Limited
- Charushila Buildwell Private Limited
- Coral Buildwell Private Limited
- Crimson Infrastructure Private Limited
- Dhiren Real Estate Private Limited
- Dolphin Buildwell Private Limited
- Elixir Infrastructure Private Limited
- Enormity Buildcon Private Limited
- Gem Buildwell Private Limited
- Generous Buildwell Private Limited
- Genuine Properties Private Limited
- Goodworth Overseas Private Limited
- Him Sagar Infrastructure Private Limited
- Home Life Real Estate Private Limited
- Honey Builders Private Limited
- Janak Finance & Leasing Private Limited
- Jaguar Buildwell Private Limited
- Jodhpur Infrastructure Private Limited
- Kalyani Pulp Private Limited
- Lakshay Realtors Private Limited
- LSD Realcon Private Limited



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- Mirage Buildwell Private Limited
 - Navneet Realtors Private Limited
 - New Hind Enterprises Private Limited
 - Nilanchal Realtors Private Limited
 - Nishtha Realtors Private Limited
 - Noida Marketing Private Limited
 - Paavan Buildcon Private Limited
 - Panchvatti Buildwell Private Limited
 - Parikrama Infrastructure Private Limited
 - Pearl Propmart Private Limited
 - Poorti Infrastructure Private Limited
 - Prasidhi Developers Private Limited
 - Prosperity Infrastructure Private Limited
 - Perpetual Infrastructure Private Limited
 - Prastut Real Estate Private Limited
 - Prithvi Buildcon Private Limited
 - Parasnath and Associates Private Limited
 - Parasnath Travels & Tours Private Limited
 - Primetime Realtors Private Limited
 - Rangoli Buildcon Private Limited
 - Rangoli Infrastructure Private Limited
 - Real Touch Developers Private Limited
 - Roopak Infrastructure Private Limited
 - Sapphire Buildtech Private Limited
 - Sarvapriya Realtors Private Limited
 - Scorpio Realtors Private Limited
 - Silver Street Infrastructure Limited
 - Springdale Realtors Private Limited
 - Stupendous Buildtech Private Limited
 - Sumeru Developers Private Limited
 - Timebound Contracts Private Limited
 - Vindhyachal Properties Private Limited
 - Vinu Promoters Private Limited
 - Vital Buildwell Private Limited
 - VKB Construction Private Limited
 - Whitegold Construction Private Limited
 - Pradeep Kumar Jain & Sons HUF
 - Jain Associates



ii. *Joint Venture*

- Parsvnath Landmark Developers Private Limited
- Parsvnath Developers AOP

iii. *Key Management Personnel*

- Mr. Pradeep Jain, Chairman
- Mr. Sanjeev Jain, Managing Director
- Dr. Rajeev Jain, Director
- Mr. G.R. Gogia, Director

iv. *Relatives of Key Management Personnel*

- Ms. Nutan Jain
- Ms. Rekha Jain

B. Balances outstanding/transactions with related parties:

(Rs./Millions)

Particulars	Quarter ended 30.06.06	Quarter ended 30.06.05	Year ended 31.03.06	Year ended 31.03.05	Year ended 31.03.04	Year ended 31.03.03	Year ended 31.03.02
(i) Transactions during the year:							
<i>Joint Ventures</i>							
Income from construction contract	12.12 (See note 1a)	12.42 (See note 2a)	43.60 (See note 3a)	34.05 (See note 4a)	Nil	Nil	Nil
Interest received	2.28 (See note 1b)	5.74 (See note 2b)	27.56 (See note 3b)	7.34 (See note 4b)	Nil	Nil	Nil
Other expenses	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Reimbursement of expenses (received)	6.75 (see note 1c)	6.75 (see note 2c)	27.00 (see note 3c)	18.00 (see note 4c)	0.23 (see note 5a)	Nil	Nil
Payment made towards the Company's contribution in the joint venture	3.10 (See note 1d)	Nil	60.63 (See note 3d)	Nil	Nil	Nil	Nil
Advance paid against purchase of land	10.18 (See note 1e)	Nil	Nil	Nil	Nil	Nil	Nil
Security deposit paid	Nil	Nil	1.80 (See note 3e)	Nil	Nil	Nil	Nil
Unsecured loan taken	60.00 (See note 1f)	Nil	Nil	Nil	Nil	Nil	Nil



(Rs./Millions)

Particulars	Quarter ended 30.06.06	Quarter ended 30.06.05	Year ended 31.03.06	Year ended 31.03.05	Year ended 31.03.04	Year ended 31.03.03	Year ended 31.03.02
Advance received	174.67 (See note 1g)	8.50 (See note 2d)	14.32 (See note 3f)	9.79 (See note 4d)	Nil	Nil	Nil
Earnest money deposit	Nil	Nil	Nil	Nil	2.50 (See note 5b)	Nil	Nil
Entities with significant influence							
Other expenses	2.98 (See note 1h)	0.12	2.39 (See note 3g)	2.28 (See note 4e)	4.72 (See note 5c)	1.44 (See note 6a)	Nil
Reimbursement of expenses (received)	Nil	Nil	1.35 (See note 3h)	1.17 (See note 4f)	Nil	Nil	Nil
Advance received	25.50 (See note 1i)	5.00 (See note 2e)	7.00	Nil	6.70 (See note 5d)	4.54 (See note 6b)	1.00 (See note 7a)
Advance against land purchase	1,063.58 (See note 1j)	223.68 (See note 2f)	1,831.95 (See note 3i)	475.07 (See note 4g)	21.00 (See note 5e)	Nil	Nil
Loan given	Nil	Nil	Nil	Nil	5.98 (See note 5f)	Nil	Nil
Loan received	Nil	Nil	Nil	Nil	Nil	1.90 (See note 6c)	Nil
Investment in equity shares	Nil	Nil	Nil	29.00 (See note 4h)	0.05 (See note 5g)	Nil	Nil
Share application money	Nil	Nil	Nil	Nil	12.75 (See note 5h)	Nil	Nil
Purchase of land	261.09 (See note 1k)	Nil	364.45 (See note 3j)	67.51 (See note 4i)	Nil	Nil	Nil
Flat purchased	Nil	Nil	Nil	Nil	Nil	3.30 (See note 6d)	7.31 (See note 7b)
Security deposit received	11.00 (See note 1l)	Nil	Nil	Nil	Nil	Nil	Nil



(Rs./Millions)

Particulars	Quarter ended 30.06.06	Quarter ended 30.06.05	Year ended 31.03.06	Year ended 31.03.05	Year ended 31.03.04	Year ended 31.03.03	Year ended 31.03.02
Key management personnel/relatives							
Sale of Flat	Nil	Nil	Nil	Nil	Nil	Nil	1.15 (See note 7c)
Other income	0.05 (See note 1m)	Nil	0.17 (See note 3k)	Nil	Nil	Nil	Nil
Remuneration & perquisites	8.10 (See note 1n)	2.13 (See note 2g)	13.75 (See note 3l)	4.64 (See note 4j)	4.64 (See note 5i)	1.15 (See note 6e)	0.46 (See note 7d)
Other expenses	1.06 (See note 1o)	0.65 (See note 2h)	2.77 (See note 3m)	1.61 (See note 4k)	1.61 (See note 5j)	1.27 (See note 6f)	0.37 (See note 7e)
Reimbursement of expenses (received)	0.96 (See note 1p)	Nil	3.37 (See note 3n)	Nil	Nil	Nil	Nil
Security deposit paid	1.05 (See note 1q)	Nil	2.26 (See note 3o)	0.72 (See note 4l)	12.23 (See note 5k)	Nil	Nil
Loan/ Advance received	21.70 (See note 1r)	Nil	5.00 (See note 3p)	Nil	Nil	0.63 (See note 6g)	0.54 (See note 7f)
(ii) Balances at the year-end:							
Joint Venture							
Debtors outstanding at year end	25.03 (See note 1s)	12.42 (See note 2i)	12.42 (See note 3q)	Nil	Nil	Nil	Nil
Loans /advances at year end	108.64 (See note 1t)	255.26 (See note 2j)	205.24 (See note 3r)	259.53 (See note 4m)	Nil	Nil	Nil
Unsecured loan outstanding	60.00 (See note 1u)	Nil	Nil	Nil	Nil	Nil	Nil
Creditors outstanding/Current Liabilities at year end	93.52 (See note 1v)	4.23 (See note 2k)	5.98 (See note 3s)	Nil	Nil	Nil	Nil



(Rs./Millions)

Particulars	Quarter ended 30.06.06	Quarter ended 30.06.05	Year ended 31.03.06	Year ended 31.03.05	Year ended 31.03.04	Year ended 31.03.03	Year ended 31.03.02
Entities with significant influence							
Loans /advances at year end	2,211.68	643.08 (See note 2l)	1,667.89 (See note 3t)	475.07 (See note 4n)	Nil	0.22 (See note 6h)	Nil
Creditors outstanding/Current Liabilities at year end	63.71 (See note 1w)	22.66 (See note 2m)	22.28 (See note 3u)	17.13 (See note 4o)	2.05 (See note 5l)	2.63 (See note 6i)	3.94 (See note 7g)
Unsecured loans	Nil	Nil	Nil	Nil	5.98 (See note 5m)	1.90 (See note 6j)	Nil
Key management personnel/relatives							
Loans /advances at year end	5.42 (See note 1x)	Nil	4.33 (See note 3v)	Nil	12.60 (See note 5n)	Nil	1.42 (See note 7h)
Creditors outstanding/Current Liabilities at year end	24.18 (See note 1y)	2.07 (See note 2n)	3.13 (See note 3w)	Nil	Nil	Nil	Nil
Unsecured loans	Nil	Nil	Nil	Nil	Nil	0.63 (See note 6k)	5.42 (See note 7i)

NOTES:

- 1a. Comprise construction services rendered to Parsvnath Landmark Developers Private Limited.
- 1b. Comprises interest received from Parsvnath Landmark Developers Private Limited.
- 1c. Comprises reimbursement of expenses received from Parsvnath Landmark Developers Private Limited.
- 1d. Comprises payment made to Parsvnath Developers AOP towards contribution to Joint venture.
- 1e. Comprises advances to Parsvnath Landmark Developers Private Limited against purchase of land.
- 1f. Comprises unsecured loan taken from Parsvnath Landmark Developers Private Limited.
- 1g. Comprises advances received back from Parsvnath Landmark Developers Private Limited.
- 1h. Includes Rs. 0.75 million and Rs. 2.11 million towards interest expenses and brokerage respectively, paid to Basundhra Properties Private Limited.
- 1i. Comprises advances received from M/s Pradeep Kumar Jain & Sons HUF against sale of flat.
- 1j. Includes advance against land paid to following parties:-
 - Afra Infrastructure Private Limited – Rs. 165.30 million
 - Banita Buildcon Private Limited – Rs. 149.19 million



- Navneet Realtors Private Limited – Rs. 131.94 million
 - Perpetual Infra Private Limited – Rs. 121.62 millions
 - Prosperity Infra Private Limited – Rs. 149.92 million
- 1k. Includes Rs. 246.19 million paid to New Hind Enterprises Private Limited for purchase of Land.
- 1l. Comprises security deposits received from Basundhara Properties Private Limited.
- 1m. Comprises rent and management fee received from Mr. Pradeep Jain.
- 1n. Includes Rs. 4.50 million, Rs. 1.50 million, Rs. 1.05 million and Rs. 1.05 million paid to Mr. Pradeep Jain, Mr. Sanjeev Jain, Dr. Rajeev Jain and Mr. G. R. Gogia respectively.
- 1o. Included Rs. 0.99 million paid to Ms. Nutan Jain for rent charges.
- 1p. Comprises reimbursement of expenses received from Mr. Pradeep Jain.
- 1q. Comprises security deposit paid to Ms. Nutan Jain
- 1r. Includes Rs. 20.00 million received from Mr. Pradeep Jain as advance against sale of flats.
- 1s. Comprises amount receivable from Parsvnath Landmark Developers Private Limited on account of construction services provided.
- 1t. Included Rs. 67.41 million and Rs. 41.23 million due from Parsvnath Landmark Developers Private Limited and M/s Parsvnath Developers AOP respectively, on account of loans and advances at the year end.
- 1u. Comprises unsecured loan taken from Parsvnath Landmark Developers Private Limited.
- 1v. Comprises amount of advances received from Parsvnath Landmark Developers Private Limited.
- 1w. Includes Rs. 31.21 million and Rs. 32.50 million due to Basundhara Properties Private Limited and M/s Pradeep Kumar Jain & Sons HUF, respectively on account of advances received.
- 1x. Comprises amount due from Ms. Nutan Jain on account of security deposits.
- 1y. Includes Rs. 21.99 million due to Mr. Pradeep Jain towards advances received.
- 2a. Comprises construction services rendered to Parsvnath Landmark Developers Private Limited.
- 2b. Comprises interest on advance Parsvnath Landmark Developers Private Limited.
- 2c. Comprises reimbursement of expenses received from Parsvnath Landmark Developers Private Limited.
- 2d. Comprises other advances received from Parsvnath Landmark Developers Private Limited.
- 2e. Comprises other advances received from Basundhara Properties Private Limited.
- 2f. Includes advance paid for purchase of land to followings parties:
- New Hind Enterprises Private Limited Rs. 143.80 million
 - Nilanchal Realtors Private Limited Rs. 57.00 million
- 2g. Includes Rs. 1.20 million, Rs. 0.60 million and Rs. 0.30 million on account of remuneration paid to Pradeep Jain, Sanjeev Jain and Rajeev Jain respectively.
- 2h. Includes Rs. 0.58 million paid to Nutan Jain for rent charges.
- 2i. Comprises amount receivable from Parsvnath Landmark Developers Private Limited on account of construction services provided at the year end.
- 2j. Comprises amount due from Parsvnath Landmark Developers Private Limited on account of loans and advances at the year end.
- 2k. Comprises amount due to Parsvnath Landmark Developers Private Limited on account of advances received pending to be adjusted at the year end.



- 2l. Includes amount due from following parties on account of Loans & Advances at the year end:
- New Hind Enterprises Private Limited Rs. 461.83 million
 - Home Life Real Estate Private Limited Rs. 62.02 million
 - Nilanchal Realtors Private Limited Rs. 79.66 million
- 2m. Comprises amount due to Basundhra Properties Private Limited at the year end.
- 2n. Comprises amount due from Nutan Jain on account of security deposits outstanding at the year end.
- 3a. Comprise construction services rendered to Parsvnath Landmark Developers Private Limited.
- 3b. Comprises interest received from Parsvnath Landmark Developers Private Limited.
- 3c. Comprises reimbursement of expenses received from Parsvnath Landmark Developers Private Limited.
- 3d. Comprises payment made to Parsvnath Developers AOP towards contribution to Joint venture.
- 3e. Comprises security deposit paid to Parsvnath Landmark Developers Private Limited.
- 3f. Comprises advance for construction services received from Parsvnath Landmark Developers Private Limited.
- 3g. Comprises Rs. 0.46 million being rent paid to Pradeep Kumar Jain & Sons HUF and Rs. 1.92 million being interest payable to Basundhra Properties Private Limited.
- 3h. Comprises reimbursement of expenses received from Basundhra Properties Private Limited.
- 3i. Includes Rs. 398.51 million paid to New Hind Enterprises Private Limited for advance against purchase of land.
- 3j. Includes land purchased from following parties:-
- Home Life Real Estate Private Limited – Rs. 82.87 million
 - Nilanchal Realtors Private Limited – Rs. 84.94 million
 - Genuine Properties Private Limited – Rs. 88.31 million
 - Goodworth Overseas Private Limited – Rs. 60.04 million
- 3k. Comprise rent and management fees received from Mr. Pradeep Jain.
- 3l. Includes Rs. 7.10 million, Rs. 3.10 million and Rs. 1.85 million on account of remuneration paid to Mr. Pradeep Jain, Mr. Sanjeev Jain and Mr. Rajeev Jain respectively.
- 3m. Includes Rs. 2.48 million and Rs. 0.28 million paid to Nutan Jain and Mr. Pradeep Jain, respectively, for rent charges.
- 3n. Comprises reimbursement of expenses received from Mr. Pradeep Jain.
- 3o. Comprises security deposit paid to Mrs. Nutan Jain.
- 3p. Comprises advance received from Ms. Rekha Jain.
- 3q. Comprises amount receivable from Parsvnath Landmark Developers Private Limited on account of construction services provided at the year end.
- 3r. Includes Rs. 165.31 million and Rs. 38.13 million due from Parsvnath Landmark Developers Private Limited and Parsvnath Developers AOP, respectively, on account of Loans and advances at the year end.
- 3s. Comprises amount due to Parsvnath Landmark Developers Private Limited on account of advances received pending to be adjusted at the year end.
- 3t. Includes Rs. 406.81 million due from New Hind Enterprises Private Limited on account of loans and advances at the year end.
- 3u. Comprises amount due to Basundhra Properties Private Limited on account of advances received at the year end.
- 3v. Comprises amount due from Nutan Jain on account of loans and advances at the year end.
- 3w. Comprises amount due to Mr. Pradeep Jain towards advances received at the year end.

- 4a. Comprise construction services rendered to Parsvnath Landmark Developers Private Limited.
- 4b. Comprise of interest received from Parsvnath Landmark Developers Private Limited.
- 4c. Comprises reimbursement of expenses received from Parsvnath Landmark Developers Private Limited.
- 4d. Comprises advance for construction services received from Parsvnath Landmark Developers Private Limited.
- 4e. Includes Rs. 1.81 million and Rs. 0.47 million paid to Basundhra Properties Private Limited and Pradeep Kumar Jain & Sons HUF, respectively, on account of other expenses.
- 4f. Comprises reimbursement of expenses received from Basundhra Properties Private Limited.
- 4g. Includes Rs. 396.53 million paid to New Hind Enterprises Private Limited, on account of advance against land purchased.
- 4h. Includes investment in equity shares Rs. 7.75 million and Rs. 21.25 million of Home Life Real Estate Private Limited and Amazon India Limited, respectively.
- 4i. Includes the following against land purchase:
 - Rs. 10.00 million – Honey Builders Private Limited
 - Rs. 15.82 million – New Hind Enterprises Private Limited
 - Rs. 19.59 million – Noida Marketing Private Limited
 - Rs. 14.55 million – AGK Exim Private Limited
 - Rs. 7.56 million – Parasnath and Associates Private Limited
- 4j. Includes Rs. 3.03 million and Rs. 1.23 million paid to Mr. Pradeep Jain and Mr. Sanjeev Jain, respectively, on account of remuneration.
- 4k. Includes rent paid to Mrs. Nutan Jain and Mr. Pradeep Jain Rs. 1.44 million and Rs. 0.17 million, respectively.
- 4l. Comprises security deposit paid to Mrs. Nutan Jain.
- 4m. Comprises amount due from Parsvnath Landmark Developers Private Limited on account of Loans & Advances at the year end.
- 4n. Includes amount due from following parties on account of Loans & Advances at the year end:
 - Rs. 396.53 million – New Hind Enterprises Private Limited
 - Rs. 62.02 million – Home Life Real Estate Private Limited
- 4o. Comprises amount due to Basundhra Properties Private Limited at the year end.
- 5a. Comprises reimbursement of expenses received from Parsvnath Landmark Developers Private Limited.
- 5b. Comprises earnest money deposit received from Parsvnath Landmark Developers Private Limited.
- 5c. Includes maintenance charges Rs. 1.37 million and Rs. 2.78 million paid to Parasnath and Associates and Basundhra Properties Private Limited, respectively.
- 5d. Includes Rs. 5.20 million and Rs. 1.50 million received as advance from Janak Finance & Leasing Private Limited and Jain Associates, respectively.
- 5e. Includes Rs. 10.00 million and Rs. 11.00 million paid as advance against land purchase to Honey Builders Private Limited and New Hind Enterprises Private Limited, respectively.
- 5f. Comprises loan taken from Basundhra Properties Private Limited.
- 5g. Comprises investment in shares of Parsvnath Landmark Developers Private Limited.
- 5h. Comprises share application money paid to Parsvnath Landmark Developers Private Limited.
- 5i. Includes Rs. 3.03 million and Rs. 1.23 million paid to Mr. Pradeep Jain and Mr. Sanjeev Jain, respectively, on account of remuneration.
- 5j. Includes rent paid to Mrs. Nutan Jain and Mr. Pradeep Jain Rs. 1.44 million and Rs. 0.17 million, respectively.



- 5k. Comprise security deposit paid to Mrs. Nutan Jain.
- 5l. Comprises amount due to Basundhra Properties Private Limited.
- 5m. Comprises amount due to Basundhra Properties Private Limited on account of unsecured loan at the year end.
- 5n. Includes Rs. 12.23 million due from Nutan Jain on account of advances given at the year end.
- 6a. Includes Rs. 0.64 million & Rs. 0.17 million paid to Pradeep Kumar and Sons HUF and Parasnath and Associates Private Limited, respectively, towards rent charges.
- 6b. Includes Rs. 2.42 million and Rs. 2.12 million received as advance from Janak Finance & Leasing Private Limited and Parasnath and Associates Private Limited, respectively.
- 6c. Comprises Rs. 1.90 million unsecured loan received from Pradeep Kumar Jain & Sons HUF and interest thereon.
- 6d. Comprises flat purchased from Pradeep Kumar Jain & Sons HUF.
- 6e. Includes Rs. 0.60 million, Rs. 0.30 million and Rs. 0.24 million paid to Mr. Pradeep Jain, Mr. Sanjeev Jain and Dr. Rajeev Jain, respectively, on account of remuneration charges.
- 6f. Comprises rent paid to Mrs. Nutan Jain.
- 6g. Comprises loan received from Dr. Rajeev Jain and interest thereon.
- 6h. Includes the following on account of loans & advances at the year end:
- Rs. 0.07 million – Jain Associates
 - Rs. 0.14 million – Blox Catalogue.com Tech Limited
- 6i. Includes the following on account of advances received at the year end:
- Rs. 0.20 million – Basundhra Properties Private Limited
 - Rs. 2.42 million – Janak Finance & Leasing Private Limited
- 6j. Comprises amount due from Pradeep Kumar & Sons on account of unsecured loan at the year end.
- 6k. Comprises amount due from Rajeev Jain on account of unsecured loan at the year end.
- 7a. Comprises advance received from Jain Associates.
- 7b. Comprises flats purchased from Jain Associates.
- 7c. Comprises sale of flats to Mr. Sanjeev Jain.
- 7d. Includes Rs. 0.15 million, Rs. 0.20 million and Rs. 0.04 million paid to Mr. Pradeep Jain, Mr. Sanjeev Jain and Dr. Rajeev Jain, respectively, on account of remuneration.
- 7e. Includes rent paid to Mrs. Nutan Jain and miscellaneous expenses to Mr. Pradeep Jain, Rs. 0.23 million and Rs. 0.14 million respectively.
- 7f. Includes Rs. 0.92 million and Rs. 4.50 million received as advance from Mr. Rajeev Jain and Mr. Pradeep Jain, respectively.
- 7g. Comprise amount due to Jain Associates at the year end.
- 7h. Includes the following on account of Loans & Advances at the year end:
- Rs. 0.29 million – Mr. Sanjeev Jain
 - Rs. 1.14 million – Mr. Pradeep Jain
- 7i. Includes amount due to the following on account of unsecured loan received at the year end:
- Rs. 0.92 million – Mr. Rajeev Jain
 - Rs. 4.50 million – Mr. Pradeep Jain



SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND U.S. GAAP

The financial statements included in this document have been prepared in conformity with Indian GAAP, which differ in certain significant respects from U.S. GAAP. Such differences involve method of measuring the amounts shown in the financial statements as well as additional disclosures required by U.S. GAAP.

The following table summarizes significant differences between Indian GAAP and U.S. GAAP in so far as they are relevant to our financial statements included in this Red Herring Prospectus. However, they should not be construed as exhaustive as no attempt has been made by the Company to quantify the effects of those differences, nor has a complete reconciliation of Indian GAAP to U.S. GAAP been undertaken by the Company. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the financial statements and the notes thereto.

The Company has not prepared financial statements in accordance with U.S. GAAP. Accordingly, there can be no assurance that the table below is complete, or that the differences described would give rise to the most material differences between Indian GAAP and U.S. GAAP. The Company cannot presently estimate the net effect of applying U.S. GAAP on its financial statements.

Various Indian GAAP and U.S. GAAP pronouncements have been issued for which the mandatory date is later than the reporting dates in this Red Herring Prospectus. These together with the standards that are in the process of being developed, could have a significant effect on future comparison between Indian GAAP and U.S. GAAP.

Potential investors should consult their own advisors for understanding of the principal differences between Indian GAAP and U.S. GAAP and how these differences might effect the financial statements included in the offering document.

S. No.	Particulars	Indian GAAP	US GAAP
1.	Contents of financial statements	Companies are required to present balance sheet and profit and loss account for two years along with accounting policies and notes. All companies classified as Level 1 enterprises by Institute of Chartered Accountants of India (ICAI) are required to present cash flow statement. A statement of stockholder's equity is not presented. There is no requirement for a comprehensive income statement.	Companies are required to present balance sheets, statement of operations, statements of cash flows and statement of changes in stockholders equity for two years along with accounting policies and notes. Public Companies are required to present statement of operations, statement of cash flows and statement of changes in stockholders equity for three years. A statement of comprehensive income (comprising primarily of unrealized gains and losses) is also required.
2.	Correction of fundamental errors	The effect of correction of errors is included in the current year income statement. The nature and amount of prior period items are separately disclosed.	Restatements of relevant prior periods is required.
3.	Changes in accounting policies	Include effect in the income statement of the period in which the changes is made except as specified in certain standards where the change resulting from adoption of the standard has to be adjusted against opening retained earnings.	The effect of changes in accounting policy is generally included in the current year income statement. Pro-forma comparatives reflecting the impact of changes is generally disclosed.
4.	Consolidation and Investments in Joint Ventures	In accordance with AS-27, "Financial reporting of Interest in joint venturers", the venturer recognizes in its financial statements its share of jointly controlled assets, any liability it has	Investment in Joint Ventures is generally accounted for under the equity method of accounting.



S. No.	Particulars	Indian GAAP	US GAAP
		incurred, its share of any liability incurred jointly with other venturers in relation to the joint venture, any income from sale or use of its share of output of the joint venture, together with its share of expenses incurred by joint venture and any expenses which it has incurred in respect of interest in joint venture.	
5.	Translation differences	<p>Transactions in foreign currency are recorded in at the exchange rate prevailing on the date of the transaction.</p> <p>Monetary items are restated at year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.</p> <p>Exchange differences arising on transactions and translation of monetary items are recognized as income or expense, in the year in which they arise, except in respect of liabilities for the acquisition of fixed assets, where such exchange difference is adjusted in the carrying cost of the fixed assets.</p>	Same as Indian GAAP, except that no different treatment is prescribed for exchange difference arising in respect of translation of liabilities for acquisition of fixed assets. As per U.S. GAAP such exchange difference is also recognized as income or expense, in the year in which it arise.
6.	Inventory	Inventory is valued at cost or net realizable value, whichever is lower. Reversal is required for a subsequent increase in value of inventory previously written down.	Inventory is valued at lower of cost or market price. Market value is defined as current replacement cost subject to an upper limit of net realizable value and a lower limit of net realizable value less a normal profit margin. Reversal of a write down is prohibited, as a write down creates a new cost basis.
7.	Revenue recognition	Revenue from sale of goods is recognized when significant risk and rewards of ownership are transferred and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods.	<p>Revenue from sale of goods is recognized when the following conditions are met:</p> <ul style="list-style-type: none"> Persuasive evidence of an arrangement exists, The goods are delivered The price is fixed or determinable
8.	Employee benefits / retirement benefits	<p>The liability for defined benefit retirement plans like gratuity and pension is measured as per actuarial valuation.</p> <p>Several alternative methodologies are considered acceptable for the purpose of</p>	<p>The liability for defined benefit retirement plans is determined using the projected unit cost method.</p> <p>The discount rate is based on market yields of high quality corporate bonds.</p>



S. No.	Particulars	Indian GAAP	US GAAP
		valuation, and the actuary has considerable latitude in selecting assumptions to be used. There is no specification on discount rate to be used and for valuation of plan assets. Actuarial gain or losses are recognized immediately in the Income Statement.	The plan assets are measured using fair value or using discounted cash flows if market prices are unavailable. If cumulative actuarial gains or losses exceed 10% of the greater of plan assets or plan obligation, that excess must be amortized over the average remaining service period of active employees expected to receive benefit under the plan.
9.	Issuance and redemption costs for borrowings	Debt issuance costs and redemption premiums payable on the redemption of debt may be amortized, charged as an expense or charged to the Securities Premium Account.	Debt issuance costs are treated as a deferred charge and amortized using the effective interest rate method over the life of the debt. Redemption premiums are accrued as a yield adjustment over the life of the debt.
10.	Deferred taxation	Deferred tax assets arising due to unabsorbed depreciation or carry forward of losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax rate applied on deferred tax items is the substantively enacted tax rate.	Deferred tax assets and liabilities are recorded for the tax effect of all temporary differences between the tax and book bases of assets and liabilities and operating loss carry-forwards. A valuation allowance is made against deferred taxes, if based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. The tax rate applied on deferred tax items is the enacted tax rate.
11.	Impairment of assets	AS 28, "Impairment of Assets" requires an enterprise to assess on each balance sheet date whether there is any indication that an asset is impaired. If such an indication exists, the assets must be written down to higher of net selling price and the value in use based on discounted cash flows. This reduction is an impairment loss.	Impairment is the condition that exists when the carrying amount of the long-lived asset exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. An impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value, which is determined based on discounted cash flows.
12.	Dividend	Dividends are reflected in the financial statements of the year to which they relate even if proposed or approved after the year end.	Dividends are accounted for when approved. Dividends declared after the balance sheet date are not reflected in the financial statements.
13.	Preference shares	Preference shares are classified as share capital and included as part of shareholders' funds. Dividends relating to these shares are treated as an appropriation of profit.	Financial instruments issued in the form of shares that are mandatorily redeemable are required to be classified as liability. Dividends on such shares are recorded as expense.



S. No.	Particulars	Indian GAAP	US GAAP
14.	Investments	Long term investments are carried at cost with provision for other than temporary diminution in value. Current investments are carried at lower of cost or fair value determined on individual basis or by category of investments.	Depends on classification of investments. If held to maturity then carry at amortized cost, otherwise at fair value.
15.	Unrealized gain/loss on trading securities	Unrealized gain on available for sale securities or trading securities is not recognized. Unrealized loss on available for sale securities or trading securities is recognized in the income statement.	Unrealized gains/losses on available for sale securities are recorded as other comprehensive income, which is a component of shareholders' equity. Unrealized gains and losses on trading securities are recognized in income statement.
16.	Investment properties	Carried at cost. Carrying amount is adjusted to recognize decline in value other than temporary.	Treated as other properties and carried at depreciated cost.
17.	Fixed Assets	Fixed Assets are recorded at the historical costs or revalued amounts. Depreciation is allocated so as to charge a fair proportion of the depreciable amount in each accounting period during the expected useful life of the asset, however rates are prescribed in the Companies Act for the minimum depreciation provision.	Revaluation of fixed assets is not permitted. Depreciation is provided in a systematic and rational manner over the estimated useful economic life of the asset.
18.	Consolidation of subsidiaries	The Institute of Chartered Accountants of India ("ICAI") issued Accounting Standard (AS 21) on "Consolidated Financial Statements". AS 21 does not require consolidation, but sets out the standards to be followed in the event that consolidated financial statements are presented or required by law or regulation. SEBI requires listed Companies and those seeking a listing to publish consolidated financial statements in accordance with AS 21 in addition to the separate financial statements of the parent.	Under U.S. GAAP, there is a presumption that consolidated financial statements present more meaningful financial information for a parent and subsidiaries than separate financial statements of the parent. Accordingly, consolidation is required for entities where the parent has majority financial control; generally when it controls more than 50% of the outstanding stock, except when control is likely to be temporary or is impaired. Separate financial statements of the parent only are not presented.
19.	Construction Contracts	Contract revenue and contract costs of a construction contract is recognized as revenue and expenses by reference to the stage of completion of the contract, when the outcome of that contract can be estimated reliably, i.e. the percentage-of-completion method. If the outcome of the contract cannot be estimated reliably, revenue is recognized only to the extent that it is probable that the contract costs incurred will be recoverable. Contract costs are recognized as expense in the period in which they are incurred, and any expected excess of total contract costs over total contract revenue is recognized as expense.	The percentage-of-completion method and the completed-contract method are acceptable methods of accounting. The percentage-of-completion method is recommended when estimates of costs to complete and extent of progress toward completion of long-term contracts are reasonably dependable. Where estimates of costs to completion and the extent of progress towards completion cannot be determined with reasonable certainty, revenue is recognized only when the contract is completed or substantially completed. Losses are recognized when incurred or when the expected contract costs exceed the expected contract revenue.



S. No.	Particulars	Indian GAAP	US GAAP
20.	Business Combinations	Pooling of Interest method is used in the circumstances which met the criteria listed for an amalgamation in the nature of a merger. In all other cases, the purchase method is used.	Business combinations are generally accounted for by the purchase method only.
21.	Stock based compensation	There is no specific guidance on accounting for employee stock compensation. SEBI has issued the Employee Stock Option Scheme Guidelines, 1999, which are effective for listed Companies for all stock-option schemes established after 19 June, 1999. In accordance with these guidelines, the excess of the market price/fair valuation of underlying equity shares as of the date of grant of the option over the exercise price of the option is to be recognized and amortized on a straight-line basis over the vesting period.	Entities can either follow an intrinsic value method or a fair value method for determining costs of employees stock compensation plans. Under the intrinsic value method, the compensation cost is the difference between the market price of the stock at the measurement date and the exercise price. The fair value method is based on the fair value of the option at the grant date. This is estimated using an option-pricing model.
22.	Options to Non-employees	No specific guidance.	Guidance with respect to measurement date and timing of recognition of expense. All options to non-employees are recognized at fair value.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated unconsolidated financial statements prepared in accordance with paragraph B(1) of Part II of Schedule II to the Companies Act and SEBI Guidelines, including the schedules, annexure and notes thereto and the reports thereon, which appear in this Red Herring Prospectus, beginning on page 162 of this Red Herring Prospectus. Indian GAAP and U.S. GAAP differ in certain material respects. Unless otherwise stated, the financial information used in this section is derived from our audited unconsolidated financial statements as restated.

Overview

We are one of the leading real estate development companies in India with operations in 41 cities and 14 states of India. As of October 15, 2006 we directly owned or held development rights for an estimated 108.64 million square feet of saleable area.

We have been associated with the real estate business since our incorporation in 1990 and our Promoters have been associated with the real estate sector for more than two decades. We commenced business as a marketing company for real estate projects. In 1990, we began constructing residential real estate projects and now most of our projects are constructed internally by us.

We have diversified our portfolio of real estate development projects. Presently we have acquired land or development rights in connection with the development of 20 integrated townships, 27 commercial complexes including shopping malls, multiplexes, office space and a complete metro station, and 25 residential projects. We also intend to construct 14 hotels and four information technology parks on commercial land acquired by us or in respect of which we have development rights. In addition, we have completed 17 projects including nine housing projects and eight commercial complexes. Further, we have obtained in principle approvals from Gol for the development of nine SEZ projects. The following table details the revenue from the aforesaid categories of projects in our revenue during last four fiscal years, the three month period ended June 30, 2005 and the three month period ended June 30, 2006.

	Three months ended June 30, 2006		Three months ended June 30, 2005		Fiscal							
					2006		2005		2004		2003	
	Rs. In Million	As % of total revenue (in %)	Rs. In Million	As % of total revenue (in %)	Rs. In Million	As % of total revenue (in %)	Rs. In Million	As % of total revenue (in %)	Rs. In Million	As % of total revenue (in %)	Rs. In Million	As % of total revenue (in %)
Residential projects	1,217.76	49.32	1,403.65	95.00	4,950.52	76.89	2,805.17	92.52	906.79	80.86	565.58	82.21
Malls, multiplexes, commercial properties	42.85	1.74	45.30	3.06	542.27	8.42	126.82	4.18	84.31	7.52	35.13	5.11
Integrated townships	1,180.53	47.82	Nil	Nil	822.07	12.77	Nil	Nil	Nil	Nil	Nil	Nil
Lease Rentals	9.24	0.37	Nil	Nil	22.42	0.35	Nil	Nil	Nil	Nil	Nil	Nil
Contract revenues	18.31	0.75	28.64	1.94	101.04	1.57	100.08	3.30	130.37	11.62	87.28	12.68
Total	2,468.69	100	1,477.59	100.00	6,438.32	100	3,032.07	100	1,121.47	100	687.99	100

We have initiated efforts to diversify our project portfolio by entering into construction and developments of hotels and information technology parks in order to capitalize on the growing real estate development opportunities offered by sectors such as tourism and information technology.

The real estate development sector has shown an increase in demand in the past few years. Our scale of operation has also expanded and our total revenue has increased from Rs. 272.95 million in fiscal 2002 to Rs. 6,537.67 million in fiscal 2006, at a CAGR of 121.23%. During the same period, our profit after tax has increased from Rs. 32.97 million to Rs. 1,069.86 million, at a CAGR of 138.67%.



FACTORS AFFECTING RESULTS OF OPERATIONS

Revenue

General economic condition in India: All our operations are currently located in India and the economic condition of India has a direct impact on our revenues. We are one of the leading companies in the real estate development sector and are currently involved in the development of integrated townships, residential projects, shopping complexes, malls and multiplexes. We believe that the success of our projects is dependant on the general economic growth of India. We believe that a growth in the GDP and per capita income of Indians results in an increase in our revenues. For example, in fiscal 2006, fiscal 2005 and fiscal 2004, when our total income increased by 113.06%, 171.68% and 62.79% respectively, as compared to the previous periods, the GDP of India registered a growth of 8.1% (estimated), 6.9% and 8.5% respectively.

In addition, the growth in the Indian economy has also resulted in the growth of new sectors such as tourism and information technology. We believe that the growth in the general economic condition in India will not only increase the demand for more houses for those employed in these sectors but will also require substantial real estate development activities such as building of IT parks, hotels and SEZs..

For details of the growth of the Indian economy, see the section titled "Industry Overview" on page 48 of this Red Herring Prospectus.

Increase in private partnership in public utility facilities: India has witnessed an increase in the role of the private/non governmental sector in a number of facilities which are being set up for public utility. A number of projects such as construction of toll roads and bridges, airports and information technology parks have been developed in the last decade in public/private partnership. Most of such projects are built on a build, operate and transfer basis, whereby the private entity develops and operates a utility for a pre-determined period at pre-determined rate of payment pursuant to a concession agreement. The revenue generated by the private entity in excess of the amount payable to the government is the primary source of revenue for the private entity.

For example, in Delhi, the DMRC leases and licenses properties owned by them for development as commercial complexes through concession agreements. As of October 15, 2006, we have entered into ten such concession agreements with the DMRC. Through these concession agreements, we have acquired the rights to develop properties for commercial use in Inderlok, Seelampur, Shahadra, Tees Hazari, Pratapnagar, Welcome and Kashmere Gate. These concession agreements entitle us to further sub-license the areas developed by us. The term of the licenses obtained by us ranges between 12 to 30 years. Under the terms of the concession agreements we are required to develop the projects on a build, operate and transfer basis. The developed properties will devolve to the DMRC at the end of the respective license period. As of June 30, 2006, we have developed two projects for the DMRC and have sub-leased certain properties. In the three month period ended June 30, 2006 and fiscal 2006 we generated an income of Rs. 9.24 million and Rs. 22.42 million respectively which was 0.37% and 0.34% of our total income.

Availability of financing for customers: Residential properties which include plots for residences, group housing projects and built up houses, accounted for Rs. 1,217.76 million, Rs. 4,950.52 million, Rs. 1403.65 million, Rs. 2,805.17 million, Rs. 906.79 million and Rs. 565.58 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, which was 49.32%, 76.89%, 95.00%, 92.52%, 80.86% and 82.21% of our total income from operations for the said periods.

One of the major drivers behind the growth of demand for housing units is low interest rates on housing loans. The interest rate has substantially reduced from the last decade' when it used to range approximately between 16% to 18% to a range of 8% to 10%. As a result, the amount of housing loans disbursed in India has been increasing consistently as shown in the table below:



Year	Housing Loan Disbursement (Rs. Million)	Rate of Growth (%)
1999-2000	197,233.8	-
2000-2001	224,250.9	13.7
2001-2002	293,592.9	30.9
2002-2003	516,727.0	76.0

Source: National Housing Bank.

However, the rates of interest for housing loans have been recently increased by most of the leading financial institutions.

Government policies including taxes and duties affecting infrastructure: The provisions of section 80-IB of the I.T. Act provides for exemption on payment of income tax on residential projects approved before the March 31, 2007 provided the area of each dwelling unit is not more than 1,000 square feet in metropolitan cities of New Delhi and Mumbai and 1,500 square feet in rest of India. Our projects are customized, wherever feasible, to take advantage of the benefits provided by the said provisions of the I.T. Act. The total amount of benefit derived by us under section 80-IB of the I.T. Act was Rs. 48.18 million, Rs. 343.79 million, Rs. 30.19 million, Rs. 540.45 million, Rs. 156.10 million and Rs. 98.75 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, which was 8.89%, 23.38%, 13.19%, 74.04%, 77.50% and 78.60% of our profit before tax. For details of the said provisions of the I.T. Act, see the section titled "Statement of Tax Benefits" on page 42 of this Red Herring Prospectus.

In addition, a major contributing factor to boost the growth of residential housing property is income tax benefits on housing loans. Currently, income tax deduction is available on the interest component (up to Rs. 0.15 million) on housing loans and a rebate of Rs. 100,000 on the principal repayment is also available.

Expenditure

The cost of construction and development which comprises of cost of acquisition of land, cost of acquiring developmental rights and cost of materials such as steel and cement, cost of labour attributable to a specific project and marketing costs of that project constituted 91.82%, 91.76%, 95.26%, 94.64%, 91.98% and 93.97% of our total expenditure in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003 respectively.

Cost of acquisition of land: The cost of acquisition of land which includes the amounts paid for freehold rights, leasehold rights and cost of registration and stamp duty was Rs. 186.48 million, Rs. 414.28 million, Rs. 42.92 million, Rs.487.70 million, Rs. 173.47 million and Rs. 112.42 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, which was 10.42% 8.91%, 3.55%, 22.04%, 20.32% and 21.06% of our cost of construction/ development and 9.57%, 20.86%, 3.38%, 18.69% and 19.79% of the total expenditure for the said periods. We acquire lands from government and governmental authorities and private parties. The lands we acquire from governmental or development authorities are generally through a tender process, wherein the highest bidder is selected for allotment of land, which are in some cases subject to qualification under technical or financial parameters. In certain cases, the governmental authorities fix a reserve price for the land and all bids below this price are rejected. We are typically required to enter into a deed of conveyance or a lease deed transferring title or leasehold rights in our favour. The registration charges and stamp duty amongst other things are also payable by us.

Cost of acquisition of development rights: We acquire the right to develop properties through collaboration with other entities. These other entities are title holders of lands. As per the terms of the agreements with such entities, typically, the project is conceived and developed by us. The other party is typically given the option, as consideration, to either share the sale proceeds in a pre determined proportion which may range approximately between 15% to 50% depending upon the nature of the project and the location of the land or to receive a pre determined percentage of the developed area which he may market at his cost and expense. The total cost of acquisition of development rights was Rs. 930.14 million, Rs. 2,014.83 million, Rs. 860.97 million, Rs. 410.43 million, Rs. 129.74 million and Rs. 101.79 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, which was 52.00%, 43.33%, 71.24%, 18.55%,



15.20% and 19.07% of our cost of construction/development and 47.74%, 39.76%, 67.86%, 17.55%, 13.98% and 17.92% of our total expenditure for the said periods.

Cost of construction: The cost of construction primarily comprise of cost of steel, cost of cement, cost of wood, cost of flooring materials and cost of other accessories.

Cost of Steel: Steel is an important component in the construction of buildings and the cost of steel comprised 7.13%, 17.17%, 7.86%, 13.69%, 9.67% and 14.77 % of our total cost of construction in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003. The price of steel is dependant on the international demand supply scenario and our expenditure on steel has increased from Rs.15,984 per metric ton on an average in fiscal 2003 to Rs. 27,941 per metric ton on an average in fiscal 2006.

Cost of cement: Cement is an important component in the construction of buildings and the cost of cement comprised 2.45%, 3.19%, 1.68%, 3.89%, 4.84% and 5.18% of our total cost of construction in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003. The price of cement varies across regions due to variations in the demand supply balance, the level of concentration and demand growth.

Cost of timber: Timber is an important component in the construction of buildings and the cost of timber comprised 1.22%, 1.50%, 0.92%, 2.24%, 3.92% and 3.22% of our total cost of construction in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003.

Cost of personnel or labour: The cost of personnel used in a specific project is assigned to the cost of construction and development and was 3.84%, 5.72%, 3.13%, 7.55%, 11.38% and 8.19% of our total cost of construction in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003.

Marketing Expenses: The marketing expenses used in a specific project is assigned to the cost of construction and development and was 2.87%, 5.56%, 4.11%, 4.70%, 2.37% and 3.46% of our total cost of construction in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003.

Taxation: The other primary factor which affects our financial conditions is the tax payable by us. However, in case our liability for current taxes as calculated is less than 7.5% of our book profit (as defined by statute), we are liable to pay the Minimum Alternate Tax, or MAT, in accordance with Section 115JB of the Income Tax Act, 1961. Deferred taxes arise from timing differences between our book profits and our taxable profits that originate during an accounting period and which can be reversed in subsequent periods. Deferred taxes are measured using the tax rates and laws that have been enacted as of the date of financial statements in which they are recorded. We provide for deferred tax liability/assets on such timing differences subject to prudent considerations. Significant sources of deferred tax liabilities and assets include: (a) the timing difference in recording depreciation under Indian GAAP and under the Income Tax Act, 1961 and (b) the inadmissibility of provisions of the Income Tax Act, 1961. For details of the tax benefits available to us, see, the section titled "Statement of Tax Benefits" on page 42 of this Red Herring Prospectus.

For more information on these and other factors/developments which have or may affect us, see section titled "Risk Factors" on page x of this Red Herring Prospectus and section titled "Our Business" on page 55 of this Red Herring Prospectus.

Our Critical Accounting Policies

Preparation of financial statements in accordance with Indian GAAP, the applicable accounting standards issued by the ICAI and the relevant provisions of the Companies Act require our management to make judgments, estimates and assumptions regarding uncertainties that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenues and expenses. These judgments, assumptions and estimates are reflected in our accounting policies, which are more fully described in the report of our Auditors appearing on page 162 of this Red Herring Prospectus.

Certain of our accounting policies are particularly important to the portrayal of our financial position and results of operations and require the application of significant assumptions and estimates of our management. We refer to these accounting policies as our "critical accounting policies". Our management uses our historical experience and analyses, the terms of existing contracts, historical cost convention, industry trends, information provided by our agents and information available from other outside sources, as appropriate, when forming our assumptions and estimates. However, this task is inexact because our management



is making assumptions and providing estimates on matters that are inherently uncertain. For more information on our significant accounting policies, please refer to Annexure IV to our restated financial statements beginning on page 162 of this Red Herring Prospectus.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

(a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported accounts of revenues and expenses for the years presented.

(b) Depreciation

Depreciation is provided on written down value method at the rates specified in Schedule XIV to the Companies Act or based on the management's estimates of the useful life of the assets, whichever is higher. Accordingly, the depreciation rates used are as follows:

Item	Rate of depreciation
Building	5.00%
Plant & Machinery (including Office Equipments)	30.00%
Shuttering & Scaffolding	40.00%
Furniture & Fixtures	30.00%
Motor Vehicles	25.89%
Computers	60.00%

- (i) Cost of building on land held on licence basis is being amortized over the period of licence of project facility,
- (ii) Assets costing less than Rs. 5,000 individually are fully depreciated in the year of purchase.

(c) Revenue recognition

- (i) We recognize the revenue generated from our projects on the 'Percentage of Completion Method' of accounting. Under this method revenue is recognized, in relation to the sold areas only, on the basis of the percentage of the actual cost incurred thereon including land as against the total estimated cost of the project under execution. However, the revenue is recognized only if the actual costs already incurred on the date of the financial statements is at least 30% of the total cost of the project as estimated by the management. The estimates of saleable area and costs may be revised periodically by the management. The effect of such changes to estimates is recognised in the financial statements of the period in which such changes are determined.
- (ii) Income from construction contracts is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements.
- (iii) Income from fee payable by sub-licensees is recognised on accrual basis in accordance with the terms of agreement with such sub-licensee.

We believe that a number of real estate development entities recognise their revenue on a similar basis.

(d) Inventories

Our inventory comprises projects under construction (work in progress) and inventories which have been completed and are ready for sale. Work-in-progress comprises cost of materials, services and other overheads related to projects under construction. Completed unsold inventory is valued at lower of the actual cost of the inventory or the net realisable value, i.e. the selling price less selling costs of the respective inventory. Cost is determined by including cost of materials, services and other related overheads.



(e) Borrowing cost

Borrowing costs are costs that are directly attributable to the acquisition or construction of an asset which takes substantial time for completion. Such costs are considered as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Results of Operations

The following table sets forth certain information with respect to our income, expenditures and profits, for the periods indicated.

Summary Profit and Loss:

(Rs. in Million)

Particulars	Three months ended June 30, 2006	Three months ended June 30, 2005	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
INCOME							
Income from Operations	2,468.69	1,477.59	6,438.32	3,032.07	1,121.47	687.99	272.27
Income from Operations as % of Total Income	99.14%	98.66%	98.48%	98.81%	99.29%	99.16%	99.75%
Other Income	21.46	20.03	99.35	36.39	7.98	5.81	0.68
Other Income as % of Total Income	0.86%	1.34%	1.52%	1.19%	0.71%	0.84%	0.25%
Total Income	2,490.15	1,497.62	6,537.67	3,068.46	1,129.45	693.80	272.95
EXPENDITURE							
Cost of Construction/ Development	1,788.84	1,208.56	4,649.53	2,213.15	853.63	533.90	216.93
Cost of Construction/ Development as % of Total Income	71.84%	80.70%	71.12%	72.13%	75.58%	76.95%	79.48%
Personnel Expenses	32.21	20.13	81	39.61	24.85	12.84	6.57
Personnel Expenses as % of Total Income	1.29%	1.35%	1.24%	1.29%	2.20%	1.85%	2.41%
Selling, General and Administrative Expenses	89.1	26.77	267.76	54.88	35.29	15.68	9.57
Selling, General and Administrative Expenses as % of Total Income	3.58%	1.78%	4.10%	1.79%	3.12%	2.26%	3.51%
Financial Expenses	13.2	4.54	26.87	10.55	3.56	1.19	0.83
Financial Expenses as % of Total Income	0.53%	0.30%	0.41%	0.34%	0.32%	0.17%	0.30%
Depreciation	24.78	8.74	42.17	20.32	10.68	4.55	3
Depreciation as % of Total Income	0.99%	0.58%	0.65%	0.66%	0.95%	0.66%	1.10%
Total Expenditure	1,948.13	1,268.74	5,067.33	2,338.51	928.01	568.16	236.90
Total Expenditure as % of Total Income	78.23%	84.72%	77.51%	76.21%	82.16%	81.89%	86.79%



(Rs. in Million)

Particulars	Three months ended June 30, 2006	Three months ended June 30, 2005	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
Profit before tax	542.02	228.88	1,470.34	729.95	201.44	125.64	36.06
Profit before tax as % of Total Income	21.77%	15.28%	22.49%	23.79%	17.84%	18.11%	13.21%
Provision for taxation							
Current tax	180	68.5	398.74	72.04	18.14	11.11	3.08
Deferred Tax	(4.05)	(1.19)	-0.76	1.26	-0.8	-0.11	-
Fringe benefit tax	0.62	0.4	2.5	-	-	-	-
Total Tax	176.57	67.71	400.48	73.30	17.34	11	3.08
Net Profit as per restated accounts (A)	365.45	161.17	1,069.86	656.65	184.10	114.64	32.97
Net Profit as per restated accounts (A) as % of Total Income	14.67%	10.76%	16.36%	21.40%	16.30%	16.52%	12.08%

Particulars	Three months ended June 30, 2006	Three months ended June 30, 2005	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
Carry Forward Profit from Previous Year	910.52	821.69	821.69	258.83	162.38	47.56	14.59
Less: Deferred tax liability	-	-	-	-	-	0.18	-
Less: Capitalised for issue of bonus shares	-	-	826.71	-	68.69	-	-
Total	1,275.97	982.86	1,064.84	915.48	277.79	162.38	47.56
APPROPRIATIONS							
Dividend	-	-	65.18	16.49	7.04	-	-
Dividend tax	-	-	9.14	2.31	0.92	-	-
General reserve	-	-	80.00	75.00	11.00	-	-
Profit carried forward to Balance Sheet	1,275.97	982.86	910.52	821.69	258.83	162.38	47.56

Income

Our total income comprises income from operations, which includes:

- Income from sale of properties developed by us;
- Income from execution of contracts; and
- Income from lease rentals.



Income from sales: We are in the business of development of real estate projects owned by us or for which we have development rights. We generate income from sale of plots, constructed residential units, shopping and commercial space. The total income from sale of such projects in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, 2004 and 2003 are Rs. 2,441.13 million, Rs. 6,314.87 million, Rs. 1,448.95 million, Rs. 2,931.99 million, Rs. 991.10 million, and Rs. 600.71 million, respectively, which was 98.88%, 96.59%, 96.75%, 96.70%, 88.38% and 87.32% of our total income in such respective periods.

Income from execution of contracts: We also take up construction activities for third parties on a contractual basis. The total income from execution of such contracts in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, 2004 and 2003 are Rs. 18.31 million, Rs. 101.03 million, Rs. 28.64 million, Rs. 100.08 million, Rs. 130.37 million and Rs. 87.28 million respectively, which was 0.75%, 1.55%, 1.91%, 3.30%, 11.62% and 12.68% of our total income in such respective periods.

Income from lease rentals: As of June 30, 2006, we have developed two projects for the DMRC and have sub-leased certain properties. In the three month period ended June 30, 2006, fiscal 2006, we generated an income of Rs. 9.24 million, Rs. 22.42 million respectively which was 0.37%, 0.34%, of our total income.

Other income: We earn other income from among other things, interest earned from fixed deposits, rent receipts, investments, fixed assets, dividend receipts. The total income from such other sources in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, 2004 and 2003 was Rs. 21.46 million, Rs. 99.35 million, Rs. 20.03 million, Rs. 36.39 million, Rs. 7.98 million and Rs. 5.81 million, respectively, which was 0.86%, 1.52%, 1.34%, 1.19%, 0.71% and 0.84% of our total income in such respective periods.

Expenditure

We account for all expenses incurred for a specific project as expenses for such project. All expenses which are incurred and which are not specific to a particular project are accounted for separately and are not included in the cost of construction/development of projects. Our total expenditure comprises of the following:

Cost of Construction/Development: The cost of construction/ development consists of among other things, the cost of acquisition of land and the cost of acquisition of development rights, cost of materials, cost of services such as architects, contract labour, salary and allowances of employees assigned to the projects, advertising and marketing expenses for specific projects, selling expenses such as brokerage payable to booking agents for specific projects and finance charges incurred for the projects. We incurred expenses amounting to Rs. 1,788.84 million, Rs. 4,649.53 million, Rs. 1,208.56 million, Rs. 2,213.15 million, Rs. 853.63 million and Rs. 533.90 million, which was 91.82%, 91.76%, 95.26%, 94.64%, 91.98% and 93.97% of our total expenditure in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively.

Personnel expenses: We had 591, 564, 408, 351, 272 and 160 employees as of June 30, 2006, March 31, 2006, June 30, 2005, 2005, 2004 and 2003, respectively. The total expenditure incurred by us as of the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003 was Rs. 32.21 million, Rs. 81.00 million, Rs. 20.13 million, Rs. 39.61 million, Rs. 24.85 million and Rs. 12.84 million, respectively. Personnel costs do not include costs of personnel who are assigned to specific projects. The cost of such personnel form part of the cost of construction and development for the respective projects.

Selling and General Administrative expenses: The selling and administrative costs include costs incurred for corporate advertisement and expenses incurred for general administration, i.e. expenses which are not assignable to any specific project. We incurred a cost of Rs. 89.10 million, Rs. 267.76 million, Rs. 26.77 million, Rs. 54.88 million, Rs. 35.29 million and Rs. 15.68 million, which was 4.57%, 5.28%, 2.11%, 2.35%, 3.80% and 2.76% of the total expenses incurred by us in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively.

Finance Expenses: The finance expenses incurred by us includes interest charges payable by us for the short term and long term loans including working capital loans, interest charges on loans for purchase of certain equipment and vehicles and financial charges like processing fees for loans and bank guarantees. We incurred expenses amounting to Rs. 13.20 million, Rs.



26.87 million, Rs. 4.54 million, Rs.10.55 million, Rs. 3.56 million and Rs. 1.19 million, which was 0.68% 0.53%, 0.36%, 0.45%, 0.38% and 0.21% of our total expenses in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively.

Depreciation: Depreciation of building, plant and machinery, furniture, fixtures, motor vehicles, computers and certain other items used in construction such as 'shuttering' and 'scaffolding' amounted to expenses of Rs. 24.78 million, Rs.42.17 million, Rs. 8.74 million, Rs. 20.32 million, Rs.10.68 million and Rs.4.55 million, which was 1.27%, 0.83%, 0.69%, 0.87%, 1.15% and 0.80% of our total expenditure incurred in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively. In cases where the land is for a specific period as a license from DMRC, the cost of the building constructed thereon is amortized over the period of licence from the DMRC.

Taxation

Income taxes are accounted for in accordance with AS-22 issued by the ICAI on "Accounting for Taxes on Income". Taxes comprise current tax, deferred tax and fringe benefit tax.

Provision for current taxes is made at current tax rates after taking into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. The major benefit we take advantage of is under Section 80-IB of the Income Tax Act, 1961 as some of our residential housing projects meet the criteria including of size prescribed by the statute. However, in cases where our liability for current taxes as calculated is less than 7.5% of our book profit (as defined by statute), we are liable to pay the Minimum Alternate Tax, or MAT, in accordance with Section 115JB of the Income Tax Act, 1961. For details of the tax benefits available to us, see, the section titled "Statement of Tax Benefits" on page 42 of this Red Herring Prospectus.

Deferred taxes arise from timing differences between our book profits and our taxable profits that originate during an accounting period and which can be reversed in subsequent periods. Deferred taxes are measured using the tax rates and laws that have been enacted as of the date of financial statements in which they are recorded. We provide for deferred tax liability/assets on such timing differences subject to prudent considerations. Significant sources of deferred tax liabilities and assets include: (a) the timing difference in recording depreciation under Indian GAAP and under the Income Tax Act, 1961 and (b) the inadmissibility of provisions of the Income Tax Act, 1961.

Comparison of the three month period ended June 30, 2006 with the three month period ended June 30, 2005

Revenue

Our total income, comprising of income from operations and other income increased from Rs.1,497.62 million in the three month period ended June 30, 2005 to Rs. 2,490.15 million in the three month period ended June 30, 2006, which represents an increase of 66.27%. The increase may be primarily attributed to increased income from operations from Rs.1,477.59 million in the three month period ended June 30, 2005 to Rs. 2,468.69 million in the three month period ended June 30, 2006, which represents an increase of 67.08%. The increase in income from operations was primarily due to an increase in the area sold by us of 2,536,222 square feet in the three month period ended June 30, 2006 as compared to 1,337,512 square feet for the corresponding period in June 30, 2005, which represented an increase of 89.62%.

Further, in the three months period ended June 30, 2006 we were able to recognize the revenue from 25 projects as against 17 projects in the corresponding period ended June 30, 2005, and the average completion in June 30, 2006 was 64% as compared to 56% in the corresponding period ended June 30, 2005. Our average realization from residential and commercial project was Rs. 4,179 per square foot in the three month period ended June 30, 2006 as compared to Rs. 2,831 per square foot in the three month period ended June 30, 2005. We were also able to realize an average realization price of Rs.5,637 per square yards for integrated townships in the three month period ended June 30, 2006, which we had not undertaken to develop in the three month period ended June 30, 2005.

Our other income was at Rs. 21.46 million in the three month period ended June 2006 as compared to Rs.20.03 million in the three month period ended June 30, 2005. In this regard, our interest income was Rs.12.70 million in the three month period ended June 30, 2006 as compared to Rs.12.63 million in the three month period ended June 30, 2005. We also received an amount of Rs. 6.75 million for services provided to our joint venture entity, Parsvnath Landmark Developers Private Limited, both for the three month period ended June 30, 2006 and in the three month period ended June 30, 2005.



Expenditure

We incurred expenses amounting to Rs. 1,948.13 million in the three month period ended June 30, 2006 as compared to Rs. 1,268.74 million in the three month period ended June 30, 2005, which represents an increase of 53.55%. The components of this expenditure are as stated below:

Cost of construction/development

Our cost of construction/development increased from Rs. 1,208.56 million for the three month period ended June 30, 2005 to Rs. 1,788.84 million for the three month period ended June 30, 2006, which represents an increase of 48.01% and amounts to 91.82% of our total expenditure in the three month period ended June 30, 2006 as against 95.26% in the three month period ended June 30, 2005. The increase can be primarily attributed to additional cost incurred on account of increase in the floor area constructed by us of 14,873,253 square feet in the three month period ended June 2006 as against 7,828,579 square feet in the corresponding period ended June 30, 2005. In addition, the cost of materials also increased from Rs. 219.75 million in the three month period ended June 30, 2005 to Rs. 463.43 million in the three month period ended June 30, 2006, which represents an increase of 110.89%. The cost of materials was primarily affected by the increase in the cost of steel from Rs. 94.99 million in the three month period ended June 30, 2005 to Rs. 127.63 million in the three month period ended June 30, 2006. Further, the cost of cement also increased from Rs. 20.33 million in the three month period ended June 30, 2005 to Rs. 43.93 million in the three month period ended June 30, 2006, which represents an increase of 116.08%.

Personnel expenses

Our cost of personnel increased from Rs. 20.13 million in the three month period ended June 30, 2005 to Rs. 32.21 million in the three month period ended June 30, 2006, which represents an increase of 60.00%. We added 183 employees during this period. The cost of personnel as a percentage of total income was 1.29% in June 2006 as against 1.34% in June 2005.

Selling and General Administrative expense

Our selling and general administrative expenses increased from Rs. 26.77 million in the three month period ended June 30, 2005 to Rs. 89.10 million in the three month period ended June 30, 2006, representing an increase of 232.83%. The increase was primarily due to an increase in travelling costs to Rs.4.85 million in the three month period ended June 30, 2006 from Rs. 1.81 million in the three month period ended June 30, 2005 (an increase of 167.95%), increase in the commission paid by us to selling agents from Rs. 55.98 million in the three month period ended June 30, 2005 to Rs. 107.49 million in the three month period ended June 30, 2006, increase in legal expenses from Rs.7.91 million to Rs. 53.28 million and increase in advertisement, publicity, sales promotion and exhibition expenses from Rs. 38.48 million in the three month period ended June 30, 2005 to Rs. 61.14 million in the three month period ended June 30, 2006.

Finance Expenses

Our finance expenses increased from Rs. 4.54 million in the three month period ended June 30, 2005 to Rs. 13.20 million in the three month period ended June 30, 2006, which represents an increase of 190.75%. The increase was primarily due to an increase in the borrowings from bank and other financial institutions to Rs. 3,051.74 million in the three month period ended June 30, 2006 from Rs. 978.58 million in the three month period ended June 30, 2005. In addition, the finance expenses as a percentage of total income was 0.53% in the three month period ended June 30, 2006 as compared to 0.30% in the three month period ended June 30, 2005.

Depreciation

Our depreciation increased from Rs. 8.74 million in the three month period ended June 30, 2005 to Rs. 24.78 million in the three month period ended June 30, 2006, representing an increase of 183.52%. The increase was primarily due to addition of building on leasehold land to the extent of Rs. 37.51 million and other fixed assets such as shuttering, scaffolding and construction equipment of Rs.41.35 million in the three month period ended June 30, 2006 as compared to Rs. 22.38 million in the three month period ended June 30, 2005.

Profit Before Tax

Our profit before tax increased from Rs. 228.88 million in the three month period ended June 30, 2005 to Rs. 542.02 million in



the three month period ended June 30, 2006, which represents an increase of 136.81%. The increase was primarily due to an increase in our total income, which was due to an increase in our operations.

Our total income increased by 66.27% in the three month period ended June 30, 2006 as compared to our total income in the three month period ended June 30, 2005. The profit before tax as a percentage of total income increased from 15.28% in the three month period ended June 30, 2005 to 21.77% in the three month period ended June 30, 2006, due to increase in our total income.

Provision for taxation

Our provisions for tax liabilities increased from Rs. 67.71 million in the three month period ended June 30, 2005 to Rs. 176.57 million in the three month period ended June 30, 2006, representing an increase of 160.77%. The increase was primarily due to an increase in the profit before tax by 136.81% in the three month period ended June 30, 2006 as compared to the three month period ended June 30, 2005. During the same period our effective tax rate (provision for tax divided by the profit before tax) increased from 29.58% in the three month period ended June 30, 2005 to 32.58% in the three month period ended June 30, 2006, because of a decrease in the benefits available under section 80IB of IT act for some of our residential projects.

Net profit after tax

Our net profit after tax increased from Rs. 161.17 million in the three month period ended June 30, 2005 to Rs. 365.45 million in the three month period ended June 30, 2006, which represents an increase of 126.75%. The profit after tax as a percentage of total income increased from 10.76% in the three month period ended June 30, 2005 to 14.67% in the three month period ended June 30, 2006.

Comparison of Fiscal 2006 and Fiscal 2005

Revenue

Our total income comprising income from operations and other income increased from Rs. 3,068.46 million in fiscal 2005 to Rs. 6,537.67 million, which is an increase of 113.06%. This was primarily due to the increased income from operations from Rs. 3,032.07 million in fiscal 2005 to Rs. 6,438.32 million in fiscal 2006, which is an increase of 112.34%. In addition, our other income increased by 173.01% from Rs. 36.39 million in fiscal 2005 to Rs. 99.35 million in fiscal 2006. The increase in income from operations was primarily due to increase in the area sold by us of 9,124,867 square feet as of March 31, 2006 as compared to 4,942,114 square feet as of March 31, 2005. This represented an increase of 84.63% in the area sold by us. In fiscal 2006, we sold 4,182,753 square feet of area.

In relation to our ongoing projects we were able to recognize more revenue under the percentage completion method in fiscal 2006 as compared to fiscal 2005. In fiscal 2006, we were able to recognize the revenue from 20 projects, the average completion of which was 84.00% as compared to 65.00% from 20 projects in fiscal 2005. This resulted in additional revenue recognition of Rs. 93.62 million.

In addition, we recognized revenue for 10 new projects under the percentage completion method that were added during fiscal 2006 with an average percentage completion achieved of 42.00% and creating additional revenue of Rs.4,418.54 million. Our average realization from all projects also increased from approximately Rs. 1,459 per square feet as of fiscal 2005 to Rs. 2,008 per square feet as of fiscal 2006.

Further, our interest income in fiscal 2006 was Rs. 63.80 million in fiscal 2006 as compared to Rs.14.02 million in fiscal 2005. In addition we also received an amount of Rs.27.00 million for services provided to our joint venture entity, Parsvnath Landmark Developers Private Limited in fiscal 2006 as compared to Rs. 18.00 million in fiscal 2005.

For details of the percentage completion method see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" and "Risk Factors" on page 211 and x of this Red Herring Prospectus.

Expenditure

Our expenditure includes the cost of construction/ development which comprises the cost of acquisition of land and the cost



of acquisition of development rights, cost of materials, cost of services such as architects, contract labour, salary and allowances of employees assigned to the projects, advertising and marketing expenses for specific projects, selling expenses such as brokerage payable to booking agents for specific projects and finance charges incurred for the projects. We incurred expenses amounting to Rs. 5,067.33 million in fiscal 2006 as compared to Rs. 2,338.51 million in fiscal 2005, which was an increase of 116.69%. The same was due to the following factors:

Cost of construction/development

Our cost of construction/development increased from Rs. 2,213.15 million in fiscal 2005 to Rs. 4,649.53 million in fiscal 2006, which is an increase of 110.09%. The increase was due to additional cost incurred on account of increase in the floor area constructed by us of 10,249,412 square feet as of March 31, 2006 as compared to 5,463,264 square feet as of March 31, 2005.

In addition, the cost of materials also increased from Rs. 802.07 million in fiscal 2005 to Rs. 1,528.35 in fiscal 2006, which was an increase of 90.55%. The cost of materials was primarily affected by the increase in our expenditure on steel from Rs. 320.21 million in fiscal 2005 to Rs. 798.50 million in fiscal 2006. Further, the cost of cement also increased from Rs. 91.08 million in fiscal 2005 to Rs. 148.26 million in fiscal 2006, which was an increase of 62.78%.

However, the cost of construction and development as a percentage of total income decreased from 72.13% in fiscal 2005 to 71.12% in fiscal 2006. This is primarily due to increase in our average selling price from approximately Rs. 1,459 per square foot in fiscal 2005 to Rs. 2,008 per square feet in fiscal 2006, which is an increase of 37.63%.

Personnel expenses

Our cost of personnel increased from Rs. 39.61 million in fiscal 2005 to Rs. 81.00 million in fiscal 2006, which is an increase of 104.49%. The increase was due to addition of 213 employees during fiscal 2006. However, the cost of personnel as a percentage of total income decreased from 1.29% in fiscal 2005 to 1.24% in fiscal 2006.

Selling and General Administrative expenses

Our selling and general administrative expenses increased from Rs. 54.88 million in fiscal 2005 to Rs. 267.76 million in fiscal 2006, which is an increase of 387.90%. The increase was due to an increase in travelling costs to Rs. 4.93 million in fiscal 2006 from Rs. 2.40 million in fiscal 2005, which was an increase of 105.42%, increase in legal expenses from Rs. 2.58 million to Rs. 75.18 million, increase in advertisement, publicity, sales promotion and exhibition expenses from Rs. 16.84 million in fiscal 2005 to Rs. 129.18 million in fiscal 2006 and increase in fees and taxes from Rs. 1.28 million in fiscal 2005 to Rs. 11.83 million in fiscal 2006.

Finance Expenses

Our finance expenses increased from Rs. 10.55 million in fiscal 2005 to Rs. 26.87 million in fiscal 2006, which is an increase of 154.69%. The increase was due to increase in the borrowings from bank and other financial institutions from Rs. 1,207.00 million in fiscal 2005 to Rs. 2,358.50 million in fiscal 2006. In addition, the finance expenses as a percentage of total income increased from 0.34% in fiscal 2005 to 0.41% in fiscal 2006 primarily on account of increase in borrowings.

Depreciation

Our depreciation increased from Rs. 20.32 million in fiscal 2005 to Rs. 42.17 million in fiscal 2006, which is an increase of 107.53%. The increase was due to addition of fixed assets such as shuttering, scaffolding and construction equipment of Rs. 244.65 million in fiscal 2006 as opposed to Rs. 136.51 million in fiscal 2005. However, depreciation as a percentage of total income decreased marginally from 0.66% in fiscal 2005 to 0.65% in fiscal 2006 due to increase in our revenue.

Profit Before Tax

Our profit before tax increased from Rs. 729.95 million in fiscal 2005 to Rs. 1,470.34 million in fiscal 2006, which is an increase of 101.43%. The increase was due to increase in our total income, which was caused due to an increase in our operations. Our total income increased by 113.06% in fiscal 2006 as compared to our total income in fiscal 2005. The profit before tax as a percentage of total income decreased from 23.79% in fiscal 2005 to 22.49% in fiscal 2006 due to increase in personnel costs by 104.50% in fiscal 2006 as compared to fiscal 2005 and the selling expenses increasing by 387.90% in fiscal 2006 as compared to fiscal 2005.



Provision for taxation

Our provisions for tax liabilities increased from Rs. 73.30 million in fiscal 2005 to Rs.400.48 million in fiscal 2006, which is an increase of 446.36%. The increase was in line with the increase in the profit before tax which increased by 101.43% in fiscal 2006 as compared to fiscal 2005. However, during the same period our effective tax rate (provision for tax divided by the profit before tax) increased from 10.04% in fiscal 2005 to 27.24% in fiscal 2006 primarily due to increase in the revenue from commercial complexes such as DMRC projects and the unavailability of the benefits under section 80 IB of the I.T. Act for some of our residential projects.

Net profit after tax

Our net profit after tax increased from Rs. 656.65 million in fiscal 2005 to Rs. 1,069.86 million in fiscal 2006, which is an increase of 62.93%. The profit after tax as a percentage of total income decreased from 21.40% in fiscal 2005 to 16.36% in fiscal 2006. For details of the reasons for the increase in our income, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Comparison of Fiscal 2006 and Fiscal 2005—Revenue" on page 218 of this Red Herring Prospectus.

Comparison of Fiscal 2005 and Fiscal 2004

Revenue

Our total income comprising income from operations and other income increased from Rs. 1,129.45 million in fiscal 2004 to Rs. 3,068.46 million in fiscal 2005, which is an increase of 171.68%. This was primarily due to the increased income from operations from Rs.1,121.47 million in fiscal 2004 to Rs. 3,032.07 million in fiscal 2005, which is an increase of 170.37%. In addition, our other income increased by 356.02% from Rs. 7.98 million in fiscal 2004 to Rs. 36.39 million in fiscal 2005. The increase in income from operations was primarily due to an increase in the area sold by us of 4,942,114 square feet as of March 31, 2005 as compared to 1,955,961 square feet as of March 31, 2004. This represented an increase of 152.67% in the area sold by us. In fiscal 2005, we sold 2,986,153 square feet of area.

In relation to our ongoing projects we were able to recognize more revenue under the percentage completion method in fiscal 2005 as compare to fiscal 2004. In fiscal 2004, we were able to recognize the revenue from 18 projects, the average completion of which was 72.00% as compared to 74.00% from the same 18 projects in fiscal 2005. This resulted in additional revenue recognition of Rs. 56.76 million.

In addition, we recognized revenue for two new projects under the percentage completion method during fiscal 2005 with an average percentage completion achieved of 33.00% and creating additional revenue of Rs. 525.96 million. Our average realization from all projects also increased from approximately Rs. 1,292 per square feet as of fiscal 2004 to approximately Rs. 1,459 per square foot as of fiscal 2005.

Further, our interest income in fiscal 2005 was Rs.14.02 million as compared to Rs. 1.31 million in fiscal 2004. In addition we also received an amount of Rs.18.00 million for services provided to our joint venture entity, Parsvnath Landmark Developers Private Limited in fiscal 2005 as compared to no such amounts in fiscal 2004.

For details of the percentage completion method see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" and "Risk Factors" on page 211 and x of this Red Herring Prospectus.

Expenditure

Our expenditure includes the cost of construction/ development which comprises the cost of acquisition of land and the cost of acquisition of development rights, cost of materials, cost of services such as architects, contract labour, salary and allowances of employees assigned to the projects, advertising and marketing expenses for specific projects, selling expenses such as brokerage payable to booking agents for specific projects and finance charges incurred for the projects. We incurred expenses amounting to Rs. 2,338.51 million in fiscal 2005 as compared to Rs. 928.01 million in fiscal 2004, which was an increase of 151.99%. The same was due to the following factors:



Cost of construction/development

Our cost of construction/development increased from Rs. 853.63 million in fiscal 2004 to Rs. 2,213.15 million in fiscal 2005, which is an increase of 159.26%. The increase was due to additional cost incurred on account of increase in the floor area constructed by us of 5,463,264 square feet as of March 31, 2005 as compared to 4,298,293 as of March 31, 2004.

In addition, the cost of materials also increased from Rs.398.74 million in fiscal 2004 to Rs. 802.07 million in fiscal 2005, which was an increase of 101.15%. The cost of materials was primarily affected by the increase in our expenditure on steel from Rs. 89.74 million in fiscal 2004 to Rs. 320.21 million in fiscal 2005. Further, the cost of cement also increased from Rs.44.94 million in fiscal 2004 to Rs. 91.08 million in fiscal 2005, which was an increase of 102.67%.

However, the cost of construction and development as a percentage of total income decreased from 75.58% in fiscal 2004 to 72.13% in fiscal 2005. This is primarily due to increase in our average selling price from Rs.1,292 per square foot in fiscal 2004 to approximately Rs.1,459 per square foot in fiscal 2005, which is an increase of 12.92%.

Personnel expenses

Our cost of personnel increased from Rs. 24.85 million in fiscal 2004 to Rs. 39.61 million in fiscal 2005, which is an increase of 59.39%. The increase was due to addition of 79 employees during fiscal 2005. However, the cost of personnel as a percentage of total income decreased from 2.20% in fiscal 2004 to 1.29% in fiscal 2005.

Selling and General Administrative expenses

Our selling and general administrative expenses increased from Rs. 35.29 million in fiscal 2004 to Rs. 54.88 million in fiscal 2005, which is an increase of 55.51%. The increase was due to an increase in travelling costs to Rs. 2.40 million in fiscal 2005 from Rs. 0.71 million in fiscal 2004, which was an increase of 242.86%, costs incurred running and maintenance of vehicles from Rs.1.61 million to Rs.3.11 million, increase in the commission paid by us to selling agents from Rs.0.29 million in fiscal 2004 to Rs. 6.26 million in fiscal 2005, increase in legal expenses from Rs.1.30 million to Rs.2.58 million, increase in advertisement, publicity, sales promotion and exhibition expenses from Rs.12.82 million in fiscal 2004 to Rs.16.84 million in fiscal 2005. However, the selling and general administrative expenses as a percentage of total income decreased from 3.12% in fiscal 2004 to 1.79% in fiscal 2005 due to increase in our revenues.

Finance Expenses

Our finance expenses increased from Rs. 3.56 million in fiscal 2004 to Rs. 10.55 million in fiscal 2005, which is an increase of 196.35%. The increase was due to increase in the borrowings from bank and other financial institutions to Rs.1,207.00 million in fiscal 2005 from Rs. 484.67 million in fiscal 2004. In addition, the finance expenses as a percentage of total income increased marginally from 0.32% in fiscal 2004 to 0.34% in fiscal 2005 primarily on account on increase in borrowings.

Depreciation

Our depreciation increased from Rs. 10.68 million in fiscal 2004 to Rs.20.32 million in fiscal 2005, which is an increase of 90.26%. The increase was due to addition of fixed assets such as shuttering, scaffolding and construction equipment of Rs.136.51 million in fiscal 2005 as compared to Rs. 34.52 million in fiscal 2004. However, depreciation as a percentage of total income decreased from 0.95% in fiscal 2004 to 0.66% in fiscal 2005 due to increase in our revenue.

Profit Before Tax

Our profit before tax increased from Rs. 201.44 million in fiscal 2004 to Rs. 729.95 million in fiscal 2005, which is an increase of 262.37%. The increase was due to increase in our total income, which was caused due to an increase in our operations. Our total income increased by 171.68% in fiscal 2005 as compared to our total income in fiscal 2004. The profit before tax as a percentage of total income increased from 17.83% in fiscal 2004 to 23.79% in fiscal 2005 due to the increase in our expenditure at a slower rate than the increase in our income.

Provision for taxation

Our provisions for tax liabilities increased from Rs. 17.34 million in fiscal 2004 to Rs. 73.30 million in fiscal 2005, which is an increase of 322.72%. The increase was in line with the increase in the profit before tax which increased by 262.37% in fiscal



2005 as compared to fiscal 2004. However, during the same period our effective tax rate (provision for tax divided by the profit before tax) increased from 8.61% in fiscal 2004 to 10.04% in fiscal 2005 primarily due to substantial increase in our income and the applicable tax rate being increased from 35.88% in fiscal 2004 to 36.59% in fiscal 2005.

Net profit after tax

Our net profit after tax increased from Rs. 184.10 million in fiscal 2004 to Rs. 656.65 million in fiscal 2005, which is an increase of 256.68%. The profit after tax as a percentage of total income increased from 16.30% in fiscal 2004 to 21.40% in fiscal 2005.

Comparison of Fiscal 2004 and Fiscal 2003

Revenue

Our total income comprising our income from operations and other income increased from Rs. 693.80 million in fiscal 2003 to Rs.1,129.45 million in fiscal 2004, which is an increase of 62.79%. This was primarily due to the increase in income from operations from Rs.687.99 million in fiscal 2003 to Rs.1,121.47 million in fiscal 2004, which is an increase of 63.01%.

In relation to our ongoing projects we were able to recognize more revenue under the percentage completion method in fiscal 2004 as compared to fiscal 2003. In fiscal 2004, we were able to recognize the revenue from eight projects, the average completion of which was 86.00% as compared to 71.00% from the same eight projects in fiscal 2003. This resulted in additional revenue recognition of Rs. 190.74 million only.

In addition, we recognized revenue for eight new projects under the percentage completion method during fiscal 2004 with an average percentage completion of 46.00% and creating additional revenue of Rs.395.49 million. Our average realization from all projects also increased from approximately Rs.1,116 per square feet as of fiscal 2003 to approximately Rs. 1,292 per square feet as of March 31, 2004.

In addition, our other income increased by 37.35% from Rs. 5.81 million as of fiscal 2003 to Rs. 7.98 million as of fiscal 2004.

Expenditure

Cost of construction/development

Our cost of construction/development increased from Rs. 533.90 million in fiscal 2003 to Rs. 853.63 million in fiscal 2004, which is an increase of 59.89%. The increase was due to cost incurred on account of increase in the floor area constructed by us of 4,298,293 as of March 31, 2004 as compared to 1,481,441 square feet as of March 31, 2003.

In addition, the cost of materials also increased from Rs. 228.54 million in fiscal 2003 to Rs.398.74 million in fiscal 2004, which was an increase of 74.47%. The cost of materials was primarily affected by the increase in our expenditure on steel from Rs. 83.94 million in fiscal 2003 to Rs. 89.74 million in fiscal 2004. Further, the cost of cement also increased from Rs. 29.42 million in fiscal 2003 to Rs.44.94 million in fiscal 2004, which was an increase of 52.75%.

However, the cost of construction and development as a percentage of total income decreased from 76.95% in fiscal 2003 to 75.58% in fiscal 2004. This is primarily due to increase in our average selling price from Rs.1,116 per square feet in fiscal 2004 to approximately Rs. 1,292 per square feet in fiscal 2005, which is an increase of 15.77%.

Personnel expenses

Our cost of personnel increased from Rs. 12.84 million in fiscal 2003 to Rs. 24.85 million in fiscal 2004, which is an increase of 93.54%. The increase was due to the addition of 112 new employees during fiscal 2004. The personnel expenses as a percentage of total income increased marginally from 1.85% in fiscal 2003 to 2.20% in fiscal 2004 due to increase in manpower.

Selling and General Administrative expenses

Our selling and general administrative expenses increased from Rs. 15.68 million in fiscal 2003 to Rs. 35.29 million in fiscal 2004, which is an increase of 125.06%. The increase was due to increase in advertisement, sales promotion and publicity costs from Rs.3.23 million in fiscal 2003 to Rs.12.82 million in fiscal 2004, increase in legal expenses, vehicle running and office maintenance in fiscal 2004. The selling and general administrative expenses as a percentage of total income increased from 2.26% in fiscal 2003 to 3.12% in fiscal 2004 primarily due to a higher cost incurred on advertisement and sales promotion by us.



Finance Expenses

Our finance expenses increased from Rs.1.19 million in fiscal 2003 to Rs. 3.56 million in fiscal 2004, which is an increase of 199.15%. The increase was due to increase in borrowings from Rs 4.79 million fiscal 2004 to Rs 484.67 million in fiscal 2003 to finance new projects undertaken during fiscal 2004. In addition, the finance expenses as a percentage of total income increased from 0.17% in fiscal 2003 to 0.32% in fiscal 2004 primarily due to increase in borrowings.

Depreciation

Our depreciation increased from Rs. 4.55 million in fiscal 2003 to Rs. 10.68 million in fiscal 2004, which is an increase of 134.72%. The increase was due to increase in fixed assets to Rs.34.52 million in fiscal 2004 as compared to Rs.8.75 million of fiscal 2003, which is an increase of 294.51%. Depreciation as a percentage of total income increased from 0.66% in fiscal 2003 to 0.95% in fiscal 2004 due to a higher depreciation charge on account of additions to fixed assets.

Profit Before Tax

Our profit before tax increased from Rs. 125.64 million in fiscal 2003 to Rs. 201.44 million in fiscal 2004, which is an increase of 60.33%. The increase was due to increase in our total income, which was caused due to an increase in our operations. Our total income increased by 62.79% in fiscal 2004 as compared to our total income in fiscal 2003. However, the profit before tax as a percentage of total income marginally decreased from 18.10% in fiscal 2003 to 17.83% in fiscal 2004.

Provision for taxation

Our provisions for tax liabilities increased from Rs. 11.00 million in fiscal 2003 to Rs. 17.34 million in fiscal 2004, which is an increase of 57.64%. The increase was due to increase in profit before tax by 60.33% in fiscal 2004 as compared to fiscal 2003. However, during the same period our effective tax rate (provision for tax divided by the profit before tax) decreased marginally from 8.76% in fiscal 2003 to 8.61% in fiscal 2004.

Net profit after tax

Our net profit after tax increased from Rs. 114.64 million in fiscal 2003 to Rs. 184.10 million in fiscal 2004, which is an increase of 60.59%. The increase was due to increase in our revenue by 62.79% in fiscal 2004 as compared to fiscal 2003. Our net profit after tax as a percentage of total income decreased marginally from 16.52% in fiscal 2003 to 16.30% in fiscal 2004.

Effect of Restatement

The summary of adjustments on account of changes in accounting policies and its impact on profits and losses of the Company is as under:

	<i>(Rs. in Million)</i>				
	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
Adjustment on Account of Provision for gratuity	(2.31)	1.28	1.62	(0.21)	(0.38)
Provision for leave encashment	(3.12)	1.96	1.38	(0.09)	(0.13)
Change in rate of depreciation on fixed assets	16.59	(6.06)	(3.48)	(0.86)	(0.76)
Investments written off	0.09	-	-	-	(0.09)
Prior period items	1.17	(0.54)	(0.63)	-	-
Sub- total	12.42	(3.36)	(1.11)	(1.16)	(1.36)
Current tax impact	1.26	(2.04)	0.90	(0.08)	(0.04)
Deferred tax impact	(6.28)	3.15	0.24	2.89	-
Sub-total	(5.02)	1.11	1.14	2.81	(0.04)
Total credit/(Charge)	7.40	(2.25)	0.03	1.65	(1.40)



The items on which such restatement has been made is as follows:

1. Depreciation

We had, up to fiscal 2005, provided depreciation on fixed assets on written down value basis at the rates specified in Schedule XIV of the Companies Act. During fiscal 2006, depreciation was incurred based on estimated useful lives of the assets. Accordingly depreciation has been recomputed and adjusted based on revised rates of depreciation for earlier years. As a result, revised depreciation rates adopted are higher than the rates prescribed under schedule XIV of the Companies Act and the differential amount of depreciation has been adjusted for fiscal 2005, 2004, 2003 and 2002. The depreciation pertaining to the period prior to fiscal 2002 has been adjusted in the brought forward balance of Profit and Loss Account as at April 1, 2001, as under:

(Rs. in Million)

Particulars	Amount
Balance of Profit & Loss Account as on April 1, 2000 (Audited)	20.33
Change in depreciation rates	5.74
Balance of Profit & Loss Account as on April 1, 2001 (Restated)	14.59

2. Provision for current tax

The Restated Statement of Profit and Loss has been adjusted for respective years in respect of short/excess provision for income tax as compared to the tax payable as per income tax returns filed by us for these years.

3. Provision for deferred tax

The Accounting Standard AS-22 on Accounting for taxes on income issued by the Institute of Chartered Accountants of India became applicable to us with effect from fiscal 2003. The deferred tax asset of Rs. 0.18 million relating to earlier years was adjusted against brought forward balance of Profit and Loss Account. The deferred tax asset/liability has been recomputed to give effect to the adjustments as detailed above and accordingly adjustments have been made in the respective years.

4. Deferred payment liability

The cost of land allotted to the Company was accounted for as cost of construction on the basis of actual payment made to the authorities during the year. With effect from April 1, 2005, we have recorded the land cost at contracted cost and the balance of instalments payable have been shown as deferred payment liability. The complete value of land and the resultant liabilities have been included in the respective years in the Restated Statement of Assets and Liabilities.

5. Investments

The investments were overstated by Rs.0.09 million. The amount has been adjusted in the year ended March 31, 2002 in the Restated Statement of Assets and Liabilities.

6. Prior period items

These represent material adjustments which arise in a particular period as a result of errors or omission in the preparation of financial statements of one or more prior periods. In the financial statements for fiscal 2006, certain items of income/expense have been identified as prior period items which have been shown as adjustments in the respective years to which these pertain. In the Restated Financial Statements, such prior period items have been adjusted in the respective years.

7. Material regroupings

The following balances have been regrouped the Restated Statement of Assets and Liabilities and Restated Statement of Profit and Losses

- (i) Up to the year ended fiscal 2005, balances due from customers were netted off against advances received from customers in case of projects under construction. During fiscal 2006, the amount due from customers have been separately identified and reflected as Sundry Debtors. In the statement of Restated Assets and Liabilities for the years

ended fiscal 2002 to fiscal 2005, the sundry debtors and advances received from customers have been regrouped and disclosed accordingly.

- ii) Up to the year ended fiscal 2005, provisions made for project completion expenses were shown as 'Provisions'. During the fiscal 2005, such provisions have been reflected as 'Current Liabilities'. In the statement of Assets and Liabilities for the fiscal 2002 to fiscal 2005, such provisions have been regrouped as part of current liabilities and disclosed accordingly.
- iii) Up to fiscal 2005, loans taken from banks against hypothecation of vehicle/equipments were shown as 'Unsecured Loans'. During fiscal 2006 these loans have been shown as 'Secured Loans' and accordingly regrouped in the Restated Statement of Assets and Liabilities.
- iv) During fiscal 2005, upfront fee paid for project facilities granted under the concession agreements was shown as work-in-progress under the head 'Inventory'. For fiscal 2006, the same has been classified as 'Advances recoverable in cash or in kind or for value to be received'. Accordingly, amount of 'Inventory' and 'Advances recoverable in cash or in kind or for value to be received' as of fiscal 2005 have been regrouped in the Restated Statement of Assets and Liabilities.
- v) Up to the fiscal 2005, share application money paid was classified as 'Investments'. In the statement of Restated Assets and Liabilities, for the fiscal 2002, 2003, 2004 and 2005, such share application amount paid has been classified as 'Loans & Advances'.

8. Deferred tax assets

The Company adopted Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India from fiscal 2003, as it was applicable to the Company from that year. Deferred tax asset/liability has not been recognised for the fiscal 2002.



REVIEW OF ASSETS AND LIABILITIES

Rs. /Millions

Particulars	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Fixed Assets							
Gross Block	539.42	231.16	446.48	205.03	71.66	38.05	29.30
Less: Depreciation	114.98	58.57	90.21	49.85	31.42	21.03	16.48
Net Block	424.44	172.59	356.27	155.18	40.24	17.02	12.82
Capital Work in Progress	212.89	34.51	172.69	-	-	0.00	-
Total-A	637.33	207.10	528.96	155.18	40.24	17.02	12.82
Investments - B	83.25	42.02	80.15	42.02	2.77	2.72	2.72
Deferred Tax Assets - C	4.64	1.03	0.59	-	1.10	0.29	-
Current Assets, Loans & Advances							
Inventory	4,578.12	2,038.44	3,894.17	2,471.08	1,344.76	902.93	310.82
Sundry Debtors	1,192.40	408.25	637.71	433.82	129.84	98.20	56.73
Cash & Bank Balances	400.38	446.04	412.45	841.03	25.88	11.64	4.87
Loans & Advances	4,884.76	2,189.82	3,942.38	1,642.13	112.34	50.32	52.93
Total - D	11,055.66	5,082.55	8,886.71	5,388.06	1,612.82	1,063.09	425.35
Total Assets (A + B + C + D) = E	11,780.88	5,332.70	9,496.41	5,585.26	1,656.93	1,083.12	440.89
Liabilities and Provisions							
Secured Loans	3,051.74	978.58	2,358.50	1,207.00	484.67	2.26	2.23
Unsecured Loans	60.00	-	-	-	-	2.53	-
Deferred Tax Liabilities	-	-	-	0.16	-	-	-
Current Liabilities	5,599.63	3,003.44	4,542.38	3,239.47	755.71	864.44	347.87
Provisions	692.55	173.54	584.02	122.92	38.78	11.92	3.64
Total - F	9,403.92	4,155.56	7,484.90	4,569.55	1,279.16	881.15	353.74
Net Worth (E-F)	2,376.96	1,177.14	2,011.51	1,015.72	377.77	201.97	87.15
Net Worth represented by							
Share Capital	989.14	82.43	989.14	82.43	82.43	13.74	13.74
Reserve & Surplus	1,387.82	1,094.71	1,022.37	933.54	295.68	188.24	73.41
Total	2,376.96	1,177.14	2,011.51	1,015.97	378.11	201.97	87.15
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-	0.26	0.34	-	-
Net Worth	2,376.96	1,177.14	2,011.51	1,015.72	377.77	201.97	87.15



Fixed Assets: Our total fixed assets were Rs. 424.44 million, Rs. 356.27 million, Rs. 172.59 million, Rs. 155.18 million, Rs. 40.24 million and Rs. 17.02 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively. Our fixed assets comprise of office premises owned by us, buildings on lands on which we have license rights from the DMRC, plant and machinery such as construction machinery, shuttering and scaffolding, office equipment and computers, furniture and fixtures, motor vehicles and buildings under construction which are not to be sold but on which license fee/rent is payable to us by sub-licensees.

Investments: We have invested in the equity shares of certain listed/unlisted companies and a joint venture entity. Our total investment was Rs. 83.25 million, Rs. 80.15 million, Rs. 42.02 million, Rs. 42.02 million, Rs.2.77 million and Rs. 2.72 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively. We do not have any investments other than as equity shares of listed and unlisted companies and a joint venture entity.

Deferred Tax Assets/ (Liability): Deferred taxes arise from timing differences between our book profits and our taxable profits that originate during an accounting period and which can be reversed in subsequent periods. Our deferred tax assets/(liabilities) were Rs. 4.64 million, Rs. 0.59 million, Rs. 1.03 million, (Rs. 0.16 million), Rs.1.10 million and Rs. 0.29 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively.

Current Assets, Loans and Advances: The total current assets, loans and advances of our company was Rs.11,055.66 million, Rs. 8,886.71 million, Rs. 5,082.55 million, Rs. 5,388.06 million, Rs.1,612.82 million and Rs. 1,063.09 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively. Our current assets, loans and advances comprise our inventory, sundry debtors, cash and bank balances and loans and advances.

Inventory: The inventory consists of finished projects which are unsold on the date of the financial statements, which is valued at cost price or net realizable value (i.e. selling price less cost of selling), whichever is lower. In addition, it includes lands acquired for the purpose of development of projects to be sold to customers, expenses for development of the projects such as expenses on materials, labour, services, finance charges and related overhead costs. Our inventory was Rs. 4,578.12 million, Rs. 3,894.17 million, Rs. 2,038.44 million, Rs. 2,471.08 million, Rs. 1,344.76 million and Rs. 902.93 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively.

Sundry debtors: Our total amount payable by sundry debtors was Rs. 1,192.40 million, Rs. 637.71 million, Rs. 408.25 million, Rs.433.82 million, Rs. 129.84 million and Rs. 98.20 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively. Our sundry debtors are primarily customers who have booked properties and have not yet made the payment to us. Our sundry debtors also include receivables for construction activities undertaken as a contractor by us and lease rental receivables. The increase in sundry debtors from 637.71 million in fiscal 2006 to Rs. 1192.40 million in the three month period ended June 30, 2006 is primarily on account of certain sales booked with respect to projects, including Parsvnath City located at Sonapat and Parsvnath Paramount located at Subhash Nagar, New Delhi in this period.

Loans and Advances: Our total loans and advances was Rs. 4,884.76 million, Rs. 3,942.38 million, Rs. 2,189.82 million, Rs.1,642.13 million, Rs. 112.34 million and Rs. 50.32 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively. Our loans and advances comprise primarily of advances made by us for acquisition of land, advances for acquisition of development rights, pre-paid license fees paid to DMRC, loans to joint ventures and security deposits for tenders, licenses, performance guarantees, etc.

The total amount of advances to joint venture entities, i.e. Parsvnath Landmark Developers Private Limited and Parsvnath Developers, AOP, as of March 31, 2006 was Rs. 165.31 million and Rs.38.13 million, respectively.

We acquire the right to develop properties through collaboration with other entities. These other entities are title holders of lands. As per the terms of the agreements with such entities, typically, the project is conceived and developed by us. We advance interest free loans to parties to acquire lands identified by us for development of real estate projects. For details of the salient features of such agreements and the parties with which such agreements have been entered into, see the section titled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.



Current Liabilities: Our total current liabilities was Rs. 5,599.63 million, Rs. 4,542.38 million, Rs. 3,003.44 million, Rs. 3,239.47 million, Rs. 755.71 million and Rs. 864.44 million in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively. Our current liabilities include sundry creditors, advances from customers, bank overdrafts, security deposits received, default payment liabilities and other liabilities. Advances from customers account for 84.11%, 77.99%, 83.53%, 79.17%, 43.74% and 24.21% of our total current liabilities in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively.

As discussed above, we recognize the revenue generated from our projects under a method whereby revenue is recognized, in relation to the sold areas only, on the basis of the percentage of the actual cost incurred thereon including land as against the total estimated cost of the project under execution. The revenue is recognized only if the actual costs already incurred on the date of the financial statements is at least 30% of the total cost of the project. Amounts received from customers for projects which either do not qualify for revenue recognition under this method or such amounts as are paid by customers in surplus of the amounts recognized under the method described above, are accounted for as advances from customers as part of the current liabilities. For the details of the method of revenue recognition, see the section titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations - Critical Accounting Policies" on page 211 of this Red Herring Prospectus.

Taxation: Our provision for taxation was 32.58%, 27.24%, 29.58%, 10.04%, 8.61% and 8.76% of our profit before tax in the three month period ended June 30, 2006, fiscal 2006, three month period ended June 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively. Our tax provisions as of March 31, 2006 has increased due to non availability of the benefits of section 80-IB of the I.T. Act for a number of new projects which do not qualify under the criteria of size of the built up area. In addition, tax benefits are not available for revenue from lease rentals from DMRC projects. For details of the tax benefits available to us, see the section titled "Statement of Tax Benefits" on page 42 of this Red Herring Prospectus.

Financial Indebtedness

For details of our secured and unsecured loans see the section titled "Financial Indebtedness" on page 73 of this Red Herring Prospectus.

Liquidity and Capital Resources

Our primary liquidity requirements have been to finance our working capital requirements and for development of our projects. We have met these requirements from cash flows from operations, short-term and long-term borrowings.

Net Working Capital

As of, June 30, 2006, March 31, 2006, and March 31, 2005, our net working capital, which is defined as the difference between (a) current assets and (b) current liabilities and provisions, was Rs. 4,763.48 million, Rs. 3,798.44 million and Rs. 1,905.57 million, respectively.

Net Cash Flows

The table below summarizes our cash flows as restated for 3 months period ended June 30, 2006, fiscal 2006, fiscal 2005, 2004 and 2003:

	<i>(Rs. in Million)</i>				
	For the year ended March 31,				
	Three months ended June 30, 2006	2006	2005	2004	2003
Net cash from/(used) in operating activities	(482.82)	(1,022.73)	271.07	(429.01)	13.51
Net cash from/(used) in investing activities	(131.39)	(408.49)	(159.74)	(32.64)	(8.11)
Net cash from/(used) in financing activities	602.14	1,002.64	703.82	475.89	1.37
Net increase/(decrease) in cash and cash equivalents	(12.07)	(428.58)	815.15	14.24	6.77



Operating Activities

Our operating profit before allocation for working capital as of June 30, 2006, March 31, 2006 was Rs. 632.05 million and Rs. 1,650.33 million. However, for the corresponding periods, the net cash flows were negative amounting to Rs. 482.82 million and for Rs.1,022.73 million. This is primarily on account of increase in loans and advances, which were Rs. 882.30 million and Rs. 2,090.84 million respectively. Such loans and advances have been given by us for acquisition of land and development rights for our projects.

Investing Activities

Net cash used in investing activities represents sale and purchase of fixed assets, investments and receipt of interests and dividend. Our net cash flow from investing activities turned negative on account of amounts spent for purchase of fixed assets such as office, machinery and developing projects for DMRC amounting to Rs. 133.14 million and Rs. 417.33 million for the three month period ended June 30, 2006 and year ended March 31, 2006 respectively.

Financing Activities

Net cash from financing activities is determined by the level of principal and interest payout on debts, new indebtedness and issue of new capital stock and dividend and interest payouts. As of June 30, 2006 and March 31, 2006 our net cash flow from financing activities was Rs. 602.14 million and Rs. 1,002.64 million respectively mainly as result of an increase in the amount of secured loans amounting to Rs. 684.33 million and Rs. 1,146.04 million for the three month period ended June 30, 2006 and year ended March 31, 2006, respectively.

Transactions with Associate Companies and Related Parties

We have substantial transactions with companies which are controlled by members of our Promoter Group. For details please refer to the section titled “Financial Statements—Related Party Transactions” on page 193 of this Red Herring Prospectus.

Off-Balance Sheet Arrangements

There are no off balance sheet arrangements in our Company.

Quantitative and Qualitative Disclosure about Market Risk

We are exposed to market risk from changes in interest rates. The following discussion is based on our financial statements under Indian GAAP.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations. Our long-term Rupee-denominated debts, which bear interest at floating rates linked with prime lending rates of the respective lenders, as determined from time to time totalled Rs. 3,051.74 million as at June 30, 2006.

Upward fluctuations in interest rates increase the cost of both existing and new debts. An increase in interest rates of 1% on our existing floating rate debts would increase our annual interest charges by approximately Rs.30.52 million based upon the long-term and short-term loans outstanding as at June 30, 2006.

Commodity Price Risk

We are exposed to market risk with respect to the prices of raw material and components used in our projects. These commodities include steel, cement and timber. The costs for these raw materials and components are subject to fluctuation based on commodity prices. The cost of components and various small parts sourced from outside manufacturers may also fluctuate based on their availability from suppliers. In the normal course of business, we purchase these raw materials and components either on a purchase order basis or pursuant to supply agreements.

Effect of New Accounting Pronouncements

The following are accounting pronouncements issued by the ICAI during the last three fiscal years that have had an effect on our



financial reporting:

Accounting for Taxes on Income

The ICAI issued Accounting Standard 22 (“AS 22”) for Taxes on Income, which prescribes guidelines for addressing the problem of permanent and timing differences between accounting income and taxable income. It is not applicable to taxes on distribution of dividends. Under AS 22, tax expense for an accounting period is the total of current tax and deferred tax.

Deferred tax is the tax effect of timing differences; permanent differences do not result in deferred tax assets or liabilities and hence should not be recognized. AS 22 also states that considerations of prudence should not be ignored while recognizing the impact of timing differences and prescribes conditions under which deferred tax assets should not be recognized. AS 22 came into effect for the fiscal year beginning April 1, 2001 and became mandatory for us for the fiscal year beginning April 1, 2002. This accounting standard has had an impact on our reported profit after tax as the tax impact of timing differences is now recognized as an expense or an item of income.

Accounting for Provisions, Contingent Liabilities and Contingent Assets

The ICAI issued Accounting Standard 29 (“AS 29”) for Provisions, Contingent Liabilities and Contingent Assets, which prescribes appropriate recognition criteria and measurement bases to be applied for Provisions and Contingent Liabilities. AS 29 requires that an enterprise should disclose sufficient information to enable users to understand their nature, timing and amount. AS 29 came into effect for the fiscal year beginning April 1, 2004 and became mandatory for us from that date. We do not believe that adoption of AS 29 has had a material impact on our financial statements and results of operations.

Known Trends or Uncertainties

Other than as described in the section titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on page ix and 210 of this Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Costs and Income

Other than as described in the section entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on page x and 208 of this Red Herring Prospectus, to our knowledge there are no future relationship between costs and income that have or had or are expected to have a material adverse impact on our operations and finances.

New Products or Business Segment

Other than as described in this Red Herring Prospectus, we do not have any new products or business segments.

Competitive Conditions

We expect competition in the real estate development sector from existing and potential competitors to intensify. For further details please refer to the discussions of our competition in the sections entitled “Risk Factors” and “Business” beginning on pages x and 55, respectively, of this Red Herring Prospectus.

Significant Developments after June 30, 2006 that may affect our future Results of Operations

In compliance with AS 4, to our knowledge no circumstances other than as disclosed in this Red Herring Prospectus have arisen since the date of the last financial statements contained in this Red Herring Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of the Company, or the value of our assets or their ability to pay their material liabilities within the next 12 months.



OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters, Promoter group companies and companies in which we hold a substantial number of equity shares, that would have a material adverse effect on our business and there are no defaults, nonpayment or overdue of statutory dues, institutional/bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company or Directors or Promoters or Promoter group companies or companies in which we hold a substantial number of equity shares.

I. LITIGATION AGAINST OUR COMPANY

A. Contingent Liabilities not provided for are as follows:

(Rs. in Million)

Particulars of	As on June 30, 2006	As on March 31, 2006	As on March 31, 2005
Estimated amount of contracts remaining to be executed on capital account	1,468.55	131.45	-
Claims against the company not acknowledged as debts	118.09	122.95	0.48
Counter guarantees given to bank	525.75	403.72	54.20
Corporate guarantee	250.00	250.00	250.00
Total	2,362.39	908.12	304.68

B. Pending Litigation Against Our Company

1. **Complaints received from statutory authorities:** There are 15 cases pending against us in relation to matters raised by statutory authorities excluding taxation authorities. These include three cases in relation to payment of stamp duty. The total amount of claims outstanding against us in these cases is approximately Rs. 48 million. The details of these cases are as follows:

- (i) On March 3, 2003 and February 14, 2006, the New Okhla Industrial Development Authority ("NOIDA") has sent us a notice in relation to the acceptance of bid and allotment of Group Housing Plot No. 002, Sector 93A, directing us to pay interest of Rs. 30,000,000 and alleging that the amount was paid after the stipulated time. We have responded on various dates, including January 30, 2006 requesting issuance of a no dues certificate based on the reason that the entire payment has been made timely. The NOIDA had through letter dated June 13, 2006 revised its demand to Rs. 30,257,737 and subsequently through letter dated July 11, 2006 it has further revised the demand to Rs. 24,973,787.
- (ii) On December 24, 2004, the Additional District Magistrate, Gautambudh Nagar ("ADM") passed an *ex-parte* order (Stamp Case No. 114/2002-03) against us stating that we were required to pay stamp duty of Rs. 2,000,000 (Rs. 1,666,068 as interest and Rs. 333,982 as penalty) in relation to a lease deed executed pursuant to a memorandum of understanding executed between us and the GNIDA dated September 23, 2000. The stated reason was an alleged loss of revenue to the state of Uttar Pradesh for the delay in payment of stamp duty. On May 29, 2003, when the lease was executed, Company paid the requisite stamp duty of Rs. 3,266,800. By an order dated March 28, 2005, the above *ex-parte* order has been recalled. A fresh case (Stamp Case No. 75/2005-06) has been subsequently registered, and by an order dated June 10, 2005, the ADM has assessed stamp duty of Rs. 1,700,000. On July 12, 2005 (Stamp Appeal No. 37 of 2005), the order dated June 10, 2005 of the ADM for recovery has been stayed by the Chief Controlling Revenue Authority ("CCRA"). The CCRA has through an order dated October 5, 2006 struck down the demand.
- (iii) On March 19, 2002 (No. 113/143/2001), and April 17, 2002 (No. 7/19/2002-03), the Senior Collector, Finance and Revenue, Saharanpur assessed a deficiency in stamp duty of Rs. 14,400 and Rs. 10,200 in two sale deeds entered into by us dated February 28, 2002 and March 30, 2002, respectively. On January 8, 2004, the Government of Uttar Pradesh



filed appeals against the above orders before the CCRA Allahabad. In this appeal, the Government of Uttar Pradesh has claimed a total stamp duty of Rs. 14,440,300 on both sale deeds. On June 17, 2004, the CCRA admitted the appeals, condoning the delay on the part of the Government of Uttar Pradesh. The High Court of Allahabad has passed an interim order directing that no recovery proceedings can be undertaken against us.

- (iv) The Assistant Commissioner (Stamp), Ghaziabad had through order dated November 27, 2003 (Stamp Case No. 410/2003-04) directed our Company to pay Rs. 4,694,100 as deficit stamp duty, Rs. 985,761 as interest and Rs. 21,000 as penalty towards deficiency in stamp duty in relation to a development agreement executed with M/s Delhi Iron & Steel Company Limited. The Assistant Commissioner (Stamp) was of the view that the agreement constituted a deed under Article 5(b-2) of Schedule I-B of the Indian Stamp Act, 1899 and was liable for registration and payment of stamp duty thereunder. Our Company preferred an appeal against the said order before the CCRA, Uttar Pradesh which through order dated April 12, 2005 set aside the order of the Assistant Commissioner (Stamp) on the grounds that the agreement did not fall under Article 5(b-2) of Schedule I-B of the Indian Stamp Act, 1899 since it did not transfer any ownership rights in the land. The State of Uttar Pradesh, through the Assistant Commissioner (Stamp) has filed a writ petition against our Company in the High Court of Allahabad (Civil Misc. Writ Petition No. 11274 of 2006) seeking directions for quashing of the order of the CCRA and restoration of the order of the Assistant Commissioner (Stamp). The case is yet to be listed.
- (v) The Labour Officer, Delhi has issued notice dated January 25, 2006 to our Company under the Building and Construction Workers' Welfare Cess Act, 1996 requiring our Company to provide the requisite information and pay the mandatory cess under the said statute within fifteen days of the issue of the notice in relation to the project being undertaken at Pratapnagar Metro Station failing which the proceedings in relation to imposition of interest, penalty and recovery of arrears will be initiated against our Company. We have deposited the requisite amount with the Building and Other Construction Workers Welfare Board on March 13, 2006.
- (vi) The Labour Officer, Delhi has issued notice dated January 25, 2006 to our Company under the Building and Construction Workers' Welfare Cess Act, 1996 requiring our Company to provide the requisite information and pay the mandatory cess under the said statute within fifteen days of the issue of the notice in relation to the project being undertaken at Inderlok Metro Station failing which the proceedings in relation to imposition of interest, penalty and recovery of arrears will be initiated against our Company. We have deposited the requisite amount with the Building and Other Construction Workers Welfare Board on March 13, 2006.
- (vii) We have received three notices from the Insurance Inspector, Employees State Insurance Corporation dated March 8, 2006, March 24, 2006, April 24, 2006 and April 28, 2006 in relation to non-production of documents for inspection by our Company during inspections conducted by the said officer at our premises. Subsequently, the Deputy Director, Employees State Insurance Corporation had through notice dated July 27, 2006 raised a demand for an amount of Rs. 416,675 including penalty and interest. We have paid the aforesaid amount.
- (viii) The Employees Provident Fund Organization has issued notices dated October 20, 2005 and May 11, 2006 stating that our Company's sub-regional office at Agra was covered under the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and has directed our Company to submit a list employees, financials results for the last three years and proof of registration under the said Act if any by May 24, 2006. We have replied to the same vide letter dated May 22, 2006.
- (ix) The Deputy Commissioner, Civil Lines Zone, Municipal Corporation of Delhi has through an order dated June 20, 2006 ordered the sealing of the ground floor of the annexe commercial area at Inder Lok metro station being developed by our Company, on the grounds that DMRC and our Company were violating the Delhi Laws (Special Provisions) Act, 2006 and the Delhi Municipal Corporation Act, 1957. The Government of National Capital Territory of Delhi has by a letter dated June 28, 2006 written to the Commissioner, Municipal Corporation of Delhi directed the Municipal Corporation of Delhi to withhold any enforcement action against the DMRC and has referred the matter to an inter agency meeting under the mechanism for resolution of inter department disputes. DMRC has through letter dated June 28, 2006 requested our Company to stop work on the entire complex until the matter is amicably settled, pursuant to which our Company has stopped work at the site.
- (x) Our Company has received notices dated April 13, 2006 and June 9, 2006 from the District Town Planner, Rewari. The Company has been issued a show cause notice in relation to how it has been selling residential plots/group housing



flats in the controlled area at Dharuhera in contravention of the provisions of the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963 and the Haryana Development and Regulation of Urban Areas Act, 1975 and rules. The Company has replied through letter dated July 10, 2006. Subsequently, the District Town Planner, Rewari has issued a notice dated October 4, 2006 requiring our Company to furnish an affidavit in support of the contentions made in our reply, which we have complied with.

- (xi) Our Company has received a notice (No. 1453) dated July 14, 2006 from the Labour cum Conciliation Officer, Faridabad requiring us to produce a record of registration and other related documents under the Contract Labour (Regulation and Abolition) Act, 1970 in relation to the project under construction in Sector 12, Faridabad. We are yet to reply to the said notice.
- (xii) Our Company has received a notice dated June 30, 2006 from the Assistant Commissioner (Stamps), Western Region, Ghaziabad alleging inadequacy of stamping of a document allegedly executed between our Company and Devidayal Aluminium Industries Private Limited, Ghaziabad in relation to property situated at Ghaziabad. The Assistant Commissioner has required our Company to provide an attested xerox copy of the document executed between our Company and Devidayal Aluminium Industries Private Limited. Our Company is yet to respond.
- (xiii) We had entered into an agreement with Maitri Trading Company for the purchase of vitrified tiles on the high seas, in relation to which the Directorate of Revenue Intelligence ("DRI") has issued a show-cause notice dated December 29, 2005, alleging that the tiles were imported on our behalf and requiring us to show cause, among other thing, as to why (i) the tiles assessable at Rs.1,466,488 should not be confiscated under the provisions of the Customs Act, 1962; (ii) anti-dumping duty amounting to Rs. 2,297,839 leviable on the import of the tiles and already paid by the Company should not be appropriated towards the said recovery; and (iii) penalty should not be imposed under the provisions of the Customs Act, 1962. The DRI had previously issued two summons dated August 6, 2005 and August 16, 2005 to Mr. Pawan Kumar, a vice-president of our Company, to give evidence and produce documents in relation to this matter. Further, the DRI had issued summons dated December 12, 2005 to Mr. Sanjeev Jain, our Managing Director to give evidence in relation to the matter, pursuant to which he has duly appeared and produced evidence. We have already paid a provisional anti-dumping duty of Rs. 2,297,839 and custom duties. By an order dated September 27, 2005 from the Assistant Commissioner, Surajpur, the tiles have been provisionally released. The Company had filed an application before the Customs and Central Excise Settlement Commission dated February 2, 2006 to settle the case, pursuant to which the said Commission has through final order dated April 4, 2006 allowed the application and determined the total liability of our Company at Rs. 2,888,321.81. The Commission has observed that as the entire amount had already been paid, there is no further liability accruing against the Company. The Commission has further stated that a major portion of the duty demanded in the months of August and September had already been paid, in view of which full immunity would be granted to our Company from the interest leviable. Further, in terms of the said order our Company has been granted immunity from fine in lieu of confiscation, penalty and prosecution under the Customs Act, 1962 as far as this matter is concerned.
- (xiv) The Enforcement Officer, Employees Provident Fund Organisation (Chandigarh) has issued two notices dated August 23, 2006 and September 8, 2006 requiring our Company to submit certain documents in order to examine the applicability of the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company has replied to the notices.
- (xv) The DMRC has issued a notice dated October 3, 2006 to us cancelling the letter of acceptance previously issued to us in relation to the proposed property development at Bhai Vir Singh Marg, New Delhi and further stating that action is being taken to release the earnest money deposited by our Company. The DMRC has not provided the grounds for cancellation of the acceptance of our bid in the said notice. Our Company has through a letter dated October 6, 2006 raised certain contentions against the proposed cancellation and has requested that the notice be withdrawn.

2. Criminal Cases

There is one criminal case pending against the Company details of which are set forth below:

- (i) Mr. Rajman Prasad had lodged a first information report (FIR No. 5/2005) against our project manager, Mr. Rajiv Sharma, alleging the commission of an offence under Section 304(A) of the Indian Penal Code, 1860 arising out of the death of a labourer at our project site. The complainant has alleged that the death of the labourer was caused due to the criminal



negligence of our employee. A criminal prosecution has been initiated with respect to this matter in the court of Railway Special Magistrate, Delhi against our employee. The matter is listed for November 10, 2006.

3. Consumer Disputes

There are 11 consumer complaints pending against the Company before various consumer dispute redressal forums in India. The total amount of claims in these cases is approximately Rs. 4.10 million plus interest, if awarded. The details of these claims have been provided below:

- (i) Mr. S.P. Singh has filed a complaint (Complaint Case No. 291/05) with the Consumer Disputes Redressal District Forum, Ghaziabad in relation to a flat purchased from our Company claiming a refund of Rs. 3,152 on the excess price allegedly charged by our Company and a further sum of Rs. 42,880 as damages due to the alleged delay in delivery of possession of the said flat as well as Rs. 3,000 for mental agony. The next date of hearing is January 12, 2007.
- (ii) Mr. V.K. Gupta has filed a complaint against our Company (Complaint Case No. 22 of 1999) before the District Consumer Protection Forum, Moradabad claiming that we be directed to price the shop as allegedly agreed and hand over the shop to the complainant. The complainant has claimed damages on the grounds that allegedly the super-area of the shop is smaller than promised by our Company, stating that the super area of the shop is different from what was agreed. The District Consumer Protection Forum, Moradabad has by order dated May 12, 2003 directed us to refund Rs. 114,180 to Mr. Gupta along with interest at 18% per annum. We have filed an appeal against the said order before the State Consumer Disputes Redressal Commission, Uttar Pradesh, which by its order dated July 2, 2003 has stayed the recovery of this amount till further hearing. The next date of hearing is October 26, 2006.
- (iii) Mr. Manoj Kumar Arora has filed a complaint (Complaint Case No. 410/96) against us before the District Consumer Protection Forum, Moradabad, claiming possession of a shop purchased from us at a reduced price as well as a sum of Rs. 100,000 in damages and interest at the rate of 24% per annum, on the ground that we had allegedly not provided the promised facilities in the shop, such as provision for a rolling staircase, etc. The complainant has also claimed that we have breached the terms of the allotment letter alleging that there had been a delay in providing possession of the completed shop. The District Forum by its order dated August 1, 1998 directed that the price of the shop be recalculated on the basis of reduced component of super area and on payment of recalculated price, possession be handed over to the complainant. We have filed an appeal (Appeal No. 1241/ 1998) before the State Consumer Disputes Redressal Commission at Lucknow. The matter is pending on appeal and the next date of hearing is to be fixed.
- (iv) Mr. Rajpal Arora has filed a complaint (Complaint Case No. 261/97) in the District Consumer Protection Forum, Moradabad claiming that we had illegally cancelled the allotment of a property to him in Parsvnath Plaza located at Moradabad. The District Consumer Protection Forum has by an order dated November 22, 2000 directed us to recalculate the value of the property on the basis of the reduced area, to refund the excess amount, if any, and to deliver possession of the property to the complainant. We have filed an appeal (Appeal No. 100/2001) before the State Consumer Disputes Redressal Commission at Lucknow against the order passed by the District Forum. The matter is pending and the next date of hearing is yet to be fixed.
- (v) Ms. Shweta Gupta and Mr. Deepak Gupta have filed a complaint (Case No.40/2006) before the President, District Consumer Protection Forum, Ghaziabad, against the Company, Delhi Iron & Steel Company Limited, Basundhara Properties Private Limited and the Ghaziabad Development Authority, claiming Rs.495,000 on account, among other things, of alleged delay in delivery of services and deficient maintenance services of a booked flat in Parsvnath Paradise, Mohan Nagar, Ghaziabad, U.P. The next date of hearing is scheduled for December 28, 2006.
- (vi) Mr. Nanak Chand has filed a complaint (Complaint Case No. 34/2006) before the District Forum, Ghaziabad, against the Company and Indo-Continental Hotels and Resorts Private Limited, claiming a refund of Rs.120,000 with interest, Rs. 200,000 as compensation and Rs. 5,000 for cost of litigation on account of refund of cancellation fee charged by the Company for the plaintiff's cancelled booking, and for not arranging a bank loan as allegedly promised to the plaintiffs. The next date of hearing has been fixed for December 5, 2006.
- (vii) Mr. G.C. Verma has filed a complaint (Complaint No. 110/1996) before the District Consumer Redressal Forum, Hisar, against Punjab National Bank and others including our Company. The complainant has alleged that he had furnished a cheque for an amount of Rs. 300,000 to an agent of our Company drawn on the Punjab National Bank towards the allotment of a plot by our Company but the same was dishonoured due to the non availability of funds in his account

despite the said amount being debited to his account. Subsequently, the complainant had served a legal notice dated February 11, 2006 on the respondents to which he received a reply only from the Punjab National Bank, which stated that the cheque had been cleared. Our Company had through letter dated February 17, 2006 replied to the plaintiff stating that the cheque given by the plaintiff was returned uncashed by the bank with remarks 'insufficient fund'. Claiming that the respondents are liable for deficiency of service, the complainant has prayed for the allotment of the plot to him and an additional Rs. 100,000 as damages from the respondents. In the alternative the complainant has prayed for the repayment of Rs. 300,000 to him and an additional Rs. 200,000 as damages with interest at the rate of 12% per annum from the deposit of the cheque till payment and cost of the suit from the respondents. Our Company has received notice dated March 20, 2006 from the District Consumer Redressal Forum, Hisar in relation to the complaint. The next date of hearing has been fixed for January 3, 2007 .

- (viii) The Residents' Welfare Association of our residential project 'Parvsnath Paradise' located at Ghaziabad filed a complaint (No. 138 of 2006) before the District Consumer Protection Forum, Ghaziabad against our Company alleging deficiency in service amongst other things due to non-compliance of specifications and delay in handing over of possession of residential units. The complainants have sought relief aggregating to Rs. 2 million. The hearing is fixed for October 21, 2006 for filing of our reply.
- (ix) Mr. Rajesh Kumar has filed a complaint against Basundhara Properties Limited and others (Complaint Case No. CC 363/2006) before the District Consumer Protection Forum, New Delhi, claiming a compensation of Rs. 50,000 for non-completion of work, and deficiency in service amongst other things due to non-compliance of specifications and delay in handing over possession of the flat. The date of hearing has been fixed for January 8, 2007.
- (x) The Consumer Online Resource and Empowerment Centre, the official agency of the Ministry of Consumer Affairs, Government of India, has forwarded to our Company through letter dated April 13, 2006 a complaint of Ms. Kumud Bajaj in relation to the delay in handing over possession of a flat in Parsvnath Prestige, Sector 93 A, Noida to the complainant. We are required to file our reply to the same.
- (xi) Mr. Prabhat Kumar has filed a complaint (No. 156/2006) against our Company and against Basundhara Properties Private Limited before the Consumer Disputes Redressal District Forum, Ghaziabad alleging deficiencies in specifications, construction and maintenance of the residential flat No.A-121 in the project situated at Parsvnath Paradise at Mohan Nagar Ghaziabad, Uttar Pradesh. The complainant has claimed for an aggregate compensation of Rs. 203,930 and has sought to impose a sum of Rs. 349,280 as penalty for faulty planning and defective construction. The next date of hearing has been fixed for December 28, 2006.

In addition, our Company has received communications in the ordinary course of business from our customers in relation to a number of issues including, among other things, delay in handing over possession, difference in calculation of super-area, delay in obtaining approvals, deficiencies in specifications, maintenance, providing facilities such as club facilities, community centres, etc.

4. Labour Cases

There are three labour cases pending against the Company in relation to the payment of wages. The total amount claimed against the Company in these cases is Rs. 830,248.

- (i) Mr. Vinod and another have filed a petition before the relevant authority, Ghaziabad (Case No. P.W.A 70/2006) under the Payment of Wages Act 1936, raising a demand of Rs. 94,550 against our Company towards payment of wages allegedly not paid for the months of November and December, 2005. In connection therewith our Company has received notice dated May 24, 2006. The date of hearing has been fixed for November 20, 2006.
- (ii) Mr. Ram Pratap Singh and others have filed a petition before the relevant authority, Ghaziabad (Case No. PWA 51/06) under the Payment of Wages Act, 1936. The petitioners have raised a demand of Rs. 208,648 towards the payment of wages. Our Company has received notice dated May 2, 2006 in relation to this case. The date of hearing has been fixed for November 28, 2006.
- (iii) Mr. Behari Lal and others have filed a petition before the the relevant authority, Ghaziabad (Case No. PWA 66/06) under the Payment of Wages Act, 1936. The petitioners have raised a demand of Rs. 527,050 towards the payment of wages. Our Company has received notice in relation to this case. The date of hearing has been fixed for November 20, 2006.



5. Civil Cases

In addition to the above, there are nine civil cases pending against us in India. The details of these cases are as follows:

- (i) Mr. Arun Kumar Goel, has filed a suit in the Court of Civil Judge, Junior Division, Ghaziabad, (Suit No. 561/04 of 2004) against Mr. Inderjit Singh, in which our Company has been impleaded as a co-defendant. The plaintiff has prayed for a decree of mandatory injunction restraining the defendants from encroaching upon the parking space earmarked for him. We have filed its written statement on March 30, 2005. The next date of hearing has been fixed for October 28, 2006.
- (ii) Mr. Subhash Chauhan has filed a suit in the court of the Civil Judge, Tees Hazari Court, Delhi (Suit No. 129 of 2005) in relation to Flat No. FF-03 in the Company's project Parsvnath Paradise-II at Mohan Nagar, Ghaziabad, seeking perpetual injunction against us not to cancel the booking of the said flat. PAPL has filed its written statement on May 10, 2005 stating that its position was that of an agent and no action can lie against it. On October 17, 2005, we filed our written statement stating that the plaintiff has defaulted on its dues. The next date of hearing is November 2, 2006.
- (iii) Mr. Gurmeet Singh has filed a suit against us in the Court of Civil Judge (Senior Division) Ghaziabad (Original Suit No. 1675/2005) in relation to a flat booked jointly by Mr. Gurmeet Singh and his wife. Mr. Singh had approached us requesting that the name of his wife be deleted from the records as their marriage has been dissolved. He has filed a suit for mandatory and prohibitory injunction claiming that he alone be recorded as the owner of the flat and possession be handed over to him. We have filed our written statement on January 25, 2006. The next hearing is on November 28, 2006.
- (iv) Mr. Vishweshwar has filed a writ petition against the Lucknow Development Authority, the Government of Uttar Pradesh and Company in the High Court of Allahabad, Lucknow (Writ Petition No. 7963 (MIB) of 2005) claiming that he is the tenure holder of the land gate No. 397 and Abadi Gate No. 396/5 situated at Village Uariyaon, Pargana, Tehsil and District Lucknow and that the said areas had been acquired by Land Acquisition Officer, Lucknow and Lucknow Development Authority without giving him any notice of acquisition of consideration for the same. This is part of the land which the Company has purchased from the Lucknow Development Authority in an open auction. The petitioner claims a writ of mandamus directing the defendants not to interfere in the peaceful possession of the petitioner's land and not to make any construction there. The Allahabad High Court on January 2, 2006 issued a notice to the Company to appear in the Court to contest the admission of the writ petition. The next date of the hearing is yet to be fixed.
- (v) M/s Parshwanath Realty Private Limited and another have filed a suit against our Company in the civil court at Ahmedabad (Regular Civil Suit No. 954/2006) seeking directions from the court for a permanent injunction restraining our Company from using the trading style "Parsvnath Developers Limited". The plaintiff has contended that they have been the first users of the name "Parshwanath" in the construction industry and through its continuous use and association with the plaintiff, the name has acquired a distinctiveness related to the goods and services of the plaintiff. Further, the plaintiff has contended that the use of the name by our Company has led to confusion in the mind of the general public and would result in the irreparable damage to the reputation and goodwill of the plaintiff and its related group companies. The plaintiff had also filed an application for interim injunction upon which the civil judge through order dated April 5, 2006 granted an ex-parte ad interim injunction restraining our Company from advertising or using the name or trading style "Parsvnath Developers Limited" or any other identical or deceptively similar name, till filing of our reply to the notice of motion in relation to the said suit. Our Company challenged the order of the civil judge dated April 5, 2006 in the High Court of Gujarat (Civil Appeal 4289/2006), which through order dated April 10, 2006 suspended the impugned order till the disposal of the interim application by the civil judge and further directed our Company to file a reply to the injunction application. Subsequently, our Company has filed its reply to the application for ad interim injunction. The plaintiff's had filed another application before the civil judge praying for the extension of the ad interim injunction, which was rejected vide order dated April 18, 2006. We have filed our written statement on July 3, 2006. Our Company has also filed an application dated June 16, 2006 before the City Civil Court Ahmedabad for dismissal of the suit on the ground that the said court did not have jurisdiction to hear the matter. The application is coming up for hearing on November 1, 2006.
- (vi) Mr. Sumit Kumar and others, minors, have filed a civil suit in the court of the Civil Judge, Sonapat, through their legal guardian against Mr. Subhash and our Company for a declaration that the sale of certain land by the first defendant to



our Company in Sonapat is illegal and not binding on the plaintiffs and for a permanent injunction restraining our Company from alienating the suit property. The plaintiffs have claimed that the suit property formed a party of the property of the Hindu Undivided Family and had been sold by the first defendant who is the only *karta* without the consent of the other members of the Hindu Undivided Family, who are minors. The next date of hearing has been fixed for January 9, 2007.

- (vii) Mr. Surender Kumar and another have filed a civil suit in the court of the Civil Judge, Delhi (Civil Suit No. 245/1999) against M/s. Ansal Housing and Construction Limited and others including our Company. The plaintiff has alleged that he had purchased a plot of land in the township known as East End being developed by the defendant through our Company as an agent and was granted an allotment letter with respect to the same. However, subsequently the layout plan had been altered and a new plot and location was granted to the plaintiff. The plaintiff has further alleged that the change in layout plan without prior notice and consent is illegal and arbitrary and he has prayed for a decree of permanent injunction restraining the defendants from acting upon the new layout plan. Our Company has filed its written statement stating that there is no privity of contract between the plaintiff and the Company and the suit is bad for misjoinder of parties. The matter is pending and the next date of hearing has been fixed for November 29, 2006.
- (viii) The Civil Judge (Junior Division), Gurgaon has issued a notice dated June 10, 2006 to our Company and another in furtherance of contempt application under Order 39 Rule 2-A of the Civil Procedure Code, 1908 filed by Mr. Sudhir Sharma and others. The petitioners have alleged that they are residents of Ardee city at Gurgaon and had filed a suit against Ardee City Infrastructure Private Limited and sought a restraint order from dismantling the road and park in front of their houses. The court had passed an order dated February 22, 2006 and ordered that status quo to be maintained. The petitioners have alleged that the construction/dismantling work is being undertaken in violation of the said court order. The next date of hearing is November 8, 2006.
- (ix) MIP Metro Group Intellectual Property GmbH & Co. KG, a company incorporated in Germany has filed a suit against our Company and our Promoter and Chairman Mr. Pradeep Kumar Jain in the High Court of Delhi (CS (OS) No. 1880/2006). The plaintiff has been incorporated to consolidate the complete intellectual property rights of the various entities constituting the Metro Group and is the registered proprietor of the trademark METRO and its variants. It has registered trademarks and pending trademark applications in at least 30 countries and has claimed that the mark METRO has established goodwill on a global basis. The plaintiff has also claimed that the Metro group has incurred expenditure in publicising its trademark in India. In the said suit, the plaintiff has alleged the infringement of its trademark METRO by our Company through its use in relation to some of our commercial projects. Accordingly, the plaintiff has sought an order of permanent injunction against our Company from selling, offering for sale, advertising or directly or indirectly dealing in any goods and services under the trademark METRO or using the mark in relation to our corporate name, that may result in the infringement of plaintiff's trademark, or lead to passing off or dilution of the trademark. The plaintiff has also claimed damages of Rs. 2 million for the loss of reputation resulting from our use of the name METRO in relation to certain of our projects. Additionally, the plaintiff has filed an interim application (I.A. No. 11089/2006 in CS No. 1880/2006) seeking an interim injunction against our Company in relation to the above. The date of next hearing has been fixed for November 27, 2006.
- (x) Ms. Meghna Dubey has filed a suit against the Union Territory Administration before the Additional District Judge, Chandigarh. The Company is not a party to this suit and is therefore not in a position to comment on its implications, but it is understood on the basis of available information that it relates to a claim for compensation with respect to land acquired from her for the purpose of the development of a township at Rajiv Gandhi Technology Park in Chandigarh. The Additional District Judge has issued a notice to the Chandigarh Housing Board to appear as witness in this matter. The Chandigarh Housing Board has been directed to provide a copy of the letter of allotment issued to us, details of the land and terms of allotment, the final draft development plan for the project and details of the external and internal development carried out after acquisition of the said land. The matter is currently pending.

6. Tax Litigation

There are 16 claims pending against our Company in relation to tax demands against our Company. The total amount of outstanding claims against the Company in these cases is approximately Rs. 74.30 million. The total liability of our Company may increase if certain adverse orders are passed against us by the relevant tax authorities pursuant to the show cause notices we have received.



- (i) The Income Tax Department conducted a search on our Company on January 12, 2005 under Section 132 of the Income Tax Act, 1961, pursuant to which certain of our records were taken into custody by the Income Tax Department. According to a '*panchnama*' dated January 15, 2005, cash amounting to Rs. 5,983,000 has been seized. We have received several notices from the Income Tax Department dated February 16, 2006, April 24, 2006, May 23, 2006, May 29, 2006, May 30, 2006, June 8, 2006, June 15, 2006, June 28, 2006, August 8, 2006, August 14, 2006, August 17, 2006 and September 7, 2006 and October 6, 2006 in relation to this matter seeking further information with respect to the return of income filed by our Company for various assessment years and for initiating prosecution against the Company for non filing of returns. In relation to this matter, the Assistant Commissioner of Income Tax has issued show cause notices seeking an explanation, amongst other things, of details of our source of income and details of all immovable properties purchased and sold by our Company during assessment year 1999-2000 to assessment year 2005-2006. The Income Tax Department has also issued notices under Section 142(1) and Section 276CC of the Income Tax Act, 1961 in relation to the assessment proceedings under Section 153A of the Income Tax Act. Subsequently, the Assistant Commissioner of Income Tax has issued six separate show cause notices dated August 8, 2006 to the Company for non-compliance of the earlier notices issued to the Company. On May 27, 2005, we made an application to the Director of Income Tax, Chandigarh for release of the seized cash amount. The Company has also filed replies on August 9, 2006 and September 26, 2006 in relation to the assessment proceedings. The Company is yet to file a reply to the notice dated October 6, 2006. The matter is still pending.
- (ii) On October 27, 2005, we received summons from the Directorate General of Central Excise Intelligence, Delhi [Summon Ref No DZU/INV/163/ST/2005] to produce evidence of service tax paid for commercial or industrial construction with effect from September 10, 2004 till date, service tax paid for construction of residential complexes with effect from June 16, 2005 till date, and how much construction work has been done by us as opposed to that done by contractors from September 10, 2004. On January 13, 2006, we received summons from the Directorate General of Central Excise Intelligence, Delhi [Summon Ref No DZU/INV/ST/284/2005] asking us to produce a list of all contractors, architects, designers and electricians along with their contact information, explanation on payment of service tax on Rs. 100,000,000 approximately on certified bills highlighted in the balance sheet and a break up of up to Rs. 3,330,000,000 shown as cost incurred during the year 2004-2005. We have replied to the summons through letters dated November 12, 2005, November 16, 2005 and January 16, 2006. Further, another summons has been served on us by the Directorate General of Central Excise Intelligence, Delhi [Summon Ref No DZU/INV/284/2005] on January 23, 2006 seeking details in respect of advance payments received from the customers of commercial residential construction for the year 2004-2005 till date and copy of contracts/agreement made with the customers of commercial/residential construction for the year 2004-2005 till date. The Company has, through its letters dated January 30, 2006 and February 20, 2006 replied to the summons abovementioned, pursuant to which the Director General of Central Excise Intelligence has through letter dated February 23, 2006 sought further details and copies of documents and agreements in relation to the matter. Our Company through letters dated April 28, 2006 and May 15, 2006, has provided the relevant information.
- (iii) The Excise and Taxation Officer, Faridabad has through letter dated March 11, 2006 issued a notice to our Company under the Haryana Value Added Tax, 2003 seeking details of the consignor and purchase order in relation to a consignment of iron and steel allegedly purchased by our Company.
- (iv) We have received a summon dated May 19, 2006 from the Excise and Taxation Officer cum Assessing Authority, Sonapat, to appear before him on May 31, 2005. We have been instructed to appear along with return in form R-4A as warranted under sub-rule 1 of rule 16 of the VAT Rules, 2003. We have appeared before the authority and filed a reply dated June 12, 2006 enclosing information required from us.
- (v) Our Company has received a notice dated August 1, 2006 from the Superintendent, Central Excise Division, Patiala alleging evasion of service tax in contravention of certain provisions of Finance Act, 1994 in relation to construction of project situated at King City, Rajpura Ambala Road, Rajpura. Pursuant to the same, our Company has been summoned for giving evidence in the case. We have filed a reply through letter dated August 5, 2006 stating that we are in compliance with the provisions in relation to service tax.
- (vi) The Deputy Commissioner, Trade Tax Authority, Uttar Pradesh has through ex-parte assessment order dated March 27, 2006 relating to assessment year 2003-04 made an additional demand against our Company of an amount of Rs.

58.04 million with regards to trade tax payable for goods brought into the state of Uttar Pradesh under the Uttar Pradesh Trade Tax Act, 1948. The Deputy Commissioner Trade Tax, Moradabad has through an order dated June 1, 2006 set aside the ex parte order and re-opened the case for fresh assessment . The date of next hearing is yet to be fixed.

- (vii) The Deputy Commissioner, Trade Tax Authority, Uttar Pradesh has through ex-parte assessment order dated March 27, 2006 relating to assessment year 2003-04 made an additional demand against our Company of an amount of Rs. 3.66 million with regards to entry tax for goods brought into the state of Uttar Pradesh under the Uttar Pradesh Trade Tax Act, 1948. The Deputy Commissioner Trade Tax, Moradabad has through an order dated May 17, 2006 set aside the ex parte order and re-opened the case for fresh assessment. The date of next hearing is yet to be fixed.
- (viii) We have received a notice, numbered 3621 dated March 25, 2006 from the Assistant Commissioner Trade Tax, Moradabad in respect of the assessment year 1999-2000 to include the construction activities carried out by the Company within the ambit of trade tax as a result of the decision on May 5, 2005 by the Supreme Court of India in the case of M/s K. Raheja Development Corporation v. State of Karnataka. Subsequently, the Deputy Commissioner, Trade Tax has directed re-opening of the case for the assessment year 1999-2000 through an order dated June 21, 2006. We have filed a reply to the notice on September 21, 2006. Subsequently, the Deputy Commissioner, Trade Tax has through an ex-parte order dated September 29, 2006 levied additional tax of Rs. 4.44 million in relation to this matter.
- (ix) On January 10, 2006, officers of the Commissioner of Trade & Tax Department, Government of Delhi visited the Company's office to inquire about any non-compliance with Value Added Tax ("VAT") as applicable to the state of Delhi. On January 12, 2006, we filed a response to the VATO (Enforcement), Department of Trade & Tax, New Delhi, based on Government Circular/Letter F No. B2/8/2004-TRU.
- (x) The Deputy Commissioner, Trade Tax, Moradabad has issued a notice dated July 15, 2006 under Section 13(A)(3) of the Uttar Pradesh Trade Tax Act, 1948 requiring our Company to show cause as to why the value of goods being transported to our Company should not be valued at Rs. 147,000 for the imposition of trade tax. The vehicle transporting the goods was intercepted at Noida. The Deputy Commissioner has through an order dated September 1, 2006 directed the Company to pay a penalty of Rs. 15,900 in relation to this matter. The Company has remitted this amount under protest.
- (xi) The Assistant Commissioner, Trade Tax has through a notice dated March 3, 2006 initiated penalty proceeding against our Company under Section 15(A)(1) of the Uttar Pradesh Trade Tax Act, 1948 in relation to the alleged transport of imported wood by the Company, which had been described by us as Indian wood. The total penalty imposed is Rs. 80,000. Our Company has preferred an appeal against the penalty before the Deputy Commissioner, who has through an order dated July 31, 2006 opened the matter for fresh adjudication. The Deputy Commissioner has affirmed the demand through an order dated September 16, 2006. The Company has remitted this amount under protest.
- (xii) The Deputy Commissioner, Trade Tax, Moradabad has issued notice dated July 5, 2006 with respect to Assessment Year 2006-2007 for non-submission of monthly returns. We have filed a reply through letter dated July 18, 2006 providing our monthly returns. The Deputy Commissioner has through an order dated September 16, 2006 imposed a penalty of Rs. 23,279 for late filing of tax returns. The Company has remitted this amount under protest.
- (xiii) The Deputy Commissioner, Trade Tax, Moradabad has issued notice dated July 5, 2006 with respect to Assessment Year 2006-2007 directing us to provide reasons for the lesser tax payment made in the quarter ended June 30, 2006 as compared to the tax paid during the corresponding period of the previous year. We have filed a reply through letter dated July 19, 2006 stating that the amount payable in the first quarter ended June 30, 2006 was greater than the amount paid during the corresponding period of the previous year.
- (xiv) The Assistant Commissioner of Service Tax, New Delhi has issued a notice dated July 24, 2006 to the Company stating that we are liable to pay service tax for construction of complexes under the provisions of the Finance Act, 1994. We have replied to the said notice through a letter dated August 22, 2006 claiming that no service tax is payable.
- (xv) The Superintendent (Anti- Evasion) of the Office of the Commissioner of Central Excise, has issued summons dated August 14, 2006 requiring our Company to produce documents in relation to an inquiry with respect to payment of service tax by our Company. We are required to produce the documents on August 29, 2006. The Company has filed a reply to the summons.



- (xvi) The Assistant Commissioner of Service tax has issued a notice dated September 22, 2006 requiring our Company to provide reasons for the decreasing amounts of service tax payable during the period April 2003 to September 2004 and to submit details of work carried on by the Company and associate companies. We filed a reply to this notice on October 12, 2006.

II. LITIGATION AGAINST OUR DIRECTORS

1. Mr. Pradeep Kumar Jain

In addition to the cases pending against the Company in which Mr. Pradeep Kumar Jain has also been named as a party, the following cases are pending against him:

- a. The income tax department had conducted a search at the residence of Mr. Pradeep Kumar Jain under Section 132 of the Income Tax Act, 1961 on January 13, 2005 in relation to which it has issued several notices to him dated February 6, 2006, April 24, 2006, May 23, 2006, June 8, 2006, June 16, 2006, June 29, 2006, August 8, 2006, August 17, 2006, August 18, 2006 and September 25, 2006 seeking further information with respect to the return of income filed by him for various assessment years and for initiating prosecution for non filing of returns. According to a '*panchnama*' dated January 14, 2005 certain documents were seized. The income tax department had issued notices under Section 153A of the Income Tax Act, 1961. Subsequently, the Assistant Commissioner of Income Tax, (Central Circle -18) has issued show cause notice under Section 142(1) of the Income Tax Act, 1961 against Mr. Pradeep Kumar Jain seeking explanations amongst others in relation to source of income and details of immovable properties purchased and sold by Mr. Pradeep Kumar Jain for the period between assessment year 1999-2000 and assessment year 2005-2006. Mr. Pradeep Kumar Jain has also received notices under Section 276Cc of the Income Tax Act, 1961 directing him to show cause why penalty proceedings should not be initiated in relation to the assessment proceedings under Section 153A of the Income Tax Act, 1961. Subsequently, the Assistant Commissioner of Income Tax has issued six separate show cause notices dated August 8, 2006 to Mr. Pradeep Kumar Jain for non-compliance with the earlier notices issued to him pursuant to which he has filed his returns in relation to the assessment proceedings. The Assistant Commissioner of Income Tax has issued another notice dated August 17, 2006 under Section 142(1) of the Income Tax Act containing a combined questionnaire seeking explanations amongst others in relation to sources of income and details of immovable properties purchased and sold by Mr. Pradeep Kumar Jain for the period between assessment year 1999-2000 and assessment year 2005-2006. Mr. Pradeep Kumar Jain has from time to time filed replies to the said notices. The matter is still pending.
- b. The Assistant Commissioner of Income Tax has issued a notice dated August 17, 2006 directing him to appear on August 24, 2006 and provide evidence and information relating to projects undertaken by our Company and transactions entered into with brokers for the purposes of these projects. Further, he is required to furnish a copy of the bank statements for all the group companies for the period between Financial Years 1998-1999 to 2004-2005.
- c. On October 29, 2004, Mr. Khem Chand and Mr. Inder have filed a suit (Suit No. 321/04) in the Court of Civil Judge, Senior Division, Gurgaon, against Honey Builders Private Limited ("Honey Builders") and Mr. Pradeep Kumar Jain, claiming ownership of property located in Tehsil Sohna, Gurgaon that Honey Builders had purchased from Mr. Itwari via a sale deed dated September 22, 2004. Honey Builders has filed a written statement, submitting that the property was purchased for valuable consideration and has been registered. The next date of hearing is November 23, 2006.
- d. Mr. N.C Jain has filed a complaint (Complaint Case No. 352 of 2000) before the Additional Chief Judicial Magistrate-IV, Agra, against our Director and Promoter Mr. Pradeep Kumar Jain and the directors of Pearl Developers Private Limited and Bhargava and Associates Private Limited (the developer), claiming that he should be returned Rs.100,000 which he paid to book an apartment in the proposed Kaveri Kunj Complex on Deolokhanpur Road, New Delhi because of alleged title disputes and problems in obtaining sanctions with respect to land. On an application made by Mr. S.C. Bhargava, a director of Bhargava and Associates Private Limited, the High Court of Allahabad has through order dated February 23, 2005 stayed Complaint Case No. 352 against the said applicant only. The matter is currently pending and the next date of hearing is November 7, 2006. Earlier, the complainant had filed a complaint with the Criminal Investigation Department, which was adjudicated as being of civil nature.

2. Mr. Sanjeev Jain

- a. The income tax department had conducted a search at the residence of Mr. Sanjeev Jain under Section 132 of the Income Tax Act, 1961 on January 13, 2005 in relation to which it has issued several notices to him dated February 6, 2006, April 24, 2006, May 23, 2006, June 8, 2006, June 21, 2006, June 30, 2006, August 8, 2006, August 21, 2006 and September 12, 2006 seeking further information with respect to the return of income filed by him for various assessment years and for initiating prosecution for non filing of returns. The Assistant Commissioner of Income Tax, Central Circle -18 has issued a show cause notices under Section 142(1) of the Income Tax Act, 1961 with respect to assessment proceedings under the said Act against Mr. Sanjeev Jain seeking explanations amongst others in relation to source of income and details of immovable properties purchased and sold by Mr. Sanjeev Jain for the period between assessment year 1999-2000 and assessment year 2004-2005. Further, Mr. Sanjeev Jain has also received notices under Section 276Cc of the Income Tax Act, 1961 in relation to the assessment proceedings under Section 153A of the Income Tax Act, 1961. Subsequently, the Assistant Commissioner of Income Tax has issued six separate show cause notices dated August 8, 2006 to Mr. Sanjeev Jain for non-compliance of the notice dated June 21, 2006 issued to him. Mr. Sanjeev Jain has filed a reply in relation to the assessment proceedings. The matter is still pending.

3. Dr. Rajeev Jain

- a. The income tax department had conducted a search at the residence of Dr. Rajeev Jain under Section 132 of the Income Tax Act, 1961 on January 13, 2005 in relation to which it has issued several notices to him dated February 6, 2006, April 24, 2006, May 23, 2006, June 8, 2006, June 22, 2006, August 8, 2006, August 18, 2006 and August 21, 2006 seeking further information with respect to the return of income filed by him for various assessment years and for initiating prosecution for non filing of returns. The Assistant Commissioner of Income Tax, Central Circle -18 has issued show cause notices under Section 142(1) of the Income Tax Act, 1961 with respect to assessment proceedings under the said Act against Dr. Rajeev Jain seeking explanations amongst others in relation to source of income and details of immovable properties purchased and sold by Dr. Rajeev Jain for the period between assessment year 1999-2000 and assessment year 2004-2005. He has replied to the said notice through letter dated June 30, 2006 addressed to the Assistant Commissioner of Income Tax. The Assistant Commissioner of Income Tax has also issued six separate show cause notices dated August 8, 2006 to Dr. Rajeev Jain for non-compliance of the notice dated June 22, 2006 issued to him. Dr. Rajeev Jain has filed a reply in relation to the assessment proceedings. The matter is still pending.

4. Ms. Nutan Jain

- a. The income tax department had conducted a search at the residence of Ms. Nutan Jain under Section 132 of the Income Tax Act, 1961 on January 13, 2005 in relation to which it has issued several notices to her dated February 6, 2006, April 24, 2006, June 8, 2006, June 29, 2006, August 18, 2006, September 21, 2006 and September 25, 2006 seeking further information with respect to the return of income filed by her for various assessment years and for initiating prosecution for non filing of returns. The Assistant Commissioner of Income Tax, Central Circle -18 has issued show cause notices under Section 142(1) of the Income Tax Act, 1961 with respect to assessment proceedings under the said Act against Ms. Nutan Jain seeking explanations amongst others in relation to source of income and details of immovable properties purchased and sold by Ms. Nutan Jain for the period between assessment year 1999-2000 and assessment year 2004-2005. Further, Ms. Nutan Jain has also received notice under Section 276Cc of the Income Tax Act, 1961 in relation to the assessment proceedings under Section 153A of the Income Tax Act, 1961. The Assistant Commissioner of Income Tax has issued six separate show cause notices dated August 18, 2006 to Ms. Nutan Jain for non-compliance of the earlier notices. Ms. Nutan Jain has filed a reply in relation to the assessment proceedings. The matter is still pending.

5. Mr. G.R. Gogia

- a. The income tax department had conducted a search at the residence of Mr. Gogia and a locker in the name of Mr. Gogia under Section 132 of the Income Tax Act, 1961 on February 10, 2000, pursuant to which an assessment order dated February 28, 2002 under Section 158BA of the Income Tax Act, 1961 was issued and the total undisclosed income for the period April 1, 1989 to February 10, 2000 was assessed at Rs. 657,611 against which a total demand of Rs. 394,566 was raised. Mr. Gogia filed an appeal before the Commissioner of Income Tax (Appeals-I), which through order dated February 22, 2003 set aside the aforesaid demand. The income tax department has filed an appeal against the order of Commissioner of Income Tax (Appeals-I) before the Income Tax Appellate Tribunal where the matter is currently pending.



- b. Another search was conducted by the income tax department at the residence of Mr. Gogia under Section 132 of the Income Tax Act, 1961 on January 13, 2005 pursuant to which certain documents were taken into custody. Mr Gogia has received several notices dated April 27, 2006, June 8, 2006, June 21, 2006, June 30, 2006 and September 7, 2006 seeking further information with respect to the return of income filed by him for various assessment years and for initiating prosecution for non filing of returns.. The Assistant Commissioner of Income Tax, (Central Circle -18) has issued show cause notices under Section 142(1) of the Income Tax Act, 1961 with respect to assessment proceedings under the said Act against Mr. Gogia seeking explanations amongst others in relation to source of income and details of immovable properties purchased and sold by Mr. Gogia for the period between assessment year 1999-2000 and assessment year 2004- 2005. Further, Mr. G. R. Gogia has also received notice under Section 276CC of the Income Tax Act, 1961 in relation to the assessment proceedings under Section 153A of the Income Tax Act, 1961. Mr. G.R. Gogia has filed a reply in relation to the assessment proceedings. The matter is still pending.

6. Mr. Subhash Kathuria

- a. The Special Director, Enforcement Directorate had through order dated January 12, 2004 imposed a penalty of Rs. 4.91 million against Mr. Subhash Kathuria for the contravention of Section 8(1) and 8(4) under the Foreign Exchange Regulation Act, 1973 on the grounds that he failed to import goods against 18 remittances of foreign exchange made to him. Mr. Subhash Kathuria has filed an appeal before the Appellate Tribunal for Foreign Exchange which through order dated April 4, 2006 has remanded the matter back to the adjudicating authority.
- b. Mr. Subhash Kathuria has been issued a notice dated March 17, 2006 in relation to income tax assessment for the financial year 2000-2001 under which a demand of Rs. 5.86 million has been raised against him.

7. Mr. Sunil Kumar Jain

The Delhi Stock Exchange Association Limited ("DSE") has issued a notice dated April 22, 2005 to North Eastern Carrying Corporation Limited ("NECCL"), a company in which our Director Sunil Kumar Jain is on the board of directors. The DSE has pointed out violations by NECCL of certain guidelines issued by SEBI in relation to a preferential allotment of shares made in April 2000 and another allotment of shares in March 2002 made pursuant to an order of the High Court of Delhi with respect to the amalgamation of NECC Transport Private Limited and Divya Manufacturing Company Private Limited with NECCL. The DSE has not granted permission for listing of these shares. With respect to the preferential allotment of shares in April 2000, the DSE has indicated violations by NECCL of Regulations 3(1)(c)(i), 3(1)(c)(ii) and 3(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI Takeover Regulations") relating to certain requirements to intimate the stock exchange of the corporate actions relating to allotment, Regulation 7(3) of the SEBI Takeover Code and Regulation 13(6) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 due to the failure of the company and the allottees to inform the stock exchanges of the increase in shareholding in excess of 5%, and Clause 40A of the Listing Agreement since the non-promoter holding in the company was less than the stipulated minimum public shareholding at the time of allotment. With respect to the allotment in March 2002 pursuant to the order of the High Court of Delhi the DSE has indicated violation of the provisions of the SEBI Takeover Regulations since the required information with respect to the allotment and the amalgamation had not been furnished to the stock exchange. The DSE has also stated that replies to certain notices previously issued to NECCL were yet to be received by it. NECCL has also received notices from SEBI with respect to the aforesaid violations. NECCL has filed applications for condonation and compounding of certain of the violations with SEBI and has provided information in relation to the same to SEBI. The matter is pending with SEBI.

III. LITIGATION AGAINST OUR PROMOTERS AND PROMOTER GROUP COMPANIES

In addition to the cases mentioned above, the following cases are pending against the Promoters:

- (i) On October 29, 2004, Mr. Khem Chand and Mr. Inder have filed a suit (Suit No. 321/04) in the Court of Civil Judge, Senior Division, Gurgaon, against Honey Builders Private Limited ("Honey Builders") and Mr. Pradeep Kumar Jain, claiming ownership of property located in Tehsil Sohna, Gurgaon that Honey Builders had purchased from Mr. Itwari via a sale deed dated September 22, 2004. Honey Builders has filed a written statement, submitting that the property was purchased for valuable consideration and has been registered. The next date of hearing is November 23, 2006.
- (ii) On October 2005, Mr. John has filed a suit (O.S. 398/2005) against Coral Buildwell Private Limited ("Coral") and Mr. Sasi who is the vendor of property that Coral purchased via a sale deed executed on September 10, 2005 seeking enforcement of a prior agreement dated September 11, 2005 with the vendor to sell the said property. The company was issued a summon

to appear before the court on December 12, 2005. The next date for hearing is November 21, 2006.

- (iii) On May 9, 1995, Mr. Pritam Singh and Mr. Amarjit Singh filed a civil suit (Civil Suit No. 1223/ 1995) against Mr. Ramesh Patwal and Parasnath and Associates Private Limited ("PAPL) for recovery of rent and damages against Mr. Patwal as tenant and PAPL as sub-tenant, for property No. 702-A, Arunachal Building, 19, Barakhamba Road, New Delhi. On August 16, 2003, PAPL filed an application under Section 151 of the Civil Procedure Code, praying for dismissal of the plaintiff's case to the extent of the claim for delivery of possession. The suit is now pending the disposal of a counterclaim of PAPL for refund of security deposits of Rs.100,000 by the plaintiffs. The next date of hearing is scheduled for October 26, 2006.
- (iv) On March 30, 2005, Amazon India Limited filed a civil writ petition (CWP No. 6073 of 2002) before the High Court of Punjab and Haryana against Director, Town and Country Planning, Haryana & others challenging the interest at the rate of 18% compounded monthly instead of simple interest, as well as 3% penal interest levied by the respondent on the company for non-payment of external development charges as required by a licence obtained by the company for a group housing project in Village Fazilpur Jharsa, Gurgaon. The High Court of Punjab and Haryana vide its order dated September 19, 2003 directed the Company to make payment of the outstanding amount at the simple interest rate of 18%. The respondents have filed a special leave petition (No. 5550/2004) in the Supreme Court of India, which is yet to be listed.
- (v) Mr. N.C Jain has filed a complaint (Complaint Case No. 352 of 2000) before the Additional Chief Judicial Magistrate-IV, Agra, against our Director and Promoter Mr. Pradeep Kumar Jain and the directors of Pearl Developers Private Limited and Bhargava and Associates Private Limited (the developer), claiming that he should be returned Rs.100,000 which he paid to book an apartment in the proposed Kaveri Kunj Complex on Deolokhanpur Road, New Delhi because of alleged title disputes and problems in obtaining sanctions with respect to land. On an application made by Mr. S.C. Bhargava, a director of Bhargava and Associates Private Limited, the High Court of Allahabad has through order dated February 23, 2005 stayed Complaint Case No. 352 against the said applicant only. The matter is currently pending and the next date of hearing is November 7, 2006. Earlier, the complainant had filed a complaint with the Criminal Investigation Department, which was adjudicated as being of civil nature.
- (vi) On March 6, 2006, one Mrs. Brahmo Devi has filed a suit against Jaguar Buildwell Private Limited and others, for declaration and permanent injunction from interfering and alienating the land measuring approximately 3.36 acres situated at Sonapat purchased by the company from a third party. The plaintiff has claimed that she is the owner of one fifth share as inheritance of ancestral property in the said land. The plaintiff has also filed an application for interim injunction in respect of the above-mentioned claim. The next date of hearing is on December 6, 2006.
- (vii) Mr. Lalaram has filed an application before the Sub-divisional Officer, Jodhpur against Mr. Roop Ram and others, for correction of revenue records by way of recording his part ownership and possession in respect of land measuring approximately 159,007.8 square metres situated at Jodhpur part of which has been purchased by our Promoter group company, Scorpio Realtors Private Limited. The application was dismissed, against which the plaintiff filed an appeal (Appeal No. 31/2005), which was also disallowed by the order of appellate authority dated February 22, 2006. The plaintiff has now filed an application for revision and an application for grant of interim relief. Scorpio Realtors Private Limited has been issued a notice from the court of the Sub-divisional Magistrate, Jodhpur in relation to this matter. The next date of hearing is on November 4, 2006.
- (viii) Mr. Sunil Kumar has filed a civil suit before the Civil Judge (Senior Division), Sonapat for declaration and permanent injunction against Jaguar Buildwell Private Limited and others. Mr. Kumar has claimed that he is the lawful owner of one-fourth land admeasuring 3.5 acres, purchased by Jaguar Builders Private Limited. The next date of hearing is October 27, 2006.
- (ix) The Residents' Welfare Association of our residential project 'Parsvnath Paradise' located at Ghaziabad filed a complaint (No. 138 of 2006) before the District Consumer Protection Forum, Ghaziabad against Basundhara Properties Private Limited and others alleging deficiency in service amongst other things due to non-compliance of specifications and delay in handing over of possession of residential units. The complainants have sought relief aggregating to Rs. 2 million. The hearing is fixed for October 21, 2006 for filing of our reply.
- (x) Mr. Rajesh Kumar has filed a complaint against Basundhara Properties Limited and others (Complaint Case No. CC 363/ 2006) before the District Consumer Protection Forum, New Delhi, claiming a compensation of Rs. 50,000 for non-completion of work, and deficiency in service amongst other things due to non-compliance of specifications and delay in handling over possession of the flat. The date of hearing has been fixed for January 8, 2007.



- (xi) The Uttar Pradesh Pollution and Prevention Control Board had issued an order dated August 6, 1999 raising a demand of Rs. 81,156 against Kalyani Pulp Private Limited in relation to water cess. Kalyani Pulp Private Limited preferred an appeal against the same before the appellate authority, which through order dated April 17, 2001 dismissed the appeal on the ground that the appeal was barred by limitation. Kalyani Pulp Private Limited preferred a further appeal before the High Court of Allahabad (Lucknow Bench), which through order dated July 15, 2002 condoned the delay in filing the first appeal and stayed the demand subject to a deposit of Rs. 40,000. The High Court further directed the appellate authority to decide the matter on merits. The matter is pending before the appellate authority.
- (xii) Mr. Prabhat Kumar has filed a complaint (No. 156/2006) against our Company and against Basundhra Properties Private Limited before the Consumer Disputes Redressal District Forum, Ghaziabad alleging deficiencies in specifications, construction and maintenance of the residential flat No.A-121 in the project situated at Parsvnath Paradise at Mohan Nagar Ghaziabad, Uttar Pradesh. The complainant has claimed for an aggregate compensation of Rs. 203,930 and has sought to impose a sum of Rs. 349,280 as penalty for faulty planning and defective construction. The next date of hearing has been fixed for December 28, 2006.
- (xiii) Basundhra Properties Private Limited received a complaint from Mr. Kapil Kaushik forwarded by Core Centre, an official agency of the Ministry of Consumer Affairs vide letter dated July 21, 2006, in relation to alleged deficiency in services provided and maintenance of the flat purchased by him at Parsvanath Edens, Alpha II, Greater Noida, Uttar Pradesh. Basundhra Properties Private Limited is yet to file a reply.
- (xiv) M/s Navneet Realtors Private Limited is a defendant in a suit filed by Mr. Om Prakash against Nain Singh and others in the Small Causes Court, Saharanpur (Suit No. 478/86). The plaintiff has prayed for the specific performance of an agreement to sell allegedly entered into with the first defendant, subsequent to which M/s Navneet Realtors Private Limited acquired the said land from the first defendant. The next date of hearing has been fixed for October 16, 2006.
- (xv) The Assistant Commissioner of Income Tax has issued notices dated August 18, 2006 to our Promoter group companies, New Hind Enterprises Private Limited, erstwhile AGK Exim Private Limited, Amazon India Limited and Parasnath Travels and Tours Private Limited directing the principal officer of these companies to appear and provide the books of accounts of the companies on August 28, 2006. A further notice dated September 14, 2006 has been issued to New Hind Enterprises Private Limited, seeking certain information in respect of the return of income filed by it for the assessment year 2005-2006. The matter is pending.
- (xvi) Parasnath and Associates Private Limited is a defendant in the execution proceedings filed by M/s Marken Private Limited against M/s M.M. Builders and Promoters and Company and others in the Court of the Civil Judge (Execution No. 531/2006) for which a decree of Rs. 180,810 has been obtained by the plaintiff. Parasnath and Associates Private Limited has been issued a show cause notice in relation to the execution petition. The next date of hearing has been fixed for November 3, 2006.

Our Company is also a party to cases which have been initiated by us. These cases include suit for the specific performance of agreements by third parties, delivery of possession of a leased premise to our Company and dishonour of cheques payable to the company.

IV. MATERIAL DEVELOPMENTS

In the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.



GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

I. Approvals for the Issue

The Board of Directors has, pursuant to resolution passed at its meeting held on August 7, 2006, authorised the Issue, subject to the approval by the shareholders of our Company under section 81 (1 A) of the Companies Act.

The shareholders have, pursuant to a resolution dated August 7, 2006 under Section 81(1 A) of the Companies Act, authorised the Issue.

The Board of Directors has, pursuant to a resolution dated August 7, 2006, authorised a committee of its Directors, referred to as the IPO Committee, to take decisions relating to the Issue on behalf of the Board of Directors.

II. Approvals for our business

Our projects are divided into six categories, namely:

- (i) Residential Projects;
- (ii) Commercial Projects;
- (iii) Integrated Township Projects;
- (iv) Information Technology Parks;
- (v) Hotels;
- (vi) SEZs

We have received the following Government and other approvals pertaining to our projects.

A. Residential Projects

Projects undertaken by our Company on land upon which our Company has a freehold or leasehold interest.

1. **Project Parsvnath Estate located at BRS8 Pocket P-2, Builders Scheme Sector Omega, Greater Noida, Uttar Pradesh.**

1.1. Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by GNIDA.	Prv/99/108	November 1, 1999	Not applicable
2.	Lease deed between GNIDA and our Company for land measuring 20,235 square metres.	Not Applicable	May 29, 2003	Valid for 90 years
3.	Approval of building plan by GNIDA.	PLG(BP)474/965	December 18, 2000	Valid for 2 years
4.	No objection certificate granted by the Fire Authority.	N-2/F.S. II/25/04	April 8, 2004	Not Applicable
5.	Part Occupancy Certificate granted by GNIDA.	PLG(C)-475/7845	March 31, 2003	Not Applicable



2. Project Parsvnath Edens located at Plot No. GH-05, Sector Alfa II, Greater Noida, Uttar Pradesh.

2.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by GNIDA	No.-Comm. Prop./Brs./ GH-05/2001/889	September 22, 2001	Not applicable
2.	Lease deed issued by GNIDA to our Company for land measuring 15,320.20 square metres.	Not Applicable	January 31, 2005	Valid for 90 year
3.	Approval of building plan by GNIDA.	PLG/(BP)-611/2755	March 8, 2002	September 21, 2007
4.	No Objection Certificate granted by the Fire Authority.	N-2/F.S.II-74/04	October 7, 2004	Not applicable
5.	Part Occupancy Certificates granted by GNIDA.	PLG/(BP) 611 (C)/ 85/04; and PLG/BP 611(C) / 2005/626	November 11, 2004 December 5, 2005	Not applicable Not applicable

3. Parsvnath Residency located at A-100, Sector 51, Noida, Uttar Pradesh.

3.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by NOIDA.	Noida/AGM (Res.)/ GHP-2001 (2)/ 2001/ 372	February 8, 2001	Not applicable
2.	Lease deed between NOIDA and our Company for land measuring 4,390.75 square metres.	Not applicable	July 19, 2001	Valid for 90 years
3.	Approval of building plan by the NOIDA.	NOIDA/ BP/BPR-III/97	July 20, 2001	Valid for two years.
4.	No Objection Certificate granted by the Fire Authority.	N-1/F.S. 2001	November 4, 2001	Not applicable
5.	Occupancy/Completion Certificate granted by the NOIDA.	Noida/B.C./B.P. /III/ 97/3540	October 9, 2003	Not applicable

4. Project Parsvnath Platinum Phase I and Phase II located at D-01, Swarna Nagari, Greater Noida, Uttar Pradesh.

4.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by the GNIDA.	Comm.Prop/Brs/D-01/ 2001/888	September 22, 2001	Not applicable
2.	Lease deed between GNIDA and our Company for land measuring 18,175.48 square metres.	Not applicable	March 18, 2005	Valid for 90 years.
3.	Approvals of building plan by the GNIDA.	PLG/BP-669/6923	December 2, 2002	Not applicable
4.	No objection certificate issued by the Fire Authority.	N-2/F.S. II/10/05	February 10, 2005	Not applicable
5.	Part Occupancy Certificate granted by GNIDA.	PLG/BP/669/221/05	March 30, 2005	Not applicable



5. Project Parsvnath Panorama located at Plot No. A-01, Kachnar Estate, Sector TAU, Greater Noida, Uttar Pradesh.

5.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by GNIDA.	No.-Comm. Prop./Brs./ A-01/2001/887	September 22, 2001	Not applicable
2.	Lease deed between GNIDA and our Company for land measuring 30,998.43 square metres.	Not applicable	February 15, 2005	Valid for 90 years
3.	Deed of rectification correcting area stated under the lease deed to 30,884.68 square metres.	Not applicable	May 30, 2005	Not applicable
4.	Approval of building plan by GNIDA.	PLG/BP-713(II)/ 472/2005	July 26, 2005	Not applicable
5.	Provisional no objection certificate granted by the Fire Authority.	No. 2/F.S.II/05-154	May 21, 2005	To be renewed upon completion of the construction.

5.2 Approvals/Licenses required to be obtained in the future

Our Company would be required to apply for and obtain requisite environmental approvals and the completion certificate from the competent government authority on completion of the project.

6. Parsvnath Palacia located at Plot No. 5, Alistonia Estate, Sector Pi, Greater Noida, Uttar Pradesh.

6.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Reference cum acceptance letter to our Company in respect of 38,040.45 square metres of land.	EM/Builders/2003/ 1029	August 18, 2003	Not applicable
2.	Allotment letter issued by GNIDA to our Company in respect of 38,040.45 square metres of land.	PROP/BRS/2006/58-	September 5, 2006	Not applicable

6.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the allotment letter issued by the GNIDA, our Company shall execute a lease deed with the GNIDA with respect to the land allotted. Further, our Company would be required to apply for and obtain approvals including, among other things, approvals for building plans, a no objection certificate from the fire authority and the completion certificate from the competent government authorities at the appropriate stages of the project.
- The GNIDA has through its letter dated July 21, 2004 directed our Company to maintain the status quo on the said land in accordance with the orders of state government till further instructions. However, the status quo has been withdrawn by the GNIDA through letter dated April 19, 2006 and the allotment of the said land has been confirmed.



7. Parsvnath Residency, Ram Ganga Vihar Phase II, Kauth Road, Moradabad, Uttar Pradesh.

7.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by Moradabad Development Authority.	229	February 9, 2004	Not applicable
2.	Agreement to sell entered into between the Company and Moradabad Development Authority for land measuring 3,327.86 square metres.	Not applicable	May 29, 2005	Not applicable
3.	Approval of building plan by Moradabad Development Authority	BHE/VC/94/04-05	October 18, 2004	Valid for five years
4.	Provisional no objection certificate granted by the Fire Authority.	CFO/NOC/BCONST/04	July 10, 2004	To be renewed upon completion of the construction.

7.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authorities at the appropriate stages of the project.

8. Project Parsvnath Prestige Phase I and Phase II located at Plot No. 2, Sector 93 A, Taj Express Way, Noida, Uttar Pradesh.

8.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/License No.	Issue date	Expiry date
1.	Allotment letter issued by the NOIDA.	Noida/AGM (Res.)/ GHP-2002 (1)/2003 / 1954	March 3, 2003	Not applicable
2.	Lease deed between NOIDA and our Company for land measuring 69,513.60 square metres.	Not applicable	June 6, 2003	Valid for 90 years.
3.	Approval of building plan by the NOIDA.	Noida/B.P./B.P.R.III/ 129/465	November 29, 2004	Valid for two years.
4.	Provisional no objection certificate granted by the Fire Authority.	A-172/F.S./04	November 18, 2004	To be renewed upon completion of the construction.
5.	Completion certificate with respect to Phase I.	NOIDA/B.C./ B.P. III 129/ 1050	August 2, 2006	Not applicable

8.2 Approvals for which applications have been made

- Our Company has made an application dated February 12, 2006 to the State Pollution Control Board for consent under the Air (Prevention and Control of Pollution Act), 1981 and the Water (Prevention and Control of Pollution) Act, 1974.

8.3 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain the no objection certificate from the fire authority and the completion certificate for Phase II of the project from the competent government authority on completion of the project.



9. Parsvnath Pratibha located at Plot No. 11 & 12, Sector 4, New Moradabad, Uttar Pradesh.

9.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment Letters issued by Moradabad Development Authority	605/MDA/SMANU/2005 and 606/MDA/SMANU/2005	September 23, 2005	Not applicable

9.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the allotment letters issued by the Moradabad Development Authority, our Company shall execute a sale deed with the Moradabad Development Authority with respect to the land allotted. Further, our Company would be required to apply for and obtain approvals including, among other things, approvals for building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authority at the appropriate stages of the project.

10. Parsvnath Privilege located at Plot No. 11, Sector Pi, Corrosia Estate, Greater Noida, Uttar Pradesh.

10.1 Approvals/licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Reference cum acceptance letter to our Company in respect of 101,171.41 square metres of land.	EM/Builders/2003/1027	August 18, 2003	Not applicable
2	Allotment Letter issued by GNIDA for land measuring 101,171.41 square metres.	PROP/BRS/2006/579	September 9, 2006	Not applicable

10.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the allotment letter issued by the GNIDA, our Company shall execute a lease deed with the GNIDA with respect to the land allotted. Further, our Company would be required to apply for and obtain approvals including, among other things, approvals for building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authorities at the appropriate stages of the project.
- The GNIDA has through its letter dated October 7, 2003 Ref No. Prop/Builders/2003/1161 directed our Company to maintain the status quo on the said land in accordance with the orders of state government till further instructions. However, the status quo has been withdrawn by the GNIDA through letter dated April 19, 2006 and the allotment of the said land has been confirmed.

11. Project Parsvnath Planet located at Plot No. 8/8 & 9/9 Vibhuti Khand, Gomti Nagar, Lucknow, Uttar Pradesh.

11.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by the Lucknow Development Authority, for property number TC/G-9/9.	Not legible	August 18, 2005	Not applicable
2.	Allotment letter issued by the Lucknow Development Authority, for property number TC/G-8/8.	Not legible	August 18, 2005	Not applicable
3.	Agreements to sell entered into between Lucknow Development Authority and our Company for two plots of land measuring 18,704.68 and 19,717.72 square metres respectively.	Not applicable	December 1, 2005	Not applicable



11.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the agreement to sell, our Company shall execute a sale deed with the Lucknow Development Authority with respect to the land allotted. Further, our Company would be required to apply for and obtain approvals including, among other things, approvals for building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authorities at the appropriate stages of the project.

12. Parsvnath Premium located at Chikhli District Centre PCNT, Chikhli, Pune, Maharashtra.

12.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by Pimpri Chinchwad Development Authority to our Company for plot No. 51, 52, 54, 55, 56, 57, 58 and 59.	7363, 7357, 7356, 7355, 7354, 7373, 7361 and 7362	October 3, 2005	Not applicable
2.	Allotment letter issued by Pimpri Chinchwad Development Authority in favour of M/s Dolphin Buildwell Private Limited for Plot No. 1, 2, 20, 29 and 22. Allotment letter issued by Pimpri	7372, 7364, 7365, 7366 and 7367	October 3, 2005	Not applicable
3.	Chinchwad Development Authority in favour of M/s Symphony Realtors Private Limited for Plot No. 6, 7, 8, 9, 10 and 11.	7360, 7359, 7358, 7369, 7370 and 7368	October 3, 2005	Not applicable

- Our Company has entered into an Agreement for Acquisition of Land dated September 21, 2005 with Symphony Realtors Private Limited and Dolphin Buildwell Private Limited. For details of the principal terms of the Agreement for Acquisition of Land please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

12.2 Approvals/ Licenses for which applications have been made

- We have made an application to the Pimpri Chinchwad New Town Development Authority for transfer of the plots allotted to M/s Dolphin Buildwell Private Limited and M/s Symphony Realtors Private Limited to our Company by letter dated January 28, 2006.

12.3 Approvals/Licenses required to be obtained in the future

- Pursuant to the allotment letter issued by the Pimpri Chinchwad Development Authority, our Company shall execute a lease deed with the said authority with respect to the land allotted. Further, our Company would be required to apply for and obtain approvals including, among other things, approvals for building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authority at the appropriate stages of the project.



13. Parsvnath Paramount located near Subhash Nagar, Metro Station, Delhi.

13.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter by DMRC Limited to our Company conveying acceptance of bid price offered by our Company for land measuring 6,445 square metres.	DMRC/PD/C2/SN/315	November 17, 2005	Not applicable
2.	Lease agreement between DMRC and our Company in relation to 6,445 square metres of land near Subhash Nagar Metro Station including a license to design construct, complete, manage and operate a residential complex on the said land.	Not applicable	April 17, 2006	90 years
3.	Lease deed between DMRC and our Company providing for the lease of 6,445 square metres of land to our Company.	Not applicable	September 21, 2006	90 years commencing from April 17, 2006

13.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the lease agreement between DMRC, and our Company we are required to apply for and obtain approvals including, among other things, approvals for building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authorities at the appropriate stages of the project.

14. Project Parsvnath Panchvati located at Plot No. 4 & 5 ,Taj Nagari , Phase-II, Agra, Uttar Pradesh.

14.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Sale deeds between Agra Development Authority and our Company.	Not applicable 43/B.F.T/4/05-06	April 29, 2005	Not applicable
2.	Approval of building plan by the Agra Development Authority		June 22, 2005	Not applicable

14.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authority on completion of the project.

15. Parsvnath Elegance located at Plot No. 9, Sector-4, New Moradabad, Uttar Pradesh.

15.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by the Moradabad Development Authority for land admeasuring 19,241.16 square metres.	607/MDA/SM.ANU / 2005	September 23, 2005	Not applicable



15.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the letter of allotment issued by the Moradabad Development Authority our Company shall execute a sale deed with the said authority with respect to the land allotted. Further, our Company would be required to apply for and obtain approvals including, among other things, approvals for building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authorities at the appropriate stages of the project.

Projects undertaken by our Company in collaboration with third parties upon land on which the third party has a freehold or leasehold interest.

16. Project Parsvnath Gardenia located at Plot No. E-8B, Sector 61, Noida, Uttar Pradesh.

16.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by the NOIDA to New Hind Enterprises Private Limited.	Noida/AGM (Res)/GHP-2001 (2)/530	February 17, 2001	Not applicable
2.	Lease deed between NOIDA and New Hind Enterprises Private Limited for land measuring 6,126.59 square metres.	Not applicable	July 26, 2001	Valid for 90 years
3.	Approvals of building plan by the NOIDA.	NOIDA/ BP/BPR-III/ 98/926	July 27, 2001	Valid for two years
4.	No Objection Certificate issued by the Fire Authority.	N-1/F.S. 2001	November 4, 2001	Not applicable
5.	Occupancy/Completion certificate granted by NOIDA.	NOIDA/BC/BP/III/ 98/5174	February 10, 2004	Not applicable

- Our Company has entered into a Development Agreement dated May 21, 2005 with New Hind Enterprises Private Limited in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

17. Project Parsvnath Paradise located at Arthala Village, G.T. Road, Mohan Nagar, Dist. Ghaziabad, Uttar Pradesh.

17.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Approval of revised building plan issued by Ghaziabad Development Authority to Delhi Iron and Steel Company Limited.	646/22/THA/LAYOUT 2002-2003 578/03/layout/97	September 27, 2002 (revised) December 4, 2001	Valid for five years

- Our Company has entered into four Development Agreements with M/s Delhi Iron & Steel Company Limited ("DISCO") dated April 1, 2002, July 1, 2002, October 16, 2002 and July 14, 2003 in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

17.2 Approvals/Licenses required to be obtained in the future

- Approvals would be required to be applied for and obtained as per the terms of the Development Agreement in relation to the project including, among other things, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authorities at the appropriate stages of the project.



18. Project Presidency Floors located at D-Block, Adree City, Gurgaon, Haryana.

18.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Approval of building plan by the Director, Town & Country Planning, Haryana.	Memo No. 17898	December 12, 2000	Not applicable
2	Occupancy/Completion certificate granted by NOIDA.	NOIDA/B.C./B.P/ III/	October 9, 2003 97/3540	Not applicable

- Our Company has entered into a Development Agreement dated February 14, 2002 with M/s. Ardee Infrastructure Private Limited in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

19. Project Parsvnath Exotica and Exotica Extension located at Village Wazirabad, Sector-53, Gurgaon, Haryana.

19.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License by Town & Country Planning Department, Haryana for 96,396.12 square metres of land for setting up a residential group-housing colony under the Haryana Development & Regulation of Urban Areas Act, 1975 to M/s Puri Construction Limited and other landowners, renewed through letter dated May 23, 2006	69 to 74 of 1996	May 3, 1996 Renewed on May 23, 2006	Valid till May 2, 2007
2.	Letter of Intent issued by the Director, Town & Country Planning Department, Haryana for approximately 20,000 square metres for setting up a residential group-housing colony under the Haryana Development & Regulation of Urban Areas Act, 1975 to M/s Puri Construction Limited and other landowners, out of which 12,000 square metres is in relation to Exotica Extension	DS-I-2006/19264	July 24, 2006	30 days
3.	Approval of building plan by the Town & Country Planning Department, Haryana	Memo No. 121	January 7, 2005	Not applicable
4.	No Objection Certificate by the Fire Authority	FS/2005/459	March 12, 2005	Not applicable

- Our Company has entered into a Development Agreement dated November 24, 2004 as modified by a supplementary agreement dated March 21, 2005 with M/s Puri Construction Limited, M/s Florentine Estates of India Limited, M/s Mad Entertainment Network Limited, Mr. Sunil Manchanda, Mr. Arjun Puri and Mr. Mohinder Puri in relation to the project for approximately 15,000 square metres. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83



19.2 Licenses for which applications have been made

- Our Company has made an application dated July 13, 2005 to the Haryana State Pollution Control Board under notification S.O.801(E) dated July 7, 2004 issued by the Ministry of Environment and Forests, pursuant to which the Haryana State Pollution Control Board has conducted a public hearing at the site on January 4, 2006. Further, our Company has made an application dated July 15, 2005 to the Haryana State Pollution Control Board for consent under the Air (Prevention and Control of Pollution Act), 1981 and the Water (Prevention and Control of Pollution) Act, 1974.

19.3 Approvals/Licenses required to be obtained in the future

- The completion certificate is required to be obtained from the competent government authority on completion of the project.

20. Project Koyla Vihar Presidency Villa located at D-Block, Ardee City, Gurgaon, Haryana.

20.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Approval of building plan by the District Town Planner, Gurgaon issued to M/s Ardee Infrastructure Private Limited.	Memo No. 3240, 3288, 3237, 3243, 3249, 3231, 3246, 3291, 3234, 3216, 3277, 3310, 3313, 3307, 2440, 2444, 2589, 2593, 2596.	May 29, 2002, May 30, 2002, May 31, 2002, June 3, 2002, April 17, 2002 and April 19, 2002	Not applicable

- Our Company has entered into a Development Agreement dated September 26, 2002 with M/s. Ardee Infrastructure Private Limited in relation to construction and development of the above mentioned project. Under the terms of this Development Agreement, M/s. Ardee Infrastructure Private Limited has agreed to pay our Company a consolidated rate of Rs. 500 per square feet of area constructed by our Company. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

21. Parsvnath Pleasant located at Cillage Dharuhera, District Rewari, Haryana.

21.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter acknowledging receipt of application for license for setting up of a residential group housing colony on land measuring 55,118.18 square metres issued by the Director, Town and Country Planning, Haryana.	Memo No. DS-I-2005/17005	December 2, 2005	Not applicable

- Our Company has entered into a Development Agreement dated September 8, 2005 entered with Mr. Shivdeep Singh and Mr. Devish Kumar in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

21.2 Approvals/Licenses required to be obtained in the future

- Approvals would be required to be applied for and obtained as per the terms of the Development Agreement in relation to this project, including, among other things, approval for building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authority at the appropriate stages of the project.



22. Project Parsvnath Majestic located at Plot No. 18 A, Vaibhav Khand, Indrapuram, Ghaziabad, Uttar Pradesh.

22.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Sale deed between Ghaziabad Development Authority and M/s Indo Continental Hotel & Resorts Limited and for land measuring 24,314.16 square metres.	Not applicable	September 28, 1996	Not applicable
2.	Approval of building plan by the Ghaziabad Development Authority.	69/42/THA/GH/ZONE/02-03	April 25, 2003	Valid for five years
3.	Approval of the revised building plan by the Ghaziabad Development Authority permitting construction of group housing colony.	No.41/MP/35/THA/GH /03-04	October 30, 2003	Valid for five years.
4.	Provisional no objection certificate by the Fire Authority.	I-1FS/03	September 29, 2003	To be renewed upon completion of the construction.

- Our Company has entered into a Development Agreement dated September 2, 2002 with M/s Indo Continental Hotel & Resorts Limited in relation to the project. For details of the principal terms of this Development Agreement please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

22.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain requisite environmental approvals a no objection certificate from the fire authority and the completion certificate from the competent government authority on completion of the project.

23. Project Parsvnath Green Ville located at Village Fazilpur Jharsa, Sohna Road, Gurgaon

23.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	No objection certificate from Airports Authority of India	AAI/NOC/2004/42/217-19.	Not applicable	Not applicable
2.	No objection certificate from the IT Department	AA/GR-4822/97-98/135	May 30, 1997	Not applicable
3.	Approval of building plan by the Director, Town and Planning, Haryana in favour of M/s Amazon India Limited.	Memo No. 10/34	July 13, 2004	Valid for five years.
4.	No objection certificate issued by fire authority in favour of M/s Amazon India Limited.	FS-292004/553	September 4, 2004	Not applicable

- Our Company has entered into a Development Agreement dated September 18, 2003 with M/s Amazon India Limited, M/s India Builders and M/s R.S. & Co. in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.



23.2 Licenses for which renewals have been applied for

- M/s Amazon India Limited has made an application dated January 18, 2006 to the Director, Town and Country Planning, Haryana for the renewal of license number 48/1997 for setting up a residential complex, which expired on September 12, 2005 .

23.3 Licenses for which applications have been made

- Our Company has made an application dated July 13, 2005 to the Haryana State Pollution Control Board under notification S.O.801(E) dated July 7, 2004 issued by the Ministry of Environment and Forests, pursuant to which the Haryana State Pollution Control Board has conducted a public hearing at the site on January 4, 2006. Further, our Company has made an application dated June 13, 2005 to the Haryana State Pollution Control Board for consent under the Air (Prevention and Control of Pollution Act), 1981 and the Water (Prevention and Control of Pollution) Act, 1974.

23.4 Approvals/Licenses required to be obtained in the future

- The completion certificate in relation to the project would be required to be applied for and obtained as per the terms of the Development Agreement from the competent governmental authority on completion of the project.

24. Parsvnath Royale located at Sector 20, Panchkula

24.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of Intent issued by The Director, Town and Country Planning, Haryana with respect to 88,019.13 square metres of land.	DS-I-2005/17814	December 19, 2005	Not applicable
2.	License issued by The Director, Town and Country Planning, Haryana to develop a group housing colony on the said land.	610/2006	March 27, 2006	March 26, 2008

- Our Company has entered into an agreement dated February 17, 2006 to purchase the development rights obtained by M/s Samara Estates Private Limited through an agreement dated May 5, 2004 with individual landowners with respect to 29,622.99 square metres of land out of the 88,019.13 square metres.
- The said land was under acquisition proceedings by the state government pursuant to which the individual landowners had filed a writ petition in the High Court of Punjab and Haryana. However, the land has been released through order of the Director, Urban Estates, Haryana dated November 24, 2005 on the condition that the writ proceedings be withdrawn. Subsequently through an order dated April 19, 2006 the writ petition has been dismissed.

24.2 Approvals/Licenses required to be obtained in the future

- Approvals would be required to be applied for and obtained as per the terms of the agreement in relation to this project, including, among other things, approval for building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authority at the appropriate stages of the project.

In addition to the above, our Company has taken preliminary steps including the execution of certain agreements for the acquisition of land with third parties or agreements for the development of land over which third parties has title in relation to the following projects:

25. Parsvnath Prominence located at Bhiwadi, District Alwar, Rajasthan.

- Our Company has entered into a memorandum of understanding dated September 4, 2003 with Ms. Nutan Jain, one of our Promoters for the development of a residential colony on land owned/to be acquired by Ms. Nutan Jain in villages Seedpur, Milkpur Gurjar, Saidpur in district Bhiwadi, Rajasthan.
- The City Development Authority, Bhiwadi has issued a letter of intent dated November 25, 2005 in respect of the conversion of use of land from agricultural to residential in respect of certain plots of land measuring 46,600 square metres acquired by Ms. Nutan Jain.
- The Company has entered into a sale deed dated September 12, 2006 for the purchase of 9,633 square metres of land from certain land owners in Bhiwadi.

26. Parsvnath Regalia located at Village Pasonda Sahibabad, Ghaziabad, Uttar Pradesh.

- Our Company has entered into a Development Agreement with M/s. Devidayal Aluminium Industries Private Limited dated October 28, 2004 in relation to the development of a group housing scheme on land owned by M/s. Devidayal Aluminium Industries Private Limited admeasuring 34,735.66 square metres located at Village Pasouda, Ghaziabad, U.P. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

27. Parsvnath Sterling located at Village Arthala, Ghaziabad, Uttar Pradesh.

- Our Company has entered into a Development Agreement dated October 28, 2004 entered into between M/s Devidayal Aluminium Industries Private Limited in relation to construction and sale of areas by our Company for an area admeasuring 134,719.98 square metres. In addition to this Development Agreement our Company has also acquired land measuring 2,727 square metres in its own name. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

28. Project located at Jogeshwari (East), Mumbai

Our Company has entered into a memorandum of understanding dated November 25, 2005 with Mr. Murad Zafar Futahelly for the purchase of land in Jogeshwari (East), Mumbai measuring 29,819.64 square metres. The said land is subject to attachment proceedings and under the custody of a receiver appointed by the High Court of Bombay. Under the terms of the memorandum of understanding, the owners of the property are required to obtain the consent of the secured creditors and take steps towards resolving the dispute as well as obtain the final confirmation of the amounts to be paid to satisfy the claims of each secured creditor.

29. Parsvnath Pristine located at Sonapat

- The Director Town and Country Planning, Haryana has issued letters of intent dated August 21, 2006 for a group housing project on approximately 76,500 square metres and 110,000 square metres in Sonapat. Our Company has also into an Agreement for Acquisition of Land dated December 10, 2004 with M/s Emerald Buildwell Private Limited and M/s Anubhav Buildwell Private Limited in relation to the said project. Our Company has also entered into an Agreement for Acquisition of Land dated January 24, 2005 with M/s Yamuna Buildwell Private Limited and M/s Neelgagan Realtors Private Limited. The Director Town and Country Planning, Haryana has issued a license dated September 26, 2006 under the Haryana Development and Regulation of Urban Areas Act, 1975 to our Company in relation to the aforementioned project.

30. Group housing project located at Taj Nagari II, Agra

- Our Company has executed a sale deed dated June 15, 2006 with Kalyana Sarkari Aawas Samiti Limited for the purchase of 22,939.94 square metres of land located at Taj Nagari II, Agra.

31. Project located at Khekra

Our Company has entered into an agreement dated May 22, 2006 with Mr. Virendra Kumar Jain to purchase approximately 12,270 square metres of land at Khekra, Uttar Pradesh in relation to this project.



B. Commercial Projects

Projects undertaken by the Company on land upon which the Company has a freehold or leasehold interest.

31. Project Parsvnath Plaza located at Court Road, Saharanpur, Uttar Pradesh.

31.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Approval of building plan by the Saharanpur Development Authority	Not provided	October 27, 1998	Valid for three years
2.	No objection certificate issued by the fire authority	17/FS	March 26, 2003	Not applicable
3.	Completion/Occupancy certificate issued by Saharanpur Development Authority to M/s Mahalakshmi Sugar Mills.	HI/SDA/2002	June 4, 2002	Not applicable

- Our Company has executed sale deeds dated February 28, 2002 and March 30, 2002 with M/s Mahalakshmi Sugar Mills for the purchase of land measuring 5,016 square metres.

32. Project Parsvnath Plaza-I located at Plot No. 4 & 5, Neelgiri Commercial Centre, Mansarovar Scheme, Delhi Road, Moradabad.

32.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/ License No	Issue Date	Expiry Date
1.	Allotment letters issued by Moradabad Development Authority to the Company	256/MDA/S.M.-94 and 256/MDA/S.M.-94	June 1, 1994	Not applicable
2.	Sale deeds between Moradabad Development Authority and our Company	Not applicable	August 22, 1997	Not applicable
3.	Approval of building plans by the Moradabad Development Authority	BFMH/HC 403/94-95 and BFMH/HC 676/94-95	September 27, 1994 and November 16, 1994	Valid for three years.
4.	Completion/Occupancy certificate granted by Moradabad Development Authority	Not provided	January 6, 2005	Not applicable
5.	No objection certificate issued by the fire authority	I-1/FS-94	November 23, 1996 and October 31, 1994	Valid during construction period



33. Project Parsvnath Plaza - II, located at 2 & 3 Neelgiri Commercial Centre, Mansarovar Scheme, Delli Road, Moradabad, Uttar Pradesh.

33.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letters issued by Moradabad Development Authority	299 /MDA/S.M.-94 and 300/MDA/S.M.-94	June 22, 1994	Not applicable
2.	Sale deeds between Moradabad Development Authority and our Company for land measuring 1,307.50 square metres and 1,306.25 square metres	Not applicable	August 22, 1997	Not applicable
3.	Approvals of building plans by the Moradabad Development Authority	BFMH/HC/003/94-95 and BFMH/HC/002/94-95	March 23, 1995	Valid for three years
4.	No objection certificate issued by the fire authority	I-1/FS-94	January 31, 1995	Not applicable

33.2 Approvals/Licenses for which applications have been made

Sl. No.	Description	Reference/License No.	Date of Application	Expiry date
1.	Application for issuance of completion certificate to the Moradabad Development Authority	Not applicable	August 12, 2002	Not applicable

34. Project Parsvnath Plaza-III located at Plot No. 1, Neelgiri Commercial Centre, Mansarovar Scheme, Delhi-Moradabad Road, Moradabad, Uttar Pradesh.

34.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by Moradabad Development Authority to our Company.	298/MDA/SA/94	June 22, 1994	Not applicable
2.	Sale deed executed between the Moradabad Development Authority and our Company for land measuring 1,365.62 square metres.	Not applicable	August 22, 1997	Not applicable
3.	Possession certificate issued by the Moradabad Development Authority.	224/MDA/SA/97	October 31, 1994	Not applicable

34.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, approvals for building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authorities at the appropriate stages of the project.



35. Parsvnath City Centre located at 812/CP-1, near U.I.T Police Chowki, SBI Road, Bhiwadi, Rajasthan.

35.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by Rajasthan State Industrial Development & Investment Corporation ("RSIDIC") to our Company.	3991	July 7, 2005	Not applicable
2.	Possession letter for area measuring 13,610 square metres, issued by the RSIDIC in favour of our Company.	Not provided	October 6, 2005	Not applicable
3.	Approval of the Building Plan by RSIDIC	277	April 18, 2006	April 17, 2008

35.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the allotment letter issued by the RSIDIC, our Company shall execute a lease deed with the RSIDIC. Our Company would be required to apply for and obtain approvals including, among other things, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent governmental authorities at the appropriate stage of the project.
- A part of this project land has been apportioned for construction of a hotel. For further details see "Approvals for our Business – Hotels" hereinbelow.

36. Parsvnath Mall Matrix located at Phase-VIII-B, Industrial Focal Point, Mohali, Punjab.

36.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by Punjab Small Industries & Export Corporation Limited in favour of our Company for land measuring 7,347.70 square metres.	PSIEC/ESTATE/22884	December 23, 2005	Not applicable
2.	Approval of Building Plan by the Department of Town and Country Planning, Punjab/ Punjab Small Industries & Export Corporation Limited.	PSIEC/CE/1838	February 21, 2006	Not applicable

- Our Company has entered into an agreement dated October 10, 2005 for the formation of an association of persons, with M/s HB Estate Developers Limited for the purpose of developing the project. Under the terms of the agreement, all purchases of property/ conveyance and transfer of property by the association of persons, namely Parsvnath Developers AOP shall be made in the name of our Company.
- A part of this project land has been apportioned for construction of a hotel. For further details see "Approvals for our Business – Hotels" hereinbelow.

36.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the allotment letter issued by the Punjab Small Industries & Export Corporation Limited, our Company shall execute a lease deed with the said authority. Our Company would be required to apply for and obtain approvals including, among other things, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent governmental authorities at the appropriate stages of the project.



37. Parsvnath Square located at 16, Civil Lines, Moradabad, U.P.

37.1 Approvals/Licenses obtained

- Our Company has received a letter dated September 9, 2005 issued by the Allahabad Bank accepting the Company's bid to purchase 8,262.49 square metres of land. Subsequently, Allahabad Bank through letter dated March 2, 2006 has informed our Company that the land to be transferred stands reduced to 7,741.12 square metres. Our Company has executed a sale deed with Allahabad Bank dated March 29, 2006 for the purchase of the said 7,741.12 square metres of land in Moradabad.

37.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, approval of building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent governmental authorities at the appropriate stages of the project.

38. Parsvnath City Centre located at Ashiana Scheme I, Kanth Road, Moradabad.

38.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/Licence No.	Issue Date	Expiry Date
1.	Agreement to sell executed between Moradabad Development Authority and our Company for land admeasuring 4,298.85 square metres and sale deed for land admeasuring 421.05 square metres.	Not applicable	March 30, 2005 and December 1, 2005	Not applicable
2.	Allotment letters issued by Moradabad Development Authority for land admeasuring 4,298.85 square metres and 421.05 square metres respectively.	561/MDA/SM.ANU/2005 4141/MDA/SM-A/2005	February 4, 2005 and November 8, 2005 respectively	Not applicable

- In addition to the land allotted by the Moradabad Development Authority, a sale deed has been executed between our Company and Mr. Rajesh Jain for the sale of land admeasuring 40 square metres in relation to the project.

38.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, approval of building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent governmental authorities at the appropriate stages of the project.

39. Project Parsvnath City Mall located at Plot No. 3, Sector 12, City Centre, Faridabad, Haryana.

39.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/ License No	Issue Date	Expiry Date
1.	Allotment letter issued by the Haryana Urban Development Authority for an area measuring 6,600 square metres issued to the Company.	Memo No. 24443	July 8, 2004	Not applicable
2.	Possession Certificate issued by the Haryana Urban Development Authority.	Memo No. 150809	August 8, 2004	Not applicable
3.	Approval of building plan by the Haryana Urban Development Authority.	Memo No. 2602	December 13, 2004	Not applicable
4.	No objection certificate by the Fire Authority.	MCR/ADFO/15A/145	October 7, 2005	Not applicable



39.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain requisite environmental approvals the completion certificate from the competent authority on completion of the project.

40. Parsvnath City Centre located at Kukatpally, Hyderabad, Andhra Pradesh

40.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Allotment letter issued by the Andhra Pradesh Housing Board for an area measuring 2.53 acres issued to the Company.	Letter No. 256/AE/PC/05-8	March 6, 2006	Not applicable
2.	Development agreement between the Andhra Pradesh Housing Board and our Company.	Not applicable	July 26, 2006	Not applicable

40.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, approval of building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent governmental authorities at the appropriate stages of the project.

41. Parsvnath Galleria and Parsvnath City Centre located at Ahmedabad

41.1 Approvals/ Licenses Obtained

Sl. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Allotment letters in relation to plot Nos. 42/2/A and 293/1 /C issued by the Ahmedabad Urban Development Authority for an area measuring 4,834 and 20,265 square metres respectively issued to the Company.	Not legible	May 1, 2006	99 years from the date of allotment
2.	Provisional Possession Letter for the plot 293/1 /C issued by the Ahmedabad Urban Development Authority increasing the allotted area for the said plot to 23,365	Not legible	September 18, 2006	Not applicable

41.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to execute a lease deed with the Ahmedabad Urban Development Authority pursuant to the allotment letters dated May 1, 2006. Our Company would be required to apply for and obtain approvals including, among other things, approval of building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent governmental authorities at the appropriate stages of the project.

Projects undertaken by the Company in pursuance of Concession Agreements with the DMRC



42. Project Parsvnath Metro Mall located at Metro Station, Shahdara, Delhi.

42.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance issued by the Chief Urban Planner accepting the bid for land measuring 7,704 square metres for property development in Shahdara Commercial Complex on concession basis in favour of our Company	DMRC/PD/C2/TEND/SHD/AC280105	January 28, 2005	Not applicable
2.	Concession Agreement between The DMRC and our Company	Not applicable	February 26 , 2005	Valid for 30 years
3.	Possession letter issued by the DMRC	Not provided	March 17, 2005	Not applicable

42.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, the completion certificate from the competent governmental authorities at the appropriate stage of the project.

43. Project Parsvnath Metro Mall located at Metro Station, Inderlok, Delhi.

43.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance issued by the Chief Urban Planner accepting the bid for land measuring 5,538 square metres property development at Inderlok Metro Station on concession basis in favour of the Company.	DMRC/PD/C2/TEND/ILOK/AC29074	July 29, 2004	Not applicable
2.	Concession Agreement between the DMRC and our Company.	Not applicable	September 6, 2004	Valid for 12 years
3.	No objection certificate issued by the Fire Authority.	F6/DFS/MS/2005/1693	August 12, 2005	Valid for one year
4.	Possession letter issued by the Chief Urban Planner.	DMRC/PD/C2/MISC/ho/ILOK/HO06104	October 6, 2004	Not applicable
5.	Completion Certificate issued by the Chief Urban Planner.	DMRC/PD/C2/TEND/ILOK/struct23085	August 23, 2005	Not applicable



44. Project Parsvnath Metro Mall (Annexe) located at Metro Station, Inderlok, Delhi.

44.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance issued by the Chief Urban Planner accepting the bid for land measuring 1,331 square metres for property development at Inderlok Metro Station on concession basis in favour of the Company.	DMRC/PD/C2/TEND/ILOK/AC29074	July 29, 2004	Not applicable
2.	Concession Agreement between the DMRC and our Company.	Not applicable	September 6, 2004	Valid for 30 years
3.	Possession letter issued by the Chief Urban Planner.	DMRC/PD/C2/MISC/ho/ILOK/HO06104	October 6, 2004	Not applicable

44.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain the completion certificate from the competent authority on completion of the project.

44.3 The Deputy Commissioner, Civil Lines Zone, Municipal Corporation of Delhi has through an order dated June 20, 2006 ordered the sealing of the ground floor of the annexe commercial area at Inder Lok Metro Station. The Government of National Capital Territory of Delhi has by a letter dated June 28, 2006 written to the Commissioner, Municipal Corporation of Delhi directed the Municipal Corporation of Delhi to withhold any enforcement action against the DMRC and has referred the matter to an inter agency meeting. For further details please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 231 of this Red Herring Prospectus.

45. Project Parsvnath Mega Metro Mall located outside Metro Station, Seelampur, Delhi.

45.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance by the Chief Urban Planner accepting the bid for property development at a plot measuring 41,034 square metres outside Seelampur MRTS Station on concession basis in favour of the Company.	DMRC/PD/C2/TEND/SLAP/PLOT/N40705	July 4, 2005	Not applicable
2.	Concession Agreement between the DMRC and our Company.	Not applicable	August 10, 2005	Valid for 30 years
3.	Possession letter issued by the DMRC.	Not applicable	October 8, 2005	Not applicable

45.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent authority on completion of the project.



46. Project Parsvnath Metro Mall located on ground within the station box of Metro Station, Seelampur, Delhi.

46.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance issued by the Chief Urban Planner accepting the bid for property development on a plot measuring 1,322 square metres in Seelampur metro station on concession basis in favour of the Company	DMRC/PD/C2/TEND/Seel/Acxx01505	January 24, 2005	Not applicable
	Concession Agreement between DMRC and our Company.	Not applicable	February 25, 2005	Valid for 12 years Not applicable
	Possession letter by the Chief Urban Planner for property handed over on March 15, 2005	DMRC/PD/C2/TEND/SEEL/N40505	May 4, 2005	

46.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain the completion certificate from the competent authority on completion of the project.

47. Parsvnath Metro Mall at Metro Station, Tis Hazari, Delhi.

47.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance issued by the Chief Urban Planner accepting the bid for property development in Tis Hazari Metro Station on a plot measuring 1,322 square metres on concession basis in favour of the Company.	DMRC/PD/C2/TEnD/TIS/ACxx0105	January 24, 2005	Not applicable
2.	Concession Agreement between DMRC and our Company.	Not applicable	February 25, 2005	Valid for 12 years
3.	Possession letter issued by the DMRC.	Not applicable	March 16, 2005	Not applicable

47.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain the completion certificate from the competent authority on completion of the project.



48. Parsvnath Metro Mall located at Metro Station, Pratap Nagar, Delhi.

48.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance issued by the Chief Urban Planner accepting the bid for property development at an independent plot measuring 2,000 square metres outside Pratap Nagar Metro Station on concession basis in favour of the Company.	DMRC/PD/C2/TEND/PTN/AC220205	February 22, 2005	Not applicable
2.	Concession Agreement between the DMRC and our Company.	Not applicable	March 21, 2005	Valid for 30 years
3.	No objection certificate issued by the Fire Authority.	Not provided	Not provided	Not applicable
4.	Possession letter issued by the Chief Urban Planner.	DMRC/PD/C2/TEND/IND/N250405	April 25, 2005	Not applicable

48.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain the completion certificate from the competent authority on completion of the project.

49. Parsvnath Metro Mall located at Kashmere Gate Metro Station

49.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance issued by the Chief Urban Planner accepting the bid for development of a commercial complex on 2,660 square metres of built up area in the station box at the Kashmere Gate Metro Station complex on concession basis in favour of the Company.	DMRC/PD/C2/TEND/KGPS/SB/N230306	March 23, 2006	Not applicable
2.	Concession Agreement between the DMRC and our Company.	Not applicable	April 28, 2006	Valid for 12 years

49.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent authority on completion of the project.



50. Parsvnath Metro Mall outside the Welcome Metro Station

50.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance issued by the Chief Urban Planner accepting the bid for development of a commercial complex on 30,604 square metres of land outside Welcome Metro Station on concession basis in favour of the Company.	DMRC/PD/W/Plot	April 4, 2006	Not applicable
2.	Concession Agreement between the DMRC and our Company.	Not applicable	June 9, 2006	Valid for 30 years

50.2 Approvals/Licenses required to be obtained in the future

- Our Company shall enter into a Concession Agreement with the DMRC in relation to the said project. Further, our Company would be required to apply for and obtain approvals including, among other things, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent authority on completion of the project.

51. Parsvnath Metro Mall at Azadpur Metro Station and an adjoining commercial complex

51.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance issued by the DMRC accepting the bid for development of the metro station and commercial complex on 30,604 square metres of land on concession basis in favour of the Company.	DMRC/20/II-48/2006	April 27, 2006	Not applicable
2.	Concession Agreement with DMRC	Not applicable	July 20, 2006	Valid for 30 years

51.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent authority on completion of the project. Further, the DMRC is required to obtain consent for change in the land use prior to the construction of the commercial complex.

Projects undertaken by the Company in collaboration with third parties upon land on which the third party has a freehold or leasehold interest.

52. Project Parsvnath Kaushambi Mall located at 42, 43 Kaushambi Scheme, Ghaziabad, Uttar Pradesh.

52.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Approval of building plan by Ghaziabad Development Authority in favour of M/s Maxworth Buildcon Private Limited for plot number 42, 43 measuring 586.50 square metres each.	1047/66/THA/51103/COM/04-05	March 29, 2005	Valid for five years



- Our Company has entered into a Development Agreement dated June 30, 2004 with M/s Maak Softech Private Limited, owner of Plot No. 42 and M/s Maxworth Buildcon Private Limited, owner of Plot No. 43 in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

52.2 Approvals/Licenses required to be obtained in the future

- The requisite environmental approvals and the completion certificate in relation to the project would be required to be applied for and obtained as per the terms of the Development Agreement from the competent governmental authority on completion of the project.

53. Project Parsvnath MMX Mall and Multiplex located at Mohan Nagar, Main G.T Road NH 24, Ghaziabad, Uttar Pradesh.

53.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Approval of building plan by the Ghaziabad Development Authority in favour of M/s Indo Continental Hotel & Resorts Limited.	533/01/THA/ZON4/CM/01 -02	February 4, 2003	Valid for five years
2.	Completion/Occupancy certificate issued by the Ghaziabad Development Authority.	233/04/05	March 17, 2005	Not applicable

- Our Company has entered into a Marketing Agreement dated February 26, 2003 with M/s Indo Continental Hotel & Resorts Limited in relation to the project under which our Company is required to market the said project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

54. Project Parsvnath Bibhab Plaza located at C-2, Block-E, Alfa Commercial Belt, Greater Noida, Uttar Pradesh.

54.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Approval of building plan issued by the GNIDA in favour of M/s Nav Bharat Constructions.	PLG/(BP)/C-2/Alpha Commercial Belt/194	May 20, 2003	Valid till November 1, 2003
2.	No objection certificate by the Fire Authority.	2/FSII/SM-65/04	September 30, 2004	Not applicable
3.	Occupancy/Completion certificate granted by GNIDA.	Plg (BP)-788(C)/2004/127	December 23, 2004	Not applicable

- Our Company has entered into a Development Agreement dated May 28, 2003 with M/s Nav Bharat Constructions in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.



55. Project Parsvnath Majestic Arcade located at 18-A, Vaibhav Khand, Indrapuram, Ghaziabad, Uttar Pradesh.

55.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Approval of revised building plan by the Ghaziabad Development Authority in favour of M/s Indo Continental Hotel & Resorts Limited.	41/MP/35/THA/GH/03-04	October 30, 2003	Valid for five years
2.	No objection certificate by the Fire Authority in favour of M/s Indo Continental Hotel & Resorts Limited.	I-1/FS/03	September 29, 2003	Not applicable

- Our Company has entered into a Development Agreement dated September 2, 2002 with M/s Indo Continental Hotel & Resorts Limited in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

55.2 Approvals/Licenses required to be obtained in the future

- The requisite environmental approvals and the completion certificate in relation to the project would be required to be obtained as per the terms of the Development Agreements from the competent governmental authority on completion of the project.

56. Project Parsvnath Paradise Arcade located at C-Block, JP Garden Estate, Mohan Nagar, Ghaziabad, Uttar Pradesh.

56.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Approval of building plan by the Ghaziabad Development Authority.	767/28/THA/Com/0304	November 12, 2003	Valid for five years
2.	No objection certificate issued by the Fire Authority in favour of M/s Delhi Iron & Steel Company Limited.	I-1/F.S./05	July 15, 2005	Not applicable

- Our Company has entered into a Development Agreement dated June 14, 2003 with M/s Delhi Iron & Steel Company Limited in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

56.2 Approvals/Licenses required to be obtained in the future

- The requisite environmental approvals and the completion certificate in relation to the project would be required to be obtained as per the terms of the Development Agreement from the competent governmental authority on completion of the project.



57. Project Parsvnath Plaza located at G-75-B, Sector-27, Noida, Uttar Pradesh.

57.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/ License No	Issue Date	Expiry Date
1.	Allotment letter issued by the NOIDA to M/s Honey Builders Private Limited.	Noida/Dy.GM(C)/2000/2176	July 3, 2001	Not applicable
2.	Lease deed between the NOIDA and M/s Honey Builders Private Limited for land measuring 1,331.66 square metres.	Not applicable	March 25, 2003	Valid for 90 years
3.	Approval of building plan by the NOIDA.	IV/835,255	April 17, 2003	Valid for two years.
4.	No objection certificate issued by fire authority	A-165/F.S./04	October 16, 2004	Not applicable
5.	Completion/Occupancy certificate granted by NOIDA.	IV/835/6	February 2, 2005	Not applicable

- Our Company has entered into a Development Agreement dated April 15, 2003 with M/s Honey Builders Private Limited in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

58. Project Parsvnath Arcadia, located at Mehrauli Gurgaon Road, Gurgaon, Haryana.

58.1 Approvals/ Licenses obtained

Sl. No	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Approval of building plan by the Municipal Council, Gurgaon.	11/430 F.A./2005/57268 and	December 11, 2001 December 20, 2005	Not applicable
2.	No objection certificate for occupation issued by the Fire Authority	No.FS/2005/28	and November 25, 2005	Valid for one year

- Our Company has entered into a Development Agreement dated May 27, 2004 with Mr. Jagdish Yadav in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

58.2 Approvals/Licenses required to be obtained in the future

- The requisite environmental approvals and the completion certificate in relation to the project would be required to be obtained as per the terms of the Development Agreement from the competent governmental authority on completion of the project.

59. Parsvnath Metro Mall located at Bhai Vir Singh Marg, near Gole Market, New Delhi.

59.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Letter by DMRC Limited to our Company conveying acceptance of bid price offered by our Company for land measuring 15,583.83 square metres.	DMRC/PD/BVSM/301	January 27, 2006	Not applicable



59.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the acceptance letter issued by the DMRC, our Company shall execute a lease deed with the said authority. Further, our Company would be required to apply for and obtain approvals including, among other things, approvals for building plans, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent government authorities at the appropriate stages of the project.

60. Project Parsvnath Eleganza located at 103, Rajpur Road, Dehradun, Uttaranchal.

60.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Approval of revised building plan by the Mussoorie Dehradun Development Authority.	C-11/2000-2001	August 2, 2003	Valid for five years
2.	No objection certificate issued by the Fire Authority.	F.S./2000	October 19, 2000	Not applicable

- Our Company has entered into a Development Agreement dated September 22, 2005 with M/s. Amity Amusement Limited in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

60.2 Approvals/Licenses required to be obtained in the future

- The requisite environmental approvals and completion certificate in relation to the project would be required to be obtained as per the terms of the Development Agreement from the competent governmental authority on completion of the project.

61. Project Parsvanath Mall Eighteen located at Plot No. 1-A, 1-B, Block-K, Sector 18, Noida, Uttar Pradesh.

61.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/ License No	Issue Date	Expiry Date
1.	Allotment letters issued by the NOIDA to Noida Marketing Private Limited and M/s. AGK Exim Private Limited.	No. NOIDA/GM(Comm)/2004/3404 and NOIDA/GM(Comm)/2004/3405	March 8, 2004	Not applicable
2.	Lease deeds between the NOIDA and Noida Marketing Private Limited and between NOIDA and M/s AGK Exim Private Limited for land measuring 660 square metres each.	Not applicable	August 25, 2004 and September 3, 2004	Valid for 90 years
3.	No objection certificate issued by the Fire Authority.	A-32/F.S/05	April 8, 2005	Not applicable

- Our Company has entered into a Development Agreement dated May 7, 2004 with M/s Noida Marketing Private Limited and M/s. AGK Exim Private Limited in relation to the project. For details of the principal terms of this Development Agreement please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

61.2 Applications made for approvals/licenses

- M/s Noida Marketing Private Limited and M/s AGK Exim Private Limited has made an application for building plan approval to the Chief Executive Officer, New Okhla Industrial Development Authority dated.



61.3 Approvals/Licenses required to be obtained in the future

- The requisite environmental approvals and the completion certificate in relation to the project would be required to be obtained as per the terms of the Development Agreement from the competent governmental authority on completion of the project.

62. Project Parsvnath Shoppers Den Located at Block-H1-A, Section-63, Noida, U.P

62.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/Licence No.	Issue Date	Expiry Date
1.	Allotment letters issued by the NOIDA in favour of M/s Vinu Promoters Private Limited for Plots No. 41, 42, 43 and 44.	NOIDA/Dy.G.M(C) / 2002/1295 NOIDA/Dy.G.M(C) / 2002/1294 NOIDA/Dy.G.M(C) / 2002/1293 NOIDA/Dy.G.M(C) / 2002/1292	March 22, 2002	Not applicable
2.	Four lease deed executed between NOIDA and M/s Vinu Promoters Private Limited for Plots No. 41, 42, 43 and 44.	Not Applicable	September 27, 2004	Valid for 90 years
3.	Amalgamation certificate for Plots No. 41, 42, 43 and 44 issued by the NOIDA.	NOIDA/COMM/ 2005/291	February 28, 2005	Not applicable
4.	No objection certificate issued by the Fire Authority.	A-54/F.S/05	June 14, 2005	Not applicable

- Our Company has entered into a Development Agreement dated September 20, 2004 with M/s Vinu Promoters Private Limited in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

62.2 Approvals/Licenses required to be obtained in the future

- Our Company is required to renew the approval for building plan. The requisite environmental approvals and the completion certificate in relation to the project would be required to be obtained as per the terms of the Development Agreement from the competent governmental authority on completion of the project.

In addition to the above, our Company has taken preliminary steps including the execution of certain agreements for the acquisition of land with third parties or agreements for the development of land over which third parties has title in relation to the following projects:

63. Project The Mall located at Building No. 3, Municipal No. 362/XIII, Amritsar

- Our Company has entered into a Development Agreement dated February 9, 2006 with Ms. Balbir Kaur and Mr. Harpratap Singh with respect to land measuring 5,706.57 square metres in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

64. Parsvnath Plaza located at Saharanpur

- Our Company has entered into an Agreement for Acquisition of Land dated August 11, 2004 with Navneet Realtors Private Limited, Scorpio Realtors Private Limited and Springdale Realtors Private Limited in relation to the project.

65. Project located at Patto Plaza, Panjim, Goa

- EDC Limited has issued a letter of allotment dated September 8, 2006 for the allotment of 12,290 square metres of land on a perpetual lease hold basis for commercial purposes.

C. Integrated Townships

65. Parsvnath City at Sonapat, Haryana

65.1 Approvals/Licenses applied for

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of Intent issued by the Director, Town and Country Planning, Haryana, to our Company for granting a license for setting up of a residential plotted colony on land measuring 340,564.59 square metres.	Memo No. 5DP (iii)- 2005/17018	December 2, 2005	Not applicable
2.	Licenses issued by the Town and Country Planning Department to certain individuals under the Haryana Development and Regulation of Urban Areas Act, 1975 in relation to the said land.	915 to 945/ 2006	May 8, 2006	May 1, 2008
3.	Letter of Intent issued by the Director, Town and Country Planning, Haryana to our Company and other companies for granting a license for setting up of a residential plotted colony on land measuring 478,824.05 square metres.	Memo No. 5DP(iii) - 2005/19756	December 30, 2005	Not applicable
4.	Licenses issued by the Town and Country Planning Department to certain companies under the Haryana Development and Regulation of Urban Areas Act, 1975 in relation to the said land.	878 to 894/ 2006	April 27, 2006	April 24, 2008
5.	Licenses issued by the Town and Country Planning Department to our Company and others under the Haryana Development and Regulation of Urban Areas Act, 1975 in relation to setting up a group housing colony on approximately 114,971 square metres.	Memo No. 5DP (III) 2006/21923	August 21, 2006	Not applicable

65.2 Applications made for approvals/licenses

- Our Company has made the following applications to the Director, Town and Country Planning, Haryana for issuance of additional license for the project
 - (i) application dated June 28, 2004 to the Director, Town and Country Planning, Haryana, for grant of license for land measuring 635,508 square metres
 - (ii) application dated March 21, 2006 for 41,885 square metres of land for plotted development.



65.3 Agreements entered into with respect to the project

- Our Company has entered into an agreement dated November 29, 2004 for acquisition of land with M/s Artic Buildwell Private Limited, M/s Dreamweaver Realtors Private Limited, Evergreen Realtors Private Limited, M/s Harmony Buildwell Private Limited, M/s Ideal Buildwell Private Limited, M/s Sedna Properties Private Limited, M/s Spearhead Realtors Private Limited, Trishla Realtors Private Limited. Our Company has also entered into an Agreement for Acquisition of Land dated December 10, 2004 with M/s Emerald Buildwell Private Limited and M/s Anubhav Buildwell Private Limited. Further, our Company has entered into an Agreement for Acquisition of Land dated May 3, 2004 with M/s New Hind Enterprises Private Limited. Our Company has also entered into an Agreement for Acquisition of Land dated January 24, 2005 with M/s Yamuna Buildwell Private Limited and M/s Neelgagan Realtors Private Limited. Our Company has also entered into an Agreement for Acquisition of Land dated June 23, 2005 with Panchvati Buildwell Private Limited. Additionally, our Company has entered into an Agreement for Acquisition of Land dated October 10, 2005 with M/s Jaguar Buildwell Private Limited. For details of the principal terms of the Agreement for Acquisition of Land please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus. Pursuant to the said Agreements for Acquisition of Land, our Company has acquired approximately 15,337.59 square metres of land and the contracting parties have acquired approximately 847,573.61 square metres of land.

65.4 Notification of project land under the Land Acquisition Act, 1894

- Certain portions of the project land (approximately 1.21 million square metres) had been notified for acquisition by the state government under the Land Acquisition Act, 1894. However, approximately 340,421.56 square metres of such notified area has already been denotified by the state government, pursuant to which our Company has been issued a letter of intent by the Director, Town and Country Planning, Haryana, with respect to a license for setting up of a residential plotted colony. The remaining portions of the notified areas will be denotified as per the policy of the state government.

66. Parsvnath City, Bhiwadi, Rajasthan

66.1 Approvals/Licenses Obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Letter of acceptance issued by the Bhiwadi Industrial Development Authority in relation to setting up an amusement park, resort etc for land measuring 404,685.64 square metres.*	BIDA\SPA-141	February 11, 2003	Not applicable

- * Subsequent to the issuance of the letter of acceptance, the Bhiwadi Industrial Development Authority has been dissolved and its functions taken over by the Rajasthan State Industrial Development and Investment Corporation Limited, due to which possession of the said land has not been transferred to us. We had approached the Rajasthan State Industrial Development and Investment Corporation Limited, which by letter dated June 16, 2004 advised our Company to approach the District Collector, Alwar Urban Housing and Development Corporation.

The District Collector, Alwar has through letter dated April 13, 2006 stated that our right in relation to the allotment stand extinguished.

66.2 Applications made for Approvals/Licenses

- Our Company has submitted a letter dated May 24, 2005 to the Secretary, UIT, Bhiwadi, Bhagat Singh Circle, Alwar for directions to transfer the land to our Company as per the terms of the letter of acceptance of our bid.



67. Project King Citi located at Rajpura, District Patiala, Punjab

67.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/Licence No.	Issue Date	Expiry Date
PHASE I				
1.	License for the development of a residential colony on land measuring 37.14 acres issued by the Competent Authority under the Punjab Apartment and Property Regulation Act, 1995 in favour of M/s Home Life Real Estate Private Limited	LDC 2004/145	September 20, 2004	September 19, 2008
PHASE II				
1.	Letter of intent for the development of a residential colony on land measuring 37.00 acres issued by the Competent Authority under the Punjab Apartment and Property Regulation Act, 1995 in favour of our Company.	PUDA-CA-1 (L-382) / 2006/894	March 9, 2006	Compliance with the letter of intent is required within 30 days or a further period of 30 days if extended by the competent authority.
2.	License for the development of colony on land measuring 37 acres issued by the Competent Authority under the Punjab Urban and Property Regulation Act, 1995	LDC 2006/182	June 8, 2006	June 7, 2009

67.2 Applications made for approvals/licences

- Our Company has made an application to the Punjab Pollution Control Board dated August 18, 2005 under the Air (Prevention and Control of Pollution Act), 1981 and the Water (Prevention and Control of Pollution) Act, 1974, pursuant to which we have received a provision NOC dated January 17, 2006.

67.3 Agreements entered into with respect to the project

- Our Company has entered into a Development Agreement dated March 7, 2005 with M/s Home Life Real Estate Private Limited for land measuring 150,300.25 square metres in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

Our Company has entered into an Agreement for Acquisition of Land dated January 20, 2005 with M/s Emerald Buildwell Private Limited, M/s Anubhav Buildwell Private Limited, M/s Yamuna Buildwell Private Limited and M/s Neelgagan Realtors Private Limited for the purpose of acquisition of land independently in villages Dahrian, Shambu Kalan and surrounding areas in district Rajpura, Punjab.

For details of the principal terms of the Agreement for Acquisition of Land please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus. Pursuant to the said Agreements for Acquisition of Land, our Company has acquired 36,300.3 square metres of land and the contracting parties have acquired 234,353.46 square metres of land.



68. Parsvnath City at Jodhpur

68.1 Approvals/Licences Obtained

Sl. No.	Description	Reference/Licence No.	Issue Date	Expiry Date
1.	Approval for conversion of use of land and development of land for residential purposes granted by the Court of the Competent Authority, Town Development Department, Jodhpur under Section 90-B of Rajasthan Land Revenue Act, in favour of landowners.	546/05	February 26, 2005	Not applicable
2.	Approval of Layout Plan issued by the Senior Town Planner to the landowners. The Layout Plan has earmarked two plots on which hotels are to be constructed.	Not applicable	February 21, 2005	Not applicable

68.2 Agreements entered into with respect to the project

Our Company has entered into an Agreement for Acquisition of Land dated August 18, 2005 with Scorpio Realtors Private Limited to acquire lands in villages Basni, Pal, Dhinana Ki Dhani, Nathdau, Junawon Ki Dhanja, Jaitaran, Sangria Phanta in Jodhpur, Rajasthan. Our Company has also entered into an Agreement for Acquisition of Land dated December 8, 2005 with Jodhpur Infrastructure Private Limited to acquire lands in villages Basni, Pal, Dhinana Ki Dhani, Nathdau, Junawon Ki Dhanja, Jaitaran, Sangria Phanta Jodhpur, Rajasthan. For details of the principal terms of the Agreement for Acquisition of Land please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus. Pursuant to the said Agreements for Acquisition of Land, the contracting parties have acquired 279,233.09 square metres of land.

69. Parsvnath City located at Dera Bassi, District Patiala, Punjab

69.1 Approvals/Licences Obtained

Sl. No.	Description	Reference/Licence No.	Issue Date	Expiry Date
1.	Letter of intent in relation to license for setting up a residential colony issued by the Competent Authority under Punjab Apartment and Property Regulation Act, 1995	Memo No. PUDA-CA - L-1(L-343)/2005/ 4902	October 26, 2005	Not applicable
2.	Approval for conversion of land use for setting up residential colony issued by Housing and Urban Development Department	Memo No. CTP/ SP-432/466	January 28, 2005	Not applicable
3.	License issued by the Competent Authority under the Punjab Apartment and Property Regulation Act, 1995 to develop a residential colony.	LDC 2006/174	March 22, 2006	March 21, 2009



69.2 Applications made for approvals/licences

- Our Company has made an application to the Punjab Pollution Control Board dated August 18, 2005 under the Air (Prevention and Control of Pollution Act), 1981 and the Water (Prevention and Control of Pollution) Act, 1974, pursuant to which we have received a provision NOC dated January 18, 2006.

69.3 Agreements entered into with respect to the project

- Our Company has entered into an Agreement for Acquisition of Land dated April 2, 2004 with M/s Parasnath And Associates Private Limited and M/s New Hind Enterprises Private Limited to acquire lands in and around villages Sadho Majra and Bhankarpur, district Patiala. For details of the principal terms of the Agreement for Acquisition of Land please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus. Pursuant to the said Agreements for Acquisition of Land, our Company has acquired 15,337.59 square metres of land and the contracting parties have acquired 847,573.61 square metres of land.

70. Parsvnath City located at Malerkotla, Punjab

70.1 Order of the High Court of Delhi

The High Court of Delhi has allowed our Company to purchase land measuring 234,717.67 square metres from M/s Vinod Paper Mills Limited which was subject to claims of creditors. The High Court of Delhi has by order dated November 19, 2003 (CA 848/2003 in CP 10/92) accepted the affidavit of the Company submitted in this regard. Our Company has also provided an undertaking among other things not to execute sale deeds in favour of third parties to whom the developed project may be sold till a sum of Rs. 71.5 million is paid to M/s Vinod Paper Mills Limited. Pursuant to the said undertaking our Company has made full payment of the amount evidenced by receipt dated November 19, 2004 and has taken possession of the land by receipt of a possession letter from M/s Vinod Paper Mills Limited.

70.2 Applications made for approvals/licences

- Our Company has made an application to the Secretary, Housing and Development, Government of Punjab dated February 8, 2005 for change of land use from industrial to residential in relation to land for the project under the Punjab Regional and Town Planning and Development Act, 1995.

71. Parsvnath Narayan City located at Jaipur

71.1 Approvals/Licences Obtained

Sl. No.	Description	Reference/Licence No.	Issue Date	Expiry Date
1.	Approval under Section 90-B of the Rajasthan Land Revenue Act, 1956 in favour of M/s Shree Salasar Overseas Private Limited for land measuring 392,545.07 square metres.	20/05	September 16, 2005	Not applicable

71.2 Agreements entered into with respect to the project

- Our Company has entered into a Development Agreement dated August 31, 2005 with M/s Shree Salasar Overseas Private Limited for construction, development and marketing of the project on land measuring 505,857.05 square metres. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83.



72. Parsvnath City located at Indore, Madhya Pradesh

72.1 Approvals/Licences Obtained

Sl. No.	Description	Reference/Licence No.	Issue Date	Expiry Date
1.	Approval of the Town and Country Planning Authority, Indore in relation to development of 43,706.09 square metres of land.	6188/05	September 24, 2005	Not applicable
2.	Approval of the Town and Country Planning Authority, Indore in relation to development of 78,063.93 square metres of land.	2703/2006	March 25, 2006	Not applicable

72.2 Agreements entered into with respect to the project

- Our Company has executed sale deeds for the purchase of land measuring approximately 382,873 square metres in relation to the said project.
- In addition to the above, our Company has executed an agreement dated March 24, 2006 with M/s Shri Shristi Construction Private Limited and M/s Sunderdeep Construction Private Limited with regards to 174,014.98 square metres of land in relation to the development of the project.

73. Parsvnath City located at Rajiv Gandhi Chandigarh Technology Park

- The Chandigarh Housing Board has issued a letter of acceptance dated June 9, 2006 in relation to our bid for the development of an integrated facility at Rajiv Gandhi Chandigarh Technology Park on 500,960.80 square metres of land.
- Our Company has entered into a development agreement dated October 6, 2006 with the Chandigarh Housing Board in relation to the development of residential, commercial and related infrastructural facilities as an integrated project at the Rajiv Gandhi Chandigarh Technology Park on land measuring 500,960.80 square metres.
- Our Company has entered in a lease deed dated October 6, 2006 with the Chandigarh Housing Board which provides for the lease of 356,892.58 square meters of land to us for a period of 99 years for the purpose of the project.

74. Project located at Kanchipuram

Our Company has entered into a joint venture agreement with Sumeru Soft Private Limited and Gomathi Visweshwaran Trust, the owners of approximately 127,450 square metres of land located in Kanchipuram for the purpose of developing a multi-facility complex comprising of residential apartments, commercial blocks and information technology parks. Under the terms of the agreement the Company would be entitled to 73% of the built-up area to be constructed.

In addition to the above, our Company has taken preliminary steps including the execution of several agreements for the acquisition and pooling of land resources in relation to the development of townships. The details of these projects are as follows:

Sl. No.	Project Description	Parties with whom our Company has entered into an agreement	Date
74.	Parsvnath City located at Kurukshetra, Haryana	Our Company has entered into an Agreement for the Acquisition of land with: 1. Roopak Infrastructure Private Limited; 2. Nishtha Realtors Private Limited; and 3. Poorti Infrastructure Private Limited and Sarvpriya Realtors Private Limited Pursuant to the aforesaid agreement these companies have purchased land measuring 212,143.74 square metres of land.	August 18, 2005 August 23, 2005 July 24, 2006

75.	Parsvnath City located at Rohtak, Haryana	Our Company has entered into an Agreement for the Acquisition of land with: 1. Rangoli Buildwell Private Limited; 2. Sapphire Buildtech Private Limited; 3. Gem Buildwell Private Limited; 4. Pearl Promart Private Limited; 5. Rangoli Infrastructure Private Limited; 6. Adela Buildcon Private Limited; and 7. Bliss Infrastructure Private Limited	December 8, 2005
76.	Parsvnath City located at, Nedumbassery, Taluk Alwaye in vicinity of the new Cochi International Airport	Our Company has entered into an Agreement for the Acquisition of land with: 1. Lakshya Realtors Private Limited; 2. Coral Buildwell Private Limited; 3. Mirage Buildwell Private Limited; and 4. Jaguar Buildwell Private Limited;	April 21, 2005
77.	Parsvnath City located at Sohna, Gurgaon, Haryana**	Our Company has entered into an Agreement for the Acquisition of land with: 1. M/s Dolphin Buildwell Private Limited; 2. Crimson Infrastructure Private Limited; and 3. Anjaney Developers Private Limited.	August 8, 2005
	Parsvnath City located at Sohna, Gurgaon, Haryana	Our Company has entered into an Agreement for the Acquisition of land with: 1. Limelight Realtors Private Limited; and 2. M/s Concord Buildwell Private Limited.	November 15, 2004
	Parsvnath City located at Sohna, Gurgaon, Haryana	Our Company has entered into an Agreement for the Acquisition of land with: 1. M/s Honey Builders Private Limited; and 2. M/s Symphony Realtors Private Limited	September 16, 2004
78.	Parsvnath City at Dibbur Village, Hesarghatta Hobli, Bangalore	Our Company has executed a deed of assignment with M/s Lilly Developers for assignment of all their rights, title and interest over the scheduled land measuring 109,265.12 square metres. Under the terms of the deed of assignment, M/s Lilly Developers is required to execute sale deeds in respect of the scheduled land in favour of our Company.	April 26, 2005
79.	Parsvnath City located at Bastipura Village, Mysore	Our Company has entered into an agreement with M/s Bharath Infra-Tech Private Limited under which the said company is required to sell land measuring 303,515.48 square metres in favour of our Company after obtaining conversion of land use with respect to the land.	September 22, 2005
80.	Parsvnath City at Dharuhera, District Rewari, Haryana	Our Company has entered into an Agreement for the Acquisition of land with: 1. M/s Springdale Realtors Private Limited; 2. Prasidhi Developers Private Limited; 3. Parikrama Infrastructure Private Limited; 4. Prastut Real Estate Private Limited; and 5. Arunachal Infrastructure Private Limited	



		<p>Our Company has entered into a separate Development Agreement with Mr. Shamsheer Singh for land measuring 218,530.25 square metres.</p> <p>Our Company has also made an application to the Director, Town and Country Planning, Haryana, for issuance of a license for the establishment of a residential plotted colony on land measuring 509,904.36 square metres.</p>	<p>August 18, 2005 October 27, 2005 February 7, 2006</p>
81.	Parsvnath City located at Village Mavi Kalan, Saharanpur	<p>Our Company has entered into an Agreement for the Acquisition of land with:</p> <ol style="list-style-type: none"> 1. Navneet Realtors Private Limited; 2. Scorpio Realtors Private Limited; 3. Springdale Realtors Private Limited 4. Springdale Realtors Private Limited; 5. Afra Infrastructure Private Limited; 6. Perpetual Infrastructure Private Limited; and 7. Baidehi Infrastructure Private Limited <p>The Saharanpur Development Authority has through certificate dated April 26, 2006 confirmed that our Company is also registered as a private developer under 'Category A' for the purpose of land assembly, infrastructure development and construction work for housing schemes within the Saharanpur Planning Area in terms of the policy declared by the government of Uttar Pradesh dated May 21, 2005.</p>	<p>August 11, 2005 and September 4, 2006</p>
82.	Parsvnath City located at Village Marotha, Dehradun, Uttaranchal.	<p>Our Company has entered into an Agreement for the acquisition of land with:</p> <ol style="list-style-type: none"> 1. M/s Welcome Builders Private Limited; and 2. M/s Omkom Developers Private Limited. <p>Our Company has entered into a separate memorandum of understanding with Mr. Anil Seth.</p>	<p>April 7, 2005</p> <p>April 28, 2005</p>
83.	Parsvnath City located at Ujjain, Madhya Pradesh***	<p>Our Company has executed a deed of conveyance with M/s Ajar Enterprises Private Limited in relation to the sale of land measuring approximately 197 bighas in favour of our Company.</p> <p>The Town and Country Planning Authority has issued us an approval to build a residential colony on 317,420 square metres of land.</p> <p>The Company has also received approval of the lay out plan from the Town and Country Planning Authority, Ujjain.</p>	<p>April 10, 2006</p> <p>July 7, 2006</p> <p>August 24, 2006</p>
84.	Parsvnath City at Lucknow, Uttar Pradesh	<p>Our Company has executed one sale deed with M/s Shalimar Sahkari Grah Nirman Samiti Limited and two sale deeds with M/s Consortium Motors Limited for the purchase of 46,180.34 square metres of land. In addition, we have executed a sale deed with Silverstreet Infrastructure (P) Ltd for the purchase of 5,730 square metres of land.</p>	<p>March 8, 2006 March 17, 2006 March 9, 2006</p>

85.	Parsvnath City at Kundli, Sonapat, Haryana.	Our Company has executed an agreement with Parsvnath Land Developers Private Limited, Goodworth Overseas Private Limited, Genuine Properties Private Limited, Nilanchal Realtors Private Limited, Real Touch Developers Private Limited, VKB Constructions Private Limited and Whitegold Constructions Private Limited for transfer of the development rights of 57.925 acres of land from Parsvnath Land Developers Private Limited to our Company. In addition, we have also executed an agreement dated March 27, 2006 with Parsvnath Land Developers Private Limited, Landmark Malls and Towers Private Limited, Landmark Township Planners Private Limited, K.B. Realtors Private Limited, K.V. Multi Health Plex Private Limited, P. S. Realtors Private Limited, Konark Minerals Limited and Sunflower Mercantiles Limited for transfer of the development rights of 109.36 acres of land from Parsvnath Land Developers Private Limited to our Company.	March 31, 2006 March 27, 2006
86.	Parsvnath City at Panipat, Haryana	Our Company has executed a memorandum of understanding with Mr. Abhishek Paliwal and others in relation to the grant of development rights for approximately 704,004 square metres of land situated in Sector 38 and 39, District Panipat.	August 25, 2006
87.	Parsvnath City at Karnal, Haryana	Our Company has executed an Agreement for Acquisition of Land with M/s Mirage Buildwell Private Limited, M/s Afra Infrastructure Private Limited, M/s Navneet Realtors Private Limited, M/s Perpetual Infrastructure Private Limited, M/s Prosperity Infrastructure Private Limited, M/s Banita Buildcon Private Limited, M/s Silverstreet Infrastructure Private Limited and M/s Ashirwad Realtors Private Limited in relation to this project pursuant to which the aforesaid companies have purchased approximately 452,658 square metres of land from certain land owners in Karnal.	September 7, 2006

** The project land is presently not within the residential zone notified by the Government of Haryana. We will only be able to obtain a license for setting up a plotted residential colony on this land pursuant to the notification of the said land within the residential zone.

*** A portion of the said land measuring approximately 16,500 square metres had not been mutated in the name of the seller, and the seller has not taken possession of the same. Under the deed of conveyance the parties have agreed to the transfer of the said portion of land on an as is where is basis without any liabilities, responsibility, claim or answerability devolving on the seller.



D. INFORMATION TECHNOLOGY PARKS

87. Information Technology Park located at Gurgaon

87.1 Approvals/Licenses applied for

- Our Company has applied for issuance of licence for establishment of a Technology Park to The Director, Town and Country Planning, Haryana by letter dated October 30, 2004.

87.2 Agreements entered into with respect to the project

- Our Company has entered into a Development Agreement dated October 27, 2004 with Mr. Ram Chander and other landowners in relation to the project. For details of the principal terms of the Development Agreements please refer to the section entitled "History and Certain Corporate Matters" on page 83 of this Red Herring Prospectus.

87.3 Notification of project land under the Land Acquisition Act, 1894

- The project land has been notified for acquisition under Section 4 of the Land Acquisition Act, 1894. These acquisition proceedings has been challenged by our Company and others by way of a writ petition in the High Court of Punjab & Haryana (Civil Writ Petition No. 8939/2005), pursuant to which the Government of Haryana has undertaken to establish a high powered committee to examine the grievances of the petitioners. The matter is currently pending under the consideration of the said high-powered committee.

88. Information Technology Park at Mysore

88.1 Approvals/ Licenses applied for

- Our Company has through letter dated July 21, 2006 made an application to the Karnataka Udyog Mitra for recommendation to the Deputy Commissioner for conversion of land use from agricultural land.

88.2 Agreements entered into with respect to the project

- Our Company has entered into an agreement with M/s Bharath Infra-Tech Private Limited under which the said company is required to sell land measuring 303,515.48 square metres in favour of our Company after obtaining conversion of land use with respect to the land, pursuant to which nominees of M/s Bharath Infra-Tech Private Limited have acquired land for the project. Our Company intends to demarcate a portion of this land from the township to be developed at this location for the purpose of construction of the IT Park.

89. Information Technology Park at Cochi

89.1 Approvals/ Licenses applied for

- Our Company has entered into an Agreement for the Acquisition of land dated April 21, 2005 with Lakshya Realtors Private Limited, Coral Buildwell Private Limited, Mirage Buildwell Private Limited, Jaguar Buildwell Private Limited in relation to this project. Our Company intends to demarcate a portion of this land from the township to be developed at this location for the purpose of construction of the IT Park.

E. HOTELS

90. Hotel located at Shirdi, District Ahmednagar, Maharashtra

- Our Company has executed four sale deeds for the purchase of land measuring 2,200 square metres with Ms. Hansa Vishnu Sharma, Ms. Preeti Suresh Goradia, Ms. Savita Vishnu Sharma and Mr. Kuber Vishnu Sharma and M/s Goradia Budget Hotel Private Limited by sale deeds dated December 17, 2005, December 17, 2005, April 8, 2005 and April 8, 2005 respectively.



91. Hotel located at Phase-VIII-B, Industrial Focal Point, Mohali, Punjab.

91.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by Punjab Small Industries & Export Corporation Limited in favour of our Company for land measuring 7,347.70 square metres.	PSIEC/ESTATE/22884	December 23, 2005	Not applicable
2.	Approval of Building Plan by the Department of Town and Country Planning, Punjab/ Punjab Small Industries & Export Corporation Limited.	PSIEC/CE/1838	February 21, 2006	Not applicable

- Our Company has entered into an agreement dated October 10, 2005 for the formation of an association of persons with M/s. HB Estate Developers Limited for the purpose of developing the project. Under the terms of the agreement, all purchases of property/ conveyance and transfer of property by the association of persons, namely Parsvnath Developers AOP shall be made in the name of our Company.
- A part of this project land has been apportioned for construction of a commercial complex. For further details see "Approvals for our Business – Commercial Projects" hereinabove.

91.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the allotment letter issued by the Punjab Small Industries & Export Corporation Limited, our Company shall execute a lease deed with the said authority. Our Company would be required to apply for and obtain approvals including, among other things, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent governmental authorities at the appropriate stages of the project.

92. Hotel located at Haridwar

Our Company has executed a sale deed dated April 21, 2006 with Mr. Amarnath Sharma for the purchase of land measuring 1,161.71 square metres.

93. Hotel located at RIICO, Bhiwadi, Rajasthan

93.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by Rajasthan State Industrial Development & Investment Corporation ("RSIDIC") to our Company.	3991	July 7, 2005	Not applicable
2.	Possession letter for area measuring 13,610 square metres, issued by the RSIDIC in favour of our Company.	Not provided	October 6, 2005	Not applicable
3.	Approval of the Building Plan by RSIDIC	277	April 18, 2006	April 17, 2008



93.2 Approvals/Licenses required to be obtained in the future

- Pursuant to the allotment letter issued by the RSIDIC, our Company shall execute a lease deed with the RSIDIC. Our Company would be required to apply for and obtain approvals including, among other things, a no objection certificate from the fire authority, requisite environmental approvals and the completion certificate from the competent governmental authorities at the appropriate stage of the project.
- A part of this project land has been apportioned for construction of a commercial complex. For further details see "Approvals for our Business – Commercial Projects" hereinabove.

F. SPECIAL ECONOMIC ZONES

Our Company has received in-principle approval of the Ministry of Commerce and Industry, Gol for the development, operation and maintenance of the following special economic zones projects.

Sl. No.	Description of the project	Area	Date of in-principle approval
1.	Multi product industry SEZ located at Kancheepuram, Tamil Nadu	10 million square metres	June 26, 2006
2.	Information technology industry SEZ located at Indore, Madhya Pradesh	307,600 square metres	June 26, 2006
3.	Biotechnology industry SEZ located at Hyderabad, Andhra Pradesh	101,100 square metres	June 26, 2006
4.	Food processing industry SEZ located at Sonapat, Haryana	1 million square metres	June 26, 2006
5.	Leather and leather product industry SEZ located at Agra, Uttar Pradesh	1 million square metres	June 26, 2006
6.	Automotive and auto component industry SEZ located at Pune, Maharashtra	1 million square metres	June 26, 2006
7.	Information technology/ information technology industry SEZ located at Dehradun, Uttaranchal#	140,000 square metres	June 26, 2006
8.	Handicraft industry SEZ located at Moradabad, Uttar Pradesh	1 million square metres	June 26, 2006
9.	Gems and jewellery industry SEZ located at Jaipur, Rajasthan	204,600 square metres	August 22, 2006

In addition to the above, our Company has made applications to the Ministry of Commerce and Industry in relation to the following SEZ projects.

Sl. No.	Description of the project	Area	Date of application
1.	Information technology industry SEZ located at Kancheepuram, Tamil Nadu#	300,000 square metres	May 1, 2006
2.	Gems and jewellery industry SEZ located at Ajmer, Rajasthan	101,100 square metres	May 1, 2006
3.	Information technology industry SEZ located at Mysore, Karnataka#	480,000 square metres	May 1, 2006
4.	Information technology industry SEZ located at Bangalore, Karnataka	101,200 square metres	May 1, 2006
5.	Information technology industry SEZ located at Gurgaon, Haryana#	500,000 square metres	May 1, 2006
6.	Information technology industry SEZ located at Cochi#	307,600 square metres	July 15, 2006

We intend to develop these projects as IT Parks. In the event these projects are approved as SEZs we would be able to avail of certain additional benefits under the Special Economic Zones Act, 2005.



II. Approvals in relation to projects undertaken by our joint venture company Parsvnath Landmark Developers Limited

1. Project to build a residential complex (La Tropicana) at Magazine Road, Civil Lines, Khyber Pass, New Delhi

1.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Agreement for the development and transfer of land measuring 68,000 square metres between DMRC and our Company, which agreement is to be implemented by our joint venture Parsvnath Landmark Developers Limited.	Not applicable	March 30, 2004	Valid for 99 years from November 15, 1999.
2.	Approval of the layout plan by the appropriate authority.	F6/DES/MS/BP/2006/937	April 19, 2006	Not applicable

1.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, the building plan, requisite environmental approvals and the completion certificate in relation to the project from the competent governmental authorities at the appropriate stage of the project.

2. Project Mall Manhattan located at Sector 20A, Main Mathur Road, Faridabad

2.1 Approvals/Licenses obtained

Sl. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Allotment letter issued by the HUDA to Parsvnath Landmark Developers Limited in relation to an area measuring 5,250 square metres.	5471	February 3, 2004	Not applicable
2.	Approval of building plans in relation to the project by HUDA	2478	December 1, 2004	Not applicable
3.	Provisional no objection certificate by the Fire Authority.	MCD/ADPO/1511/922	November 22, 2004	Not applicable
4.	Possession certificate issued by HUDA	S-433	March 10, 2004	Not applicable

2.2 Approvals/Licenses required to be obtained in the future

- Our Company would be required to apply for and obtain approvals including, among other things, the final fire approval, requisite environmental approvals and the completion certificate in relation to the project from the competent governmental authorities at the appropriate stage of the project.



II. Approvals in relation to Trademarks

1. Trademarks for which we have received a certificate of registration

1.1 Trademark "Parsvnath Bibhab Plaza" registered in the name of our Company

Sl. No.	Description	Registration Number	Issue Date	Expiry Date
1.	Certificate of registration issued by the Trademarks Registry, Government of India in relation to the trademark "Parsvnath Bibhab Plaza" under Class 16 of the Fourth Schedule of the Trade Marks Rules, 2002.	1225431	September 13, 2005 with effect from August 22, 2003	Ten years. Renewable at the end of each period of ten years.

1.2 Trademark "Parsvnath City Mall" registered in the name of our Company

Sl. No.	Description	Registration Number	Issue Date	Expiry Date
1.	Certificate of registration issued by the Trademarks Registry, Government of India in relation to the trademark "Parsvnath City Mall" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	1313122	Effective from October 5, 2004	Ten years. Renewable at the end of each period of ten years.

1.3 Trademark "Parsvnath Kaushambi Mall" registered in the name of our Company

Sl. No.	Description	Registration Number	Issue Date	Expiry Date
1.	Certificate of registration issued by the Trademarks Registry, Government of India in relation to the trademark "Parsvnath Kaushambi Mall" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	1313124	November 9, 2005 effective from October 5, 2004.	Ten years. Renewable at the end of each period of ten years.

1.4 Trademark "The Presidency Luxury Floors" registered in the name of our Company

Sl. No.	Description	Registration Number	Issue Date	Expiry Date
1.	Certificate of registration issued by the Trademarks Registry, Government of India in relation to the trademark "The Presidency Luxury Floors" under Class 16 of the Fourth Schedule of the Trade Marks Rules, 2002.	1225430	December 21, 2005 effective from August 22, 2003	Ten years. Renewable at the end of each period of ten years.



1.5 Trademark "PARSVNATH" registered in the name of our Company

Sl. No.	Description	Registration Number	Issue Date	Expiry Date
1.	Certificate of registration issued by the Trademarks Registry, Government of India in relation to the trademark "PARSVNATH" under Class 16 & 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	1225437 & 1272340	January 18, 2006 with effect from August 22, 2003 & January 5, 2006 effective from March 15, 2004	Ten years. Renewable at the end of each period of ten years.

This certificate of registration has been issued to our Company at the address of its previous registered office. We have through letter dated April 18, 2006 and July 27, 2006 made an application to the Registrar of Trademarks for correction of the registered office of the Company to our present Registered Office.

1.6 Trademark "PARASNATH" registered in the name of our Company

Sl. No.	Description	Registration Number	Issue Date	Expiry Date
1.	Certificate of registration issued by the Trademarks Registry, Government of India in relation to the trademark "PARASNATH" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	1272339	January 5, 2006 effective from March 15, 2004	Ten years. Renewable at the end of each period of ten years.

This certificate of registration has been issued to our Company at the address of its previous registered office. We have through letter dated May 3, 2006 made an application to the Registrar of Trademarks for correction of the registered office of the Company to our present Registered Office.

1.7 Trademark "Parsvnath Residency" registered in the name of our Company

Sl. No.	Description	Registration Number	Issue Date	Expiry Date
1.	Certificate of registration issued by the Trademarks Registry, Government of India in relation to the trademark "Parsvnath Residency" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	1313123	June 7, 2006 with effect from October 5, 2004.	Ten years. Renewable at the end of each period of ten years.

1.8 Trademark "Mall Eighteen" registered in the name of our Company

Sl. No.	Description	Registration Number	Issue Date	Expiry Date
1.	Certificate of registration issued by the Trademarks Registry, Government of India in relation to the trademark " Mall Eighteen " under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	1313125	June 7, 2006 with effect from October 5, 2004.	Ten years. Renewable at the end of each period of ten years.



2. Applications made for registration of trademarks

2.1 Application for registration of the trademark "Parsvnath Exotica"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the trademark "Parsvnath Exotica" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	March 15, 2005	1345293
2.	Order of the Examiner of Trade Marks stating that the application will be advertised before acceptance, pursuant to which the application has been advertised in Trade Marks Journal No. 1339 Suppl.(1) dated June 1, 2006.	April 27, 2005	Not applicable

2.2 Application for registration of the trademark "Parsvnath Metro Mall"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the trademark "Parsvnath Metro Mall" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	March 15, 2005	1345295
2.	Order of the Examiner of Trade Marks stating that the application will be advertised before acceptance, pursuant to which the application has been advertised in Trade Marks Journal No. 1339 Suppl.(1) dated February 15, 2006.	April 27, 2005	Not applicable

2.3 Application for registration of the trademark "Parsvnath Panorama"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the trademark "Parsvnath Panorama" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	March 15, 2005	1345294
2.	Order of the Examiner of Trade Marks stating that the application will be advertised before acceptance.	May 12, 2005	Not applicable

2.4 Application for registration of the trademark "La Tropicana"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the trademark "La Tropicana" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	March 15, 2005	1345292
2.	Examination Report of the Registrar of Trade Marks, New Delhi, stating no objections to the application provided that the mark is taken as a whole and that the application will be advertised before acceptance, pursuant to which the application has been advertised in Trade Marks Journal No. 1339 Suppl.(1) dated February 15, 2006.	April 26 , 2005	35

2.5 Application for registration of the trademark "Parsvnath Mall Manhattan"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the trademark "Parsvnath Mall Manhattan" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	March 15, 2005	1345296
2.	Examination Report of the Registrar of Trade Marks, New Delhi, stating no objections to the application provided that the mark is taken as a whole and that the application will be advertised before acceptance, pursuant to which the application has been advertised in Trade Marks Journal No. 1339 Suppl.(1) dated June 1, 2006.	April 26, 2005	6

2.6 Application for registration of the trademark "Parsvnath Arcadia"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the trademark "Parsvnath Arcadia" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	March 15, 2005	1345291
2.	Order of the Examiner of Trade Marks stating that the application will be advertised before acceptance, pursuant to which the application has been advertised in Trade Marks Journal No. 1339 Suppl.(1) dated February 15, 2006.	April 27, 2005	Not applicable

2.7 Application for registration of the trademark "Parsvnath Plaza"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the trademark "Parsvnath Plaza" under Class 16 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 22, 2003	1225435
2.	Order of the Examiner of Trade Marks stating that the application will be advertised before acceptance, pursuant to which the application has been advertised in Trade Mark Journal No. 1330 Suppl.(1) dated May 15, 2005.	February 4, 2004	Not applicable

2.8 Application for registration of the trademark "Parsvnath Edens"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the trademark "Parsvnath Edens" under Class 16 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 22, 2003	1225434
2.	Order of the Examiner of Trade Marks stating that the application will be advertised before acceptance, pursuant to which the application has been advertised in Trade Mark Journal No. 1328 Suppl.(1) dated February 7, 2005.	February 4, 2004	Not applicable



2.9 Application for registration of the trademark "Parsvnath Paradise-II"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the trademark "Parsvnath Paradise-II" under Class 16 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 22, 2003	1225433
2.	Order of the Examiner of Trade Marks stating that the application will be advertised before acceptance, pursuant to which the application has been advertised in Trade Mark Journal No. 1327 Suppl.(5) dated 31 January, 2005.	February 5, 2004	Not applicable

2.10 Application for registration of the trademark "Parsvnath Gardenia"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the trademark "Parsvnath Gardenia" under Class 16 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 22, 2003	1225432
2.	Order of the Examiner of Trade Marks stating that the application will be advertised before acceptance.	February 4, 2004	Not applicable

2.11 Application for registration of the trademark "GV Parsvnath Green Ville"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the service mark "GV Parsvnath Green Ville" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	April 8, 2004	1277735
2.	The application has been advertised in Trade Mark Journal No. 1340.	March 1, 2006	Not applicable

2.12 Application for registration of the trademark "Parasnath"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, Okhla Industrial Estate, New Delhi for registration of the service mark "Parasnath" under Class 16 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 22, 2003	01225436
2.	Order of the Examiner of Trade Marks stating that the application will be advertised before acceptance pursuant to which the application has been advertised in Trade Mark Journal No. 1327 Suppl. (5).	February 5, 2004	Not applicable

2.13 Application for registration of the trademark "PARSVNATH DEVELOPERS LTD"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark "PARSVNATH DEVELOPERS LTD." under Class 16, 36 and 37 of the Fourth Schedule of the Trade Marks Rules, 2002.	June 1, 2006	1459954, 1459952 and 1459957



2.14 Application for registration of the trademark "PARSVNATH"

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark "PARSVNATH" under Class 37 of the Fourth Schedule of the Trade Marks Rules, 2002.	June 1, 2006	1459955, 1459953 and 1459956

2.15 Application for registration of the trademark "PDL".

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark "PDL" under Class 16, 36 and 37 of the Fourth Schedule of the Trade Marks Rules, 2002.	June 16, 2006	1462485, 1462487 and 1462488

2.16 Application for registration of the trademark "Parsvnath City (L)".

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark "Parsvnath City (L)" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 25, 2006	1481829

2.17 Application for registration of the trademark "Parsvnath Planet (L)".

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark "Parsvnath Planet (L)" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 25, 2006	1481830

2.18 Application for registration of the trademark "Parsvnath Panchvati (L)".

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark "Parsvnath Panchvati (L)" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 25, 2006	1481831

2.19 Application for registration of the trademark "Parsvnath Narayan City (L)".

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark "Parsvnath Narayan City (L)" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 25, 2006	1481832

2.20 Application for registration of the trademark "Parsvnath King Citi (L)".

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark "Parsvnath King Citi (L)" under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 25, 2006	1481833



2.21 Application for registration of the trademark “Mall Matrix (L)”.

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark “ Mall Matrix (L) ” under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	August 25, 2006	1481834

2.22 Application for registration of the trademark “Parsvnath Paramount (L)”.

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark “ Parsvnath Paramount (L) ” under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	September 18, 2006	1488015

2.23 Application for registration of the trademark “La Tropicana (L)”.

Sl. No.	Description of Application, Report or Order	Date	Reference No.
1.	Application made to the Trade Marks Registry, New Delhi for registration of the trademark “ La Tropicana (L) ” under Class 36 of the Fourth Schedule of the Trade Marks Rules, 2002.	September 18, 2006	1488016

IV. Registrations to function as a Commercial Establishment

Sl. No.	Description	Reference Number	Issue Date	Validity
1.	Registration under the Karnataka Shops and Commercial Establishments Act, 1961.	76/4213	February 15, 2006	December 31, 2010
2.	Registration under the U.P. Shops and Commercial Establishments Act, 1962.	219/2005-06	April 1, 2005	March 31, 2010
3.	Registration under the Punjab Shops and Commercial Establishments Act, 1958.	CH/26/2005-2006/265	February 6, 2006	March 31, 2006

Our Company has made the following applications to function as a commercial establishment:

- Application dated February 13, 2006 for registration under the Kerala Shops and Commercial Establishments Act, 1960
- Application dated February 13, 2006 for registration under the Rajasthan Shops and Commercial Establishments Act, 1958 V. Sales Tax and Value Added Tax Registrations

We have obtained the requisite Sales Tax or Value Added Tax registrations in the following states. The state-wise details are provided below:

Sl. No.	Description	Reference Number	Effective Date	Validity
Uttar Pradesh				
1.	Registration under the Uttar Pradesh Trade Tax Act, 1948	MD-0290168	April 1, 1995	Valid until cancellation
Haryana				
2.	Registration under the Haryana Value Added Tax Act, 2003	TIN No. 06121820967	May 31, 1999	Valid until cancellation



Sl. No.	Description	Reference Number	Effective Date	Validity
Delhi				
3.	Registration under the Delhi Sales Tax on Work Contract Act, 1999	TIN No. 0007442012592	January 19, 2003	Valid until cancellation
Punjab				
4.	Registration under the Punjab VAT Act, 2005	03852006079	September 14, 2005	Valid until cancellation

We have not applied for a registration under the Central Sales Tax Act, 1956. In the event this statute is applicable to us, we could be subject to the penalties and other consequences prescribed under the statute.

VI. Miscellaneous

Sl. No.	Description	Reference Number	Effective Date
1.	Registration under the Employees State Insurance Act, 1948	D/11-40-80936/101	July 22, 2005
2.	Registration under the Employees Provident Fund & Miscellaneous Provisions Act, 1952	DL/23369	May 3, 2000
3.	Registration under Section 69 of the Finance Act, 1994 in relation to service tax	II/ST/R12/403/CS/PND/2005	March 23, 2005
4.	Registration under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970 in relation to employment of contract labour in relation to project Metro Mall, Shahdara, Parsvnath Metro Mall, Inderlok and Parsvnath Metro Mall, Pratap Nagar.	ALC-1/46(09)/2006(R)	April 21, 2006
5.	Registration as private developer under category 'A' under the Policy on Land Assembly and Infrastructure Development for Housing Schemes through Private Investment issued by the Agra Development Authority.	09/D/Bhawan/06	May 5, 2006 (Valid for two years)
6.	Registration as private developer under category 'A' under the Policy on Land Assembly and Infrastructure Development for Housing Schemes through Private Investment issued by the Lucknow Development Authority.	833/CTP/2006	August 11, 2006 (valid for two years)
7.	Registration as private developer under category 'A' under the Policy on Land Assembly and Infrastructure Development for Housing Schemes through Private Investment issued by the Meerut Development Authority.	34274	September 19, 2006
8.	Approval for establishing a multiplex on 19,274 square metres of land in Ujjain by the Office of the Deputy Controller, Ujjain.	1113/2006	September 13, 2006

Currently we do not have a registration under the Contract Labour (Regulation and Abolition) Act, 1970 for most of our other projects. Further, we do not have any registrations under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. We may be subject to penalties, prosecutions or other consequences for our failure to register under these statutes. Upon registration under these statutes we will be required to comply with certain labour welfare measures including contributing towards statutory labour welfare funds, which may impose an additional financial burden on us.



The Labour Officer, Delhi has issued two notices dated January 25, 2006 to our Company under the Building and Construction Workers' Welfare Cess Act, 1996 requiring our Company to provide the requisite information and pay the mandatory cess under the said statute within fifteen days of the issue of the notice in relation to the project being undertaken at Pratapnagar Metro Station and Inderlok Metro Station failing which the proceedings in relation to imposition of interest, penalty and recovery of arrears would be initiated against our Company. We have deposited the requisite amount with the Building and Other Construction Workers Welfare Board on March 13, 2006. We have received another notice (No. 1453) dated July 14, 2006 from the Labour cum Conciliation Officer, Faridabad requiring us to produce a record of registration and other related documents under the Contract Labour (Regulation and Abolition) Act, 1970 in relation to the project under construction in Sector 12, Faridabad. Our Company is required to file its reply to this notice.



OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to resolution passed at its meetings held on March 11, 2006 and August 7, 2006, authorised the Issue and the Green Shoe Option subject to the approval by the shareholders of our Company under section 81 (1 A) of the Companies Act.

Our shareholders have authorised the Issue and the Green Shoe Option by a special resolution in accordance with section 81 (1 A) of the Companies Act, passed at the extra ordinary general meetings of our Company held on March 11, 2006 and August 7, 2006 at the registered office of our Company.

Our IPO Committee approved the Red Herring Prospectus at a meeting held on August 29, 2006.

We have also obtained all necessary contractual consents required for the Issue. For further information, see section titled "Government and Other Approvals" on page 245 of this Red Herring Prospectus.

Prohibition by SEBI

Our Company, our Directors, our Promoters, directors or the person(s) in control of our Promoters, Promoter group companies, companies in which we have substantial shareholding and companies in which our Directors are associated with as directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Further, our Promoters and Promoter group entities have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority. Except as disclosed in the sections titled "Outstanding Litigation and Material Developments" and "Risk Factors" in this Red Herring Prospectus there are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

Clause 2.2.1 of the SEBI Guidelines indicates that a company would be eligible to make an initial public offer of its equity shares only if it meets all the conditions specified in the said Clause. Clause 2.2.1 reads:

- (a) The company has net tangible assets of at least Rs. 3 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets:

Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;

- (b) The company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years;

Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of Section 205 of the Companies Act, 1956;

- (c) The company has a net worth of at least Rs. 1 crore in each of the preceding 3 full years (of 12 months each);
- (d) In case the company has changed its name within the last one year, 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
- (e) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue networth as per the audited balance sheet of the last financial year.)



The Company's net profit, net worth, net tangible assets and monetary assets derived from the Restated Accounts included in this Red Herring Prospectus under the section 'Financial Statements' as at and for the financial years ended 31 March 2006, 2005, 2004, 2003 and 2002 and for the 3 months period ended 30 June 2006 and 2005 are set forth below:

	Quarter ended		For the Financial Year Ended				
	30 June, 2006	30 June, 2005	31 March, 2006	31 March, 2005	31 March, 2004	31 March, 2003	31 March, 2002
Net Tangible Assets (note 1)	4,104.15	1,727.77	3,159.57	1,752.76	653.57	203.75	86.66
Monetary Assets (note 2)	400.60	446.26	412.67	841.25	26.10	11.86	5.09
Net Profit, as restated	365.45	161.17	1,069.86	656.65	184.10	114.64	32.97
Net worth, as restated	2,376.96	1,177.14	2,011.51	1,015.72	377.77	201.97	87.15

Note 1: Net tangible assets is defined as the sum of fixed assets (including work in progress), current assets (excluding deferred tax assets) less current liabilities & provisions (excluding deferred tax liabilities and long term liabilities).

Note 2: Monetary assets included cash in hand and bank and quoted investments.

We are an unlisted company complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines as detailed above. However, as the Issue is for less than 25% of the post Issue capital, Rule 19(2)(b) of the SCRR would govern the Issue and accordingly (a) at least 10 per cent of the post Issue capital are to be offered to the public for subscription which shall include a minimum 2 million securities (excluding reservations, firm allotment and promoters' contribution); (b) the size of the offer to the public, i.e., the offer price multiplied by the number of securities offered to the public shall be a minimum Rs. 1,000 million; and (c) the Issue is being made only through book building method with allocation of 60 per cent of the Issue size to QIBs.

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, failing which 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 MANAGERS, ENAM FINANCIAL CONSULTANTS PRIVATE LIMITED, JM MORGAN STANLEY PRIVATE LIMITED AND DSP MERRILL LYNCH LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE 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 RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, ENAM FINANCIAL CONSULTANTS PRIVATE LIMITED, JM MORGAN STANLEY PRIVATE LIMITED AND DSP MERRILL LYNCH LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 30, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION



WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

- (II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI 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 SEBI, 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 SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID EXCEPT JM MORGAN STANLEY (APPLIED FOR RENEWAL) (1) .

WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.

AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED/ SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS."

(1) The application for renewal of certificate of registration in prescribed form A was made by JM Morgan Stanley Private Limited to SEBI three months before expiry of period of the certificate of registration on May 15, 2006 as required under Regulation 9(1) of the SEBI (Merchant Bankers) Regulations, 1992. The approval of SEBI in this regard is awaited.

The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 and section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 56, section 60 and section 60B of the Companies Act.

Disclaimer from our Company and the BRLMs

Our Company, our Directors, and the BRLMs 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.parsvnath.com would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLMs and us dated August 29, 2006 and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by us and BRLMs 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 only 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, pension funds and to FIs. Non Residents other than FIs such as NRIs, FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares 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 New Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations. Accordingly, the Equity Shares, 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.

The Equity Shares are being offered and sold outside the United States of America in compliance with Regulation S under the U.S. Securities Act, 1933.

The Equity Shares 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, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to "Qualified Institutional Buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given by its letter no. NSE/LIST/29261-V dated September 13, 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 the Draft 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 the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that our 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.



Disclaimer Clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. BSE has given by its letter no. List/Smg/M/2006 dated September 14, 2006, permission to the Company to use BSE's name in the Draft Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. BSE has scrutinised the Draft 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 Draft 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 the Draft 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.

Filing

A copy of the Red Herring Prospectus has been submitted to SEBI at Corporation Finance Department, 29th Floor, World Trade Centre, Cuffe Parade, Mumbai 400 005.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC.

Listing

Applications have been made to the NSE and BSE for permission to deal in and for an official quotation of the Equity Shares. NSE 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 are 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 8 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: (a) our Directors, the Company Secretary and Compliance Officer, the Auditors, the Legal Advisors, the Bankers to the Issue; and (b) the Book Running Lead Managers, the Syndicate Members, 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 this Red Herring Prospectus 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.

Deloitte Haskins & Sells, Chartered Accountants, our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.



Expert Opinion

Except as stated in the section titled “Financial Statements” beginning on page 162 of this Red Herring Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense (Rs. in Millions)
Lead management, underwriting and selling commission*	[•]
Advertisement & 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

** Will be incorporated at the time of filing of the Prospectus.

Fees Payable to the Book Running Lead Managers and Syndicate Members

The total fees payable to the Book Running Lead Managers and Syndicate Members (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLMs, a copy of which is available for inspection at the corporate office of our Company and reimbursement of their out of pocket expenses.

Fees Payable to the Registrar to the Issue

The fees payable 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 to be executed with our Company, a copy of which is available for inspection at the corporate office of our Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. The funds required for making refunds to unsuccessful Bidders shall be made available to the Registrar to the Issue by us.

Particulars regarding Public or Rights Issues during the Last Five Years

There have been no public or rights issue by the Company during the last five years.

Issues otherwise than for Cash

We have not issued any Equity Shares for consideration otherwise than for cash, except as below:

Date of Allotment	Number Equity Shares	Issue of Price per Equity Share (in Rs.)	Face value per Equity Share (in Rs.)	Consideration (cash, other than cash)	Reasons for Allotment
March 30, 1998	189,000	10	10	Other than cash	In consideration of purchase of flat at Bangalore from Ms. Nutan Jain.
October 7, 2003	6,869,000	Nil	10	Other than cash	Allotment to existing shareholders pursuant to a bonus issue.



Date of Allotment	Number Equity Shares	Issue of Price per Equity Share (in Rs.)	Face value per Equity Share (in Rs.)	Consideration (cash, other than cash)	Reasons for Allotment
September 19, 2005	41,214,000	Nil	10	Other than cash	Allotment to existing shareholders pursuant to a bonus issue.
March 14, 2006	49,456,800	Nil	10	Other than cash	Allotment to existing shareholders pursuant to a bonus issue.
August 18, 2006	49,456,800	Nil	10	Other than cash	Allotment to existing shareholders pursuant to a bonus issue.

Commission and Brokerage paid on Previous Issues of our Equity

There has not been any previous public issue of our Equity Shares.

Companies under the Same Management

We do not have any other company under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act, save and except for the Promoter group companies mentioned in the section titled "Our Promoter and Group Companies" beginning on page 111 of this Red Herring Prospectus.

Promise vs. Performance - Last Three Issues

There have not been any previous public issue of our Equity Shares.

Promise vs. Performance - Last Issue of Group/Associate Companies

None of our Promoter group companies have made a public issue.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds.

Outstanding Preference Shares

There are no outstanding preference shares.

Stock Market Data of our Equity Shares

The Equity Shares are not listed.

Other Disclosures

Except as disclosed in the section titled "Capital Structure" beginning on page 21, our Promoter group, or the directors of our Promoter companies or our Directors have not purchased or sold any securities of the Company during a period of six months preceding the date of this Red Herring Prospectus.

Mechanism for Redressal of Investor Grievances by our Company

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 centre 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 Mr. V. Mohan, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

6th Floor, Arunachal Building,
19, Barakhamba Road,
New Delhi 110 001, India.
Tel: +91 11 2335 0120
Fax: +91 11 2331 5400.
E-mail: ipo@parsvnath.com.

Mechanism for Redressal of Investor Grievances by Companies under the Same Management

We do not have any other company under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act, save and except for the Promoter group companies mentioned in the section titled "Our Promoter and Group Companies" beginning on page 111 of this Red Herring Prospectus.

Changes in Auditors

The following are the details of the changes in auditors in the last five fiscal years:

Sl. No.	Name of Auditor	Date of change	Reason for change
1.	S. Prashad & Co.	July 1, 2004	Dissolution of the audit firm.
2.	Shanti Prashad & Co.	August 9, 2004	Appointment as Auditor.
3.	Shanti Prashad & Co.	December 12, 2005	Resignation.
4.	Deloitte Haskins & Sells	December 23, 2005	Appointment as Auditor.

Capitalisation of Reserves or Profits

We have not capitalised our reserves or profits at any time during last five years, except as mentioned below:

1. Bonus issue of 6,869,000 Equity Shares in the ratio of 5 Equity Shares for every Equity Share held on October 7, 2003.
2. Bonus issue of 41,214,000 Equity Shares in the ratio of 5 Equity Shares for every Equity Share held on September 19, 2005.
3. Bonus issue of 49,456,800 Equity Shares in the ratio of one Equity Share for every one Equity Share held on March 14, 2006.
4. Bonus issue of 49,456,800 Equity Shares in the ratio of one Equity Share for every two Equity Shares held on August 18, 2006.

Revaluation of Assets

There has been no revaluation of assets of the Company since incorporation.



ISSUE STRUCTURE

The present Issue of upto 33,238,000 Equity Shares comprising of Net Issue of upto 33,038,000 Equity Shares and a reservation for Employees of upto 200,000 Equity Shares, at a price of Rs. [●] for cash aggregating Rs. [●] million is being made through the Book Building Process. The Issue will have a Green Shoe Option of up to 3,087,800 Equity Shares for cash at a price of Rs. [·] per Equity Share aggregating Rs. [●] million. The Issue and the Green Shoe Option, if exercised in full, will aggregate 36,325,800 Equity Shares amounting to Rs. [●] million.

	Employees	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares in case the Green Shoe Option is not exercised*	Up to 200,000 Equity Shares	At least 19,822,800 Equity Shares or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Up to 3,303,800 Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 9,911,400 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Number of Equity Shares in case the Green Shoe Option is exercised in full	Up to 200,000 Equity Shares	At least 21,675,480 Equity Shares.	Up to 3,612,580 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 10,837,740 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for allocation	Up to 0.60% of size of the Issue**	At least 60% of Net Issue or Net Issue less allocation to Non Institutional Bidders and Retail Individual Bidders	Up to 10% of Net Issue or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 30% of Net Issue or Net Issue less allocation to QIB Bidders and Non Institutional Bidders.
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate	Proportionate
Minimum Bid	20 Equity Shares	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs 100,000	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs 100,000	20 Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of 20 Equity Shares not exceeding 2,00,000 Equity Shares	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid does not exceed the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of 20 Equity Shares so that the Bid does not exceed the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of 20 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	Compulsorily in dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply ***	All or any of the following: (a) a permanent employee of the Company	Public financial institutions, as specified in Section 4A of the Companies Act, FIs, scheduled commercial	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, scientific institutions, societies and trusts	Individuals (including HUFs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.



	Employees	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
	<p>as of September 30, 2006 and based working and present in India as on the date of submission of the Bid cum Application Form.</p> <p>(b) a director of the Company, except any Promoters or members of the Promoter group, whether a whole time Director, part time Director or otherwise as of the date of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form.</p>	<p>banks, mutual funds, venture capital funds registered with SEBI, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 Million and pension funds with minimum corpus of Rs. 250 Million in accordance with applicable law.</p>		
Terms of Payment	Margin Amount applicable to Employees at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	100% of Bid 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 the Non-Institutional Portion and Retail Individual Portion would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLMs. Additional allocation to each of these categories would be made on a pro-rata basis to the extent of Green Shoe Option Portion.

** Any undersubscription in Equity Shares, if any, reserved for Employees would be included in the Net Issue and allocated in accordance with the description in **Basis of Allocation** as described in page 322 of this Red Herring Prospectus.

*** 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.



As per Chapter VIIIA of the SEBI Guidelines, we have availed of the Green Shoe Option for stabilising the post-listing price of the Equity Shares. We have appointed JM Morgan Stanley Private Limited as the Stabilising Agent. The Green Shoe Option consists of an option to over allot up to 3,087,800 Equity Shares at the Issue Price, aggregating Rs. [●] million.

Withdrawal of the Issue

The Company, in consultation with the BRLMs, 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. The Company had earlier filed a Draft Red Herring Prospectus with SEBI on March 17, 2006. SEBI had given its observations on the same vide their letter number CFD/DIL/ISSUES/V/66382/2006 dated May 5, 2006. However, thereafter, the company did not proceed with the Issue since the conditions of the capital markets were not conducive for the Issue. Thereafter the company again filed the Draft Red Herring Prospectus with SEBI on August 31, 2006. SEBI gave its observations on the same through letter number CFD/DIL/ISSUES/V/78447/2006 dated October 10, 2006.

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. 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.

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	: NOVEMBER 06, 2006 MONDAY
BID/ISSUE CLOSES ON	: NOVEMBER 10, 2006 FRIDAY

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 BSE and the NSE on the Bid/Issue Closing Date.

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 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 BSE and the NSE, 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

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 60% of the Net 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 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, up to 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and up to 10% of the Net 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. In case of QIB Bidders, our Company in consultation with 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, Retail Individual Bidders and bids under the Employee Reservation Portion, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares would be allotted to all successful Bidders only in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the 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 applying on a non-repatriation basis	White
FIs applying on a repatriation basis	Blue
Bidders in the Employee Reservation Portion	Pink

Who can Bid?

1. Indian nationals resident in India who are majors in single or joint names (not more than three);
2. Hindu undivided families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Companies and corporate bodies registered under the applicable laws in India and authorized to invest in equity shares;
4. 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;
5. Scientific and/or industrial research authorized to invest in equity shares;
6. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);
7. Mutual funds registered with SEBI;



8. Foreign Institutional Investors (FIIs);
9. Venture capital funds registered with SEBI;
10. State industrial development corporations;
11. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
12. 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
13. Pension funds with a minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in equity shares.
14. Permanent employees or Directors (whole-time Directors, part-time Directors or otherwise) of the Company, who are Indian Nationals and are based in India. The permanent employees should be on the payroll of the Company as of September 30, 2006 and the Directors should be Directors on the date of the Red Herring Prospectus.

Note:

The Equity Shares are being offered in this Issue to the Indian public and FIIs only. Non-residents other than FIIs such as NRIs, FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Participation by Associates of BRLMs and Syndicate Members:

Associates of BRLMs and Syndicate Members may bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors. Such bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates of BRLMs and Syndicate Members shall be on a proportionate basis.

Further, the BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

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.

Maximum and Minimum Bid Size

(a) For Retail Individual Bidders: The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 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 in multiples of 20 Equity Shares so that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 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.

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.

(c) For Bidders in the Employee Reservation Portion

The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter. Bidders in the



Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. The allotment in the Employee Reservation Portion will be on a proportionate basis.

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 members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from 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.

Method and Process of Bidding

- (a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with ROC and also publish the same in two widely circulated newspapers (one each in English and Hindi) newspapers of wide circulation in the place where our Registered Office is situated. This advertisement shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines. 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. Investors who are interested in subscribing to our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
- (b) The Bidding Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and of wide circulation in the place where our Registered Office is situated and the Bidding Period may be extended, if required, by an additional three days, subject to the total Bidding Period not exceeding 10 working days.
- (c) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details, see the section titled "Issue Procedure - Bids at Different Price Levels" beginning on page 311) 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.
- (d) 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 311 of this Red Herring Prospectus.
- (e) 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.
- (f) 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.
- (g) 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" beginning on page 310 of this Red Herring Prospectus.



Bids at different price levels

- (a) The Price Band has been fixed at Rs. 250 to Rs. 300 per Equity Share of Rs. 10 each, Rs. 250 being the Floor Price and Rs. 300 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re. 1.
- (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 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 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 BRLMs and at the terminals of the members of the Syndicate.
- (d) We, in consultation with the BRLMs, 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 and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at 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 and Employees bidding under the Employee Reservation Portion 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 and Employees bidding under the Employee Reservation Portion 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 and Employees bidding under the Employee Reservation Portion 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 and Employees bidding under the Employee Reservation Portion at Cut-Off Price, 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 and Employees bidding under the Employee Reservation Portion, 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.

Application in the Issue

Equity Shares being issued through the Red Herring Prospectus can be applied for in the dematerialized form only.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. Assuming that the Green Shoe Option is not exercised, in the event that the demand is greater than 991,140 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.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs 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.

Escrow Mechanism

We shall open Escrow Accounts with the Escrow Collection Banks in whose favour the Bidders shall write the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. 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 Issue Account and the Refund Account as per the terms of the Escrow Agreement.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between 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, with the submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account (for details please see the section titled "Issue Procedure - Payment Instructions" beginning on page 318 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.

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.

Each category of Bidders i.e. QIB Bidders, Non Institutional Bidders, Retail Individual Bidders and Employees bidding under the Employee Reservation Portion would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 303 of this Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, 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 BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.



Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allotment, will be refunded to such Bidder within 15 days from the Bid /Issue Closing Date, failing which we shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of the BSE and the NSE. 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 BSE and the NSE 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 download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid /Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of the BSE and the NSE will be displayed on line at all bidding centers and at the websites of BSE and NSE. 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, FII or Mutual Fund etc.
 - Numbers of Equity Shares bid for
 - Bid price
 - Bid cum Application Form number
 - Margin Amount paid upon submission of Bid cum Application Form
 - Depository participant identification no. and client identification no. 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 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) It is to be distinctly understood that the permission given by the BSE and the NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs are cleared or approved by the BSE and the NSE; 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.
- (h) It is also to be distinctly understood that the approval given by the BSE and the NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and the 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 Equity Shares will be listed or will continue to be listed on the BSE and the NSE.

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 BRLMs 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. 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.
- (e) 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.**
- (f) 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.
- (g) 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.**
- (h) 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 BRLMs, 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 BRLMs will analyse the demand generated at various price levels.
- (b) We, in consultation with the BRLMs, shall finalise the "Issue Price" and the number of Equity Shares to be allocated in each investor category.
- (c) 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. Further, if the Green Shoe Option is exercised, the allotment of the Over Allotment Shares shall be done pro-rata with respect to the proportion of Allotment in the Issue to various categories.
- (d) Any undersubscription in the Employee Reservation Portion would be included in the Net Issue. Undersubscription, if any, in any category of the Net 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 BRLMs. However, assuming the Green Shoe Option is not exercised if the aggregate demand by Mutual Funds is less than 991,140 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders.
- (e) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders. 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.
- (f) 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 BRLMs and the Syndicate Members 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.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the ROC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper and a Hindi national newspaper of 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 CAN

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. Investors should note that the Company shall ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue;
- (b) The BRLMs or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares 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 allocated to such Bidder; and
- (c) Such Bidders who have been allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to 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.

INVESTORS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM PURSUANT TO THIS ISSUE.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN on or prior to November 15, 2006, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical 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, on or around to November 21, 2006, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

- (a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow 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 to the allottees within two working days from the date of Allotment.
- (b) As per the SEBI Guidelines, **Equity Shares will be issued and allotted only in the dematerialised form to the allottees.** Allottees will have the option to re-materialise the Equity Shares 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 that may be allocated to them pursuant to this Issue.



Letters of Allotment or Refund Orders

Our Company shall give credit of Equity Shares allotted, if any, to the beneficiary account with Depository Participants within two working days from the date of the finalisation of basis of allocation. Our Company 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 or Direct Credit, NEFT, RTGS or ECS at the sole or First Bidder's sole risk within 15 days of the Bid/ Issue Closing Date.

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 (white or blue in colour) as the case may be.
- (c) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.
- (d) Ensure that the Bids are submitted at the bidding centres 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.

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 and Bidders bidding under the Employee Reservation Portion, for whom the Bid Amount exceeds Rs. 100,000).
- (g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
- (h) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white or blue colour).



- (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 Bids from the Retail Individual Bidders must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of 20 Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares thereafter. Bids cannot be made for more than the Net Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (f) For Bidders bidding under the Employee Reservation Portion, the Bid must be for a minimum of 20 Equity Shares in multiples of 20 Equity Shares thereafter subject to a maximum of 200,000 Equity Shares.
- (g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's depository account details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name 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 or give credit through Direct Credit, NEFT, RTGS or ECS 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 refund orders/ECS credit or credit through Direct Credit, NEFT or RTGS for refunds/CANs/Allocation advice and printing of Company particulars on the refund order and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid cum Application Form, 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.

Refund orders/allocation advices/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Escrow Collection Bank(s) nor the BRLMs 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.

Bidder's Bank Details

Bidders should note that on the basis of names of the Bidders, Depository Participant's name, Depository Participant Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar will obtain from the



Depository the Bidder bank Account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit, NEFT, RTGS or ECS, hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refund to Bidders at the sole or Bidders sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same.

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.

In case of the Bids made pursuant to a power of attorney by FIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of the Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part.

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/the BRLMs may deem fit.

We, in our absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Employees

For the purpose of the Employee Reservation Portion, Employee means all or any of the following:

- (a) a permanent employee of the Company as of September 30, 2006 and based working and present in India as on the date of submission of the Bid cum Application Form.
- (b) a director of the Company, whether a whole time director except any Promoters or members of the Promoter group, part time director or otherwise as of date of the Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form. Bids under Employee Reservation Portion by Employees shall be:
 - Made only in the prescribed Bid cum Application Form or Revision Form (i.e. blue colour form).
 - Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
 - The sole/ first Bidder should be Employees.
 - Only Employees (as defined above) would be eligible to apply in this Issue under the Employee Reservation Portion.
 - Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
 - Employees can apply at Cut-Off Price if the Bid Amount does not exceed Rs. 100,000.
 - Bid by Employees can be made also in the "Net Issue" portion and such Bids shall not be treated as multiple bids.
 - If the aggregate demand in this category is less than or equal to 200,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.



- If the aggregate demand in this category is greater than 200,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to “Basis of Allocation” on page 322 of this Red Herring Prospectus.

Bids made by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part.

Bids made 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 certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

Bids by FIIs

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In the names of FIIs. **Non Residents other than FIIs such as NRIs, FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.** Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their 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. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India has through letter dated May 4, 2006 clarified that Foreign Institutional Investors (FIIs) can participate in the Issue. The Reserve Bank of India has also clarified the same through letter dated May 12, 2006.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in our 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 the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

With the approval of the board of directors and the shareholders by way of a special resolution, the aggregate FII holding limit may be increased to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15(A)(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “know your client” requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

BIDS BY NON-RESIDENTS OTHER THAN FIIs

This Issue is being made to the Indian public and FIIs only. Non-residents other than FIIs such as NRIs, FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the government of India, OCBs cannot participate in this Issue.



This is not an issue for sale within the United States of any equity shares or any other security of the Company. Securities of the Company, including any issuance of the Equity Shares, may not be issued or sold in the United States in the absence of registration under U.S. securities laws or unless exempt from registration under such laws.

PAYMENT INSTRUCTIONS

We shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account

- (i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
- (ii) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.
- (iii) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (a) In case of Resident QIB Bidders: **"Escrow Account - PDL Public Issue - QIB-R"**;
 - (b) In case of FIs: **"Escrow Account - PDL Public Issue - NR"**;
 - (c) In case of Non-Institutional Bidders and Retail Individual Bidders: **"Escrow Account - PDL Public Issue"**
 - (d) In case of Employees: **"Escrow Account- PDL Public Issue - Employee"**

In case of Bids by FIs, 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.
- (iv) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.
- (v) The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
- (vi) 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.
- (vii) 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.

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.



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 centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In 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 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, illustrations of certain procedures which may be followed by the Registrar to the Issue to detect multiple applications are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.
3. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
4. The applications will be scanned for same or identical DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
5. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also fathers/husbands 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.

Bids made by Employees both under Employees Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

The Company reserves the right to reject, in its 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")

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 by 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, the Company in consultation with the BRLMs 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, Retail Individual Bidders, Bidders in the Employee Reservation Portion, we have 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.

GROUND FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected on, among other things, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of first Bidder not given;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
4. Bids by Non-Residents other than an FII;
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 319 of this Red Herring Prospectus;**
7. Bids for lower number of Equity Shares 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 Bidders;
11. Bids for number of Equity Shares, which are not in multiples of 20;
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 BRLMs or the Syndicate Members;
18. Bid cum Application Form does not have the Bidder's depository account details;
19. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and 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 308 of this Red Herring Prospectus;
22. Bids by OCBs;
23. Bids by U.S. resident or U.S. persons excluding 'qualified institutional buyers' as defined in Rule 144A under the U.S. Securities Act;;
24. Bids by QIBs not submitted through members of the Syndicate; and
25. Bids by Employees or Directors of the Company not eligible to apply in the Employee Reservation Portion. Equity Shares in dematerialised form with NSDL or CDSL.

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but 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 July 19, 2006 between NSDL, us and Registrar to the Issue;
- (b) an agreement dated July 14, 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 must have at least one beneficiary account with the Depository Participant's of either NSDL or CDSL prior to making the Bid.
- (b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- (c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- (d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
- (e) If incomplete or incorrect details are given under the heading '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 in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) The trading of the Equity Shares 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.

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 Mr. V. Mohan, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

6th Floor, Arunachal Building,
19, Barakhamba Road,
New Delhi 110 001, India.
Tel: +91 11 2335 0120
Fax: +91 11 2331 5400.
E-mail: ipo@parsvnath.com.

IMPERSONATION

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

"Any person who:

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

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 (Assuming the Green Shoe Option is not exercised) is for less than or equal to 9,911,400 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 (Assuming the Green Shoe Option is not exercised) are for more than 9,911,400 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 20 Equity Shares and in multiples of 1 Equity Share 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 (Assuming the Green Shoe Option is not exercised) is for less than or equal to 3,303,800 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 (Assuming the Green Shoe Option is not exercised) are for more than 3,308,800 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 20 Equity Shares and in multiples of 1 Equity Share thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- At least 60% 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 991,140 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 (Assuming the Green Shoe Option is not exercised) are for less than 991,140 Equity Shares, the balance Equity Shares 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 (Assuming the Green Shoe Option is not exercised) it has been assumed that the QIB Portion for the purposes of the Issue amounts to 60% of the Net Issue size, i.e. 19,822,800 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 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 on a proportionate basis for up to 95% of the QIB Portion.



- (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
- (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Except for any Equity Shares allocated to QIB Bidders due to undersubscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders (Assuming the Green Shoe Option is not exercised) shall be made on a proportionate basis of at least 19,822,800 Equity Shares. For the method of proportionate basis of allocation refer below.

D. For Employee Reservation Portion

- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 200,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 200,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 200,000 Equity Shares. For the method of proportionate basis of allocation, refer below.
- Only Employees (as defined above) are eligible to apply under Employee Reservation Portion.

Method of Proportionate basis of allocation in the Issue

Bidders will be categorised according to the number of Equity Shares applied for by them.

- (a) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

In all Bids where the proportionate allotment is less than 20 Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of 20 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.

If the proportionate allotment to a Bidder is a number that is more than 20 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 arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares. The basis of allocation on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange.



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 (assuming at least 60% of the Issue) of which:	120 million Equity Shares
	a. Reservation for Mutual Funds, (5%)	6 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	114 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

(Rs. in Million)

S.No.	Type of QIB bidders#	No. of shares bid for
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 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11.40	0



(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	6	114	51.64

Please note:

- The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 303 of this Red Herring Prospectus.
- Out of 120 million Equity Shares allocated to QIBs, 6 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 114 million Equity Shares [i.e. 120 - 6 (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 114 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 114 / 494
 - For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] x 114 / 494
 - The numerator and denominator for arriving at allocation of 114 million Equity Shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND REFUND ORDERS

Our Company shall give credit of Equity Share allotted to the beneficiary account with Depository Participants within 15 working days of the Bid/Issue Closing Date. Applicants residing at 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS.

In case of other applicants, the Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of the Issue.

Our Company shall ensure dispatch of refund orders, if any, by "Under Certificate of Posting" or registered post or speed post or Direct Credit, NEFT, RTGS or ECS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.



Our Company shall ensure dispatch of allotment advice, refund orders and shall give credit of Equity Shares allotted, if any to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days 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 shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;
- Refunds shall be made within 15 days from the Bid/Issue closing date at the sole or First Bidder's sole risk, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS; and
- Our Company shall pay interest at 15% (fifteen) per annum if allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic manner as described above. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details including nine digit MICR code. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the sole or Bidder's sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, would be done through various modes in the following order of preference:

I. Direct Credit

Applicants applying through the web/internet whose service providers opt to have the refund amounts for such applicants being by way of direct disbursement by the service provider through their internal networks, the refund amounts payable to such applicants will be directly handled by the service providers and credited to bank account particulars as registered by the applicant in the demat account being maintained with the service provider. The service provider, based on the information provided by the Registrar, shall carry out the disbursement of the refund amounts to the applicants.

II. NEFT

Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR) , if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

III. RTGS

Applicants having a bank account at any of the abovementioned 15 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



such applicant opting for RTGS as a mode of refund. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

IV. ECS

Payment of refund shall be undertaken through ECS for applicants having an account at any of the following 15 centres: 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. One of the methods for payment of refund is through ECS for applicants having a bank account at any of the above mentioned 15 centres.

Note: We expect that all payments including where refund amounts exceed Rs. 1,000,000 (Rupees One Million) shall be made through NEFT, however in some exceptional circumstances where refund amounts exceed Rs. 1,000,000 (Rupees One Million), refunds may be made through RTGS.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders shall be dispatched under certificate of posting for value up to 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 centres will be payable by the Bidders.

Please note that applicants having a bank account at any of the 15 centres where the clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in I, II, III and IV above. For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, prior to the Bid/Issue Opening Date, the refund orders would be dispatched under "Under Certificate of Posting" for refund orders less than Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

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 by registered post or speed post shall be made available to the Registrar to the Issue by us;
- that the refund orders or allotment advice to the FIs shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue proceeds

Our Board of Directors 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.



Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investments.

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.

The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India has through letter dated May 5, 2006 clarified that Foreign Institutional Investors (FIIs) can participate in the Issue. The Reserve Bank of India has also clarified the same through letter dated May 12, 2006.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs 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.

Subscription by FIIs

It is to be distinctly understood that there is no reservation for FIIs and all FIIs applicants will be treated on the same basis as other categories for the purpose of allocation.

The Equity Shares 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, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons 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.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Non Residents other than FIIs are not eligible to participate in this Issue.

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

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in our 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 the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.



With the approval of the board of directors and the shareholders by way of a special resolution, the aggregate FII holding limit may be increased to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15(A)(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed 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.

The Equity Shares 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, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold only outside the United States to certain persons 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.



MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting as 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 meaning given to them in the Articles of Association.

SHARE CAPITAL

2. The authorized Share capital of the Company is Rs. 2,000,000,000 (Rupees Two Hundred Crore) divided into 200,000,000 (Twenty Crore) equity shares of Rs. 10 (Rupees Ten) each capable of being increased or decreased in accordance with the Company's regulation and legislative provisions for the time being in force in that behalf with the powers to divide the Share capital whether original or increased or decreased into several classes and attach thereto respectively such rights and privileges as are allowed under Applicable Law.
3. The Board may from time to time, with the sanction of the Company in a General Meeting by ordinary resolution increase the authorized Share capital of the Company by such sum to be divided into Shares of such amount and of such classes with such rights and privileges attached thereto as the General Meeting shall direct by specifying the same in the resolution and if no directions be given as the Board may determine.
4. The Company may, subject to the provisions of Sections 100 to 105 of the Act reduce in any manner, from time to time,
 - a. by special resolution its Share capital;
 - b. any capital redemption reserve fund or any securities premium account.
5. Subject always to the provisions of these Articles, the Shares shall be under the control of the Board of Directors and the Board may allot, grant, have option over or otherwise deal with or dispose of them to such Person at such times and generally on such terms and conditions, as Board feels proper.
6. Subject to the provisions of these Articles, the Company shall have power to alter the conditions of the Memorandum relating to Share capital as follows, that is to say it may -
 - (a) increase its Share capital by such amount as it thinks expedient by issuing new Shares;
 - (b) consolidate and divide all or any of its Share capital into Shares of larger denomination than its existing Shares;
 - (c) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum so, however, that, in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share, from which the reduced Share is derived;
 - (d) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person and diminish the amount of its Share capital by the amount of the shares as cancelled, provided, however, that the cancellation of Shares in pursuance of the exercise of this power shall not be deemed to be a reduction of Share capital within the meaning of the Act.

SHARES

7. Subject to the provisions of Section 81 of the Act, Applicable Law and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in a General Meeting to give to any Person or Persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.



8. An application signed by or on behalf of an 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 agrees to accept in writing the Shares and whose name is entered on the register of Members shall for the purpose of these Articles, be a Shareholder.
9. If by the conditions of allotments of any Shares, the whole or a part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the Person who, for the time being and from time to time shall be the registered holder of the Shares of his heirs, executors, administrators and legal representatives.
10. Every Member or his heirs, executors, assignees or other representatives 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 and so long as any moneys are due, owing and unpaid to the Company by any Member on any account. However, such Member in default shall not be entitled at the option of the Board, to exercise any rights or privileges available to him.
11. If any Shares stand in the name of two or more Persons, the one first named in the register of Members shall as regards receipt of dividend bonus or service of notice and all or any other matters connected with the Company, except voting at Meetings and the transfer of Shares, be deemed the sole-holder thereof but joint-holder of Shares shall be severally as well as jointly liable for the payment of the installments and calls in respect of such Shares and for all incidents thereof according to the Company's regulations.

CALLS

13. The Board may, from time to time and subject to the terms on which any Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively, and each Member shall pay the amount of every call so made on him to the Person or Persons and at the times and places appointed by the Board. A call may be made payable by installments.
14. Fifteen days notice in writing of any call shall be given by the Board specifying the time and place of payment, and the Person or Persons to whom such call shall be paid.
15. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.
16. A call may be revoked or postponed at the discretion of the Board.
17. The option or right to call of Shares shall not be given to any Person except with the sanction of the Company in a General Meeting.
18. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
19. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who, the Board may deem fairly entitled to such extension, but no Member shall be entitled to such extension save as a matter of grace and favour.
20. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest of the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

Any sum, which may be the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.



22. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member, in respect of whose Shares, the money is sought to be recovered appears entered on the register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the Meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.
23. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
24. The Board may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or in advance or so much thereof, as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as the Member paying the sum in advance and the Board agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provision of this Article shall mutatis mutandis apply to the calls on Debentures.

FORFEITURE OF SHARES

25. The notice aforesaid shall:
 - (a) name further day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid; and
 - (b) state that in the event of non-payment on or before the day so named at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.
26. If the requirements of any such notice as aforesaid are not complied with, any Shares, in respect of which the notice has been given, may, at any time thereafter before the payment required by the notice has been made, be forfeited by the resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.
27. When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of Members but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.
28. Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner, as the Board may think fit.
29. At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms, as it thinks fit.
30. A Person, whose Shares have been forfeited, shall cease to be the Member in respect of the forfeited Shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys, all calls, or installment, interest and expenses, owing in respect of such Share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the Shares at the time of forfeiture, but shall not be under any obligation to do so.



31. The forfeiture of a Share involves extinction, at the time of the forfeiture, of all interest 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.
32. A duly verified declaration in writing that the declarant is a Director of the Company, and that certain Shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares and such declaration and the receipt of the Company for the consideration, if any, given for the Shares on the sale/ or disposition thereof shall constitute a good title to such Shares; and the Person to whom any such Share as sold shall be registered as the Member in respect of such Share and shall not be bound to see to the application of the purchase money, nor shall his title to such Share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
33. 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.

TRANSFER OF SHARES

34. There shall be a common instrument of transfer which shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of Shares and the registration thereof.
35. Every instrument of transfer duly stamped must be accompanied by the certificate of Shares proposed to be transferred and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the Shares.
36. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
37. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favour of a minor (except in cases when they are fully paid up).
38. The Board shall have power on giving seven days previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the transfer books, the register of Members or register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.
39. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register 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 deferred 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 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.

Notwithstanding anything stated elsewhere in these Articles, the Directors shall be entitled to take all necessary steps to ensure compliance with Applicable Law and subject to the provisions of Section 111 of the Act, Section 22A of the Securities Contracts (Regulation) Act, 1956 and the other provisions of Applicable Law, the Board may, at its own absolute and uncontrolled discretion and by giving reasons, among other things, decline to register or acknowledge any transfer of Shares whether fully paid or not. The right of refusal of the Board shall not be affected by the circumstances that the proposed transferee is already a Member of the Company, but in such cases the Board shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice



of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons, indebted to the Company on any account whatsoever, except when the Company has lien on Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.

41. The Company shall keep at its Office the register of Members and therein shall firmly and distinctly enter the particulars of every transfer or transmission of Shares. Subject to the provisions of Section 154 of the Act, the Board shall have power to close the register of Members for such periods, not exceeding forty five days in aggregate in a year and thirty days at any one time, as may seem expedient to them.

DEMATERIALIZATION OF SECURITIES

42. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles:
- (a) The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.
 - (b) Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a Person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates for the securities. If a Person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.
 - (c) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.

TRANSMISSION OF SHARES

43. Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a Person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder. Where the Shares in, or Debentures of the Company are held by more than one Persons jointly, the joint holders may together nominate, in the prescribed manner, a Person to whom all the rights in the Shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any Person the right to vest the Shares in, or Debentures of the Company, the nominee shall, on the death of the Shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the Shares or Debentures of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

44. Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any Person to become entitled to the Shares in or Debentures of the Company, in the event of his death, during the minority.
46. Subject to the provisions of Section 109 B (3) of the Act and these Articles, the Board may register the relevant Shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the Shares or Debentures had not occurred and the notice or transfer were a transfer signed by that Shareholder or Debenture holder, as the case may be.
47. A nominee on becoming entitled to Shares or Debentures by reason of the death of the holder, or joint holders shall be entitled to the same Dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such Shares or Debentures, be entitled in respect of them to exercise any right conferred on a Member or Debenture holder in relation to Meetings of the Company.



48. The Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant Shares or Debentures, until the requirements of the notice have been complied with.
49. Subject to the provisions of these Articles, any Person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (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 Article of his title, act, as the 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 registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares.
50. 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 discharge for any dividends or other moneys payable in respect of the Share.

FURTHER ISSUE OF SHARES

51. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued capital or out of the increased Share capital then:
 - (a) Such further Shares shall be offered to the Persons who at the date of the offer, are holders of the Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on these Shares at the date;
 - (b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined;
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to them in sub clause (b) hereof shall contain a statement of this right. Provided that the Board may decline, without assigning any reason to allot any Shares to any Person in whose favour any Member may renounce the Shares offered to him;
 - (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the Person to whom such notice has been given that he declines to accept the Shares offered, the Board may dispose of them in such manner and to such Person(s) as they may think, in their sole discretion, fit.
52. Notwithstanding anything contained in Article 51 hereof, the further Shares aforesaid may be offered to any Person (whether or not those Persons include the Persons referred to in clause (a) of Article 51 hereof) in any manner whatsoever:
 - (a) If a special resolution to that effect is passed by the Company in General Meeting, or
 - (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote by the chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied on an application made by the Board in this behalf that the proposal is most beneficial to the Company.

LIEN

54. The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect. Any such lien shall extend to all dividends and bonuses 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/Debentures. The Board may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

CERTIFICATE OF SHARES

55. Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Board so approves (upon paying such fee as the Board may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of applications of registration of transfer, transmission, sub division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue and deliver more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all such holders.
56. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs. 2 for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of a new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- Provided that notwithstanding what is stated above the Board shall comply with such Rules or Regulation or requirements of any stock exchange or the Rules made under the Act or the Rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or Rules applicable in this behalf.
57. The provisions of Articles 54 and 55 shall mutatis mutandis apply to Debentures of the Company.

PROCEEDINGS OF GENERAL MEETINGS

58. 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 Extraordinary General Meetings. The first 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 elapse 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 on a time during business hours, on a day that is not a public holiday, and shall be held in the Registered Office of the Company or at some other place within the city in which the Office of the Company is situated as the Board may determine and the notices calling the General Meeting shall specify it as the Annual General Meeting. The Company may in any Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, that concerns him as the auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' report (if not already attached to the Audited statement of Accounts), the proxy register with proxies and the register of Directors' share holdings of which the latter register shall remain open and accessible during the continuance of the General 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 of Companies in accordance with Sections 159, 161 and 220 of the Act.



VOTING RIGHTS

76. No Member shall be entitled to vote either personally or by proxy/attorney, at any General Meeting or meeting of a class of Shareholders, either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.
77. 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 in person or by proxy or by attorney and to speak and vote at such Meeting, and on a show of hands every Member present in person or through attorney shall have one vote and upon a poll the voting rights of every Member present in person or by proxy or by attorney shall be in proportion to his Shares of the Paid-up Capital of the Company. Provided, however, if any preference Shareholder be present at any Meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference Shares.
78. On a poll taken at 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 used or may abstain from voting.
79. A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote whether on a show of hands or on a poll, by his nominee or other legal guardian and any such nominee 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 of his guardians, if more than one, to be selected in case of dispute by the Chairman of the Meeting.
80. If there be joint holders of any Shares, anyone of such Person may vote at any Meeting or may appoint another Person (whether a Member or not) as his proxy or attorney in respect of such Shares. The proxy so appointed shall not have any right to speak at the Meeting and, if more than one of such joint holders be present at any Meeting then one of the said Persons so present whose name stands higher on the register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other joint-holder(s) shall be entitled to be present at the Meeting. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles to be deemed joint holders thereof.
81. Subject to the provisions of these Articles, votes may be given either personally or by proxy or by attorney. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an Individual Member.
82. Any Person entitled 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 atleast before the time of holding the Meeting or adjourned Meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such Shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
83. 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 corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the Meeting.
- 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.
85. A Member present by proxy shall be entitled to vote only on a poll.



86. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarised copy of that power or 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.
87. 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.
88. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the Meeting.
89. 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 or by attorney, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever 90. Notwithstanding any thing contained in the foregoing, the Company shall transact such business, as may be specified by the Central Government from time to time, through the means of postal ballot. In case of resolutions to be passed by postal ballot, no Meeting need to be held at a specified time and space requiring physical presence of Members to form a quorum. Where a resolution will be passed by postal ballot the Company shall, in addition to the requirements of giving requisite clear days notice, send to all the Members the following:
- (a) Draft resolution and relevant explanatory statement clearly explaining the reasons thereof.
 - (b) Postal ballot for giving assent or dissent, in writing by Members and;
 - (c) Postage prepaid envelope (by registered post) for communicating assents or dissents on the postal ballot to the Company with a request to the Members to send their communications within 30 days from the date of dispatch of notice.
91. The Company shall also follow such procedure, for conducting vote by postal ballot and for ascertaining the assent or dissent, as may be prescribed by the Act and the relevant Rules made thereunder.
92. 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.

CONSTITUTION OF THE BOARD AND BOARD MEETINGS

95. Except as otherwise required by the Articles, all resolutions and decisions of the Board shall be by vote of a majority of the Directors present at a duly convened meeting of the Board. Except as otherwise required by the Articles of Association or the Act, any action which can be taken by the Board at a duly convened meeting may also be taken by a resolution by circulation as provided Article 102(iv) below.
97. Constitution of the Board
- (i) Until otherwise determined by a General Meeting of the Company, the number of Directors (excluding Debenture and alternate Directors, (if any) shall not be less than three nor more than twelve.
100. Removal of Directors
- (i) The office of a Director shall *ipso facto* be vacated if:
 - (a) he fails to obtain within two months after appointment as director or at any time thereafter ceases to hold, the Share qualification, if any, necessary for his appointment; or
 - (b) he is found to be of unsound mind by a court of competent jurisdiction; or
 - (c) he has applied to be adjudicated as an insolvent and his application is pending; or
 - (d) he is adjudged insolvent; or
 - (e) he is convicted by a court in India of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or



- (f) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call; or
 - (g) he absents from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is the longer, without obtaining leave of absence from the Board; or
 - (h) he whether by himself or by any person for his benefit or on his account, or any firm of which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of the provisions of the Act; or
 - (i) he acts in contravention of any of the provisions of the Act; or
 - (j) he has been disqualified by an order of a court of competent jurisdiction under the provisions of the Act; or
 - (k) by notice in writing to the Company that he resigns his office; or
 - (l) any office or place of profit under the Company or under any subsidiary of the Company is held in contravention of section 314 of the Act and by operation of that section he is deemed to vacate the office.
- (ii) Notwithstanding any matter or thing in Articles 100(i) (d), (e) and (j), the disqualification referred to in those sub-clauses shall not take effect:
- (a) for thirty days from the date of adjudication sentence or order; or
 - (b) where an appeal or petition is preferred, within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
 - (c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.
- (iii) Each of the Shareholders having the right under these Articles to appoint a nominee Director shall be entitled to require removal of any or all of its nominee Directors on the Board and to have another or others of its choice nominated for appointment in the place of such removed Directors. For effecting the removal of any of its nominee Directors by a Shareholder, such Shareholder shall, only by written instructions addressed to the Board and other Shareholders, duly signed by an authorised representative of such Shareholder, requisition a General Meeting of the Company, and upon receipt of such notice, the Board shall promptly convene a General Meeting of the Company for the removal of such nominee Director.

CHAIRMAN

111. The Board shall appoint a chairman of its meetings and determine the period for which he is to hold office. If no chairman is appointed, or if at any meeting of the Board the chairman is not present within five minutes after the time appointed, for holding the same, the Directors present shall choose someone of their member to be the chairman of such meeting.

MANAGING DIRECTOR AND WHOLETEIME DIRECTORS

112. Subject to Applicable Law and provisions hereof, the Board of Directors may, appoint one or more Directors as the Managing Director (the "MD") (by whatever name called) for the management of the Company's affairs, for such period and on such terms as they think fit. His/their appointment shall be automatically terminated if he/they cease to be Director/Directors. Their remuneration shall be decided by the Board of Directors from time to time.

The MD shall be responsible for the conduct of the day-to-day management, business and affairs of the Company. The MD shall undertake the management of the Company and perform all the administrative functions and other duties of the Company necessary for the effective transaction of its business with full powers to do all acts, matters and things deemed necessary, proper and expedient thereof and generally to exercise all the power and authorities of the Company except such of them as by the Act or any statutory modifications thereof for the time being in force or by these presents are or may be expressly directed to be exercised by the Company in a General Meeting or by the Board, provided that on subsequent regulation it shall not invalidate any prior act of the MD which would have been valid if such regulation had not been made.



113. The MD shall be delegated by the Board adequate power and authority to undertake, conduct and carry on the day-to-day management, business and affairs of Company. The MD shall report to and function subject to the supervision, direction and control of the Board.
114. The Wholtime Directors shall act subject to the direction, supervision and control of the board. Their powers and duties shall be determined from time to time by resolution of the Board.
115. The term of office of the MD and the Wholtime Directors shall be determined by a resolution of the Board but in no event shall the term be longer than five (5) years, subject however, to renewal/re-appointment in tems of the provisions of the Act.
116. Subject to Section 292 of the Act, and these Articles the Board may entrust to and confer upon the Managing Director any of powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw, alter, or vary all or any of such powers. The Managing Director shall have the following powers exercisable under the superintendence and control of the Board until otherwise decided by the Company in a General Meeting.
- (i) To purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorized to acquire and to sell, let exchange or otherwise dispose of or deal with all or any part of the property rights or privileges of the Company at such price and for such consideration and on such terms and conditions as he may deem expedient.
 - (ii) To enter into, carryout, rescind or vary all financial arrangement with banks, Persons, companies, corporations or other bodies for or in connection with the business of the Company.
 - (iii) Subject to the limitations laid down by Board under Sections 58A and 292 of the Act, to raise or borrow, from time to time and at his discretion, any sums of money or make any arrangements for finance for the purpose of the Company and to secure the payment of, such sum or sums in such manner and upon such terms and conditions in all respects as he may think fit and in particular by making, drawing, accepting or endorsing on behalf of the Company any promissory notes or bills of exchange or by issuing receipts of the Company or by giving any security of the Company or by creating mortgage or charge overall or any part of the property of the Company.
 - (iv) To appoint from time to time and at his discretion, for the purpose of the, Company, managers, secretaries, agents, experts and other officers, clerks, servants and other employees of the Company on such terms and conditions as he may deem expedient and to determine their powers and duties and at his discretion to terminate the services of any one or more of them as he may deem expedient.
 - (v) To institute, defend, compromise, withdraw or abandon any legal proceedings by or against the Company or otherwise concerning the affairs of the Company and to act on behalf of the Company in all matters relating to any governmental agency or authority including those relating to taxation, licensing, excise and customs and in matters pertaining to the insolvency or liquidation and to apply for and obtain letters of administration, with or without a will, to the estate of Persons with whom the Company shall have dealings.
 - (vi) To make, draw, sign, accept, endorse, negotiate and otherwise execute on behalf of the Company all cheques, promissory notes, drafts, pay orders, bills of exchange, bills of lading and other documents of titles and securities including securities of Government of India and other promissory notes, Contracts transfer deeds and other instruments as shall be necessary in his opinion for carrying on the Business of the Company.
 - (vii) Subject to the overall limit fixed by the Board under Section 292 of the Act, to invest and deal with the moneys of the Company not immediately required for the purposes thereof in such securities or investments and in such manner as he thinks fit and from time to time, realise or otherwise deal, with such securities and investments.
 - (viii) To negotiate and enter into any Contract and execute, rescind or vary all such Contracts and do all acts, deeds and things in the name and on behalf of the aforesaid or otherwise for the Business of the Company.

DIVIDENDS AND RESERVES

126. 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 on the Shares held by them respectively.



127. Subject to the provisions of these Articles, the Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board of Directors but the Company in General Meeting may declare a smaller dividend.
128. Any General Meeting declaring a dividend may make a call on the Members of such amount as the meeting fixes. If the call on each Member does not exceed the dividend payable to him and the call is made payable at the same time as the dividend, the dividend may, if so arranged between the Company and the Member, be set off against the call.
129. No dividends shall be paid otherwise than in cash or out of the profits of the year or any other undistributed profits of earlier years and no dividends shall carry interest as against the Company. The declaration of the Board of Directors as to the amount of the profits of the Company shall be conclusive.
130. Subject to the provisions of these Articles, the Board of Directors may, from time to time, pay to Members such interim dividends as appear to be justified by the profits of the Company.
139. Any one of two or more joint holders of a Share may give effectual receipts for any Dividends or other moneys payable in respect of such Share.
140. No Member shall be entitled to receive payments of any interest or dividend in respect of his Share or Shares, while any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other Person or Persons and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.
141. Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend the company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "unpaid dividend of Parsvnath Developers Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.
142. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the Shareholders to whom the money is due.
143. No unclaimed or unpaid dividend shall be forfeited by the Board.

AUDITOR

148. Statutory auditors, shall be appointed and their rights and duties regulated in accordance with the provisions of the Act.
149. The remuneration of the auditors shall be fixed by the Company in a General Meeting or by the Board, if so decided at the General Meeting.

WINDING UP

158. (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
159. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction, shall think fit, but so that no Member shall be compelled to accept any Share or other securities whereon there is any liability.



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 our Company. These contracts, copies of which shall be attached to the copy of this Red Herring Prospectus, shall be delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate office of our Company situated at 6th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001 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. Engagement Letter dated March 14, 2006 as amended vide letter dated August 29, 2006 for appointment of ENAM Financial Consultants Private Limited, JM Morgan Stanley Private Limited and DSP Merrill Lynch Limited as BRLMs.
2. Memorandum of Understanding dated August 29, 2006 amongst our Company and the BRLMs.
3. Memorandum of Understanding dated July 5, 2006 executed by our Company with Registrar to the Issue.
4. Stabilization Agreement dated August 29, 2006 between us, the Green Shoe Lender and the Stabilising Agent.
5. Escrow Agreement dated [●] 2006 between the Company, the BRLMs, the Syndicate Members, the Registrar and the Escrow Collection Banks.
6. Syndicate Agreement dated [●] 2006 between the Company, the BRLMs, and the Syndicate Members.
7. Underwriting Agreement dated [●] 2006 between the Company, the BRLMs and the Syndicate Members.

Material Documents

1. Our Memorandum and Articles of Association as amended till date.
2. Shareholders' resolution dated March 11, 2006 and August 7, 2006 in relation to this Issue and other related matters.
3. Resolutions of the Board dated March 11, 2006 and August 7, 2006 authorising the Issue.
4. Resolutions of the general body for appointment and remuneration of our whole-time Directors.
5. Report of the Auditors, Deloitte Haskins & Sells, Chartered Accountants, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus and letters from the auditors dated October 14, 2006.
6. Copy of Tax Benefit Statement dated August 28, 2006 prepared by the Auditors, Deloitte Haskins & Sells, Chartered Accountants.
7. Copies of annual reports of our Company for the past five financial years.
8. General Powers 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.
9. Consents of Bankers to the Company, BRLMs, Syndicate Members, Registrar to the Issue, Banker to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the BRLMs, International Legal Counsel to the Issue, Monitoring Agency, Advisor to the Company for the Issue, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
10. Applications dated September 1, 2006 for in-principle listing approval from NSE and BSE.
11. In-principle listing approvals dated September 14, 2006 and September 13, 2006 from the BSE and NSE respectively.
12. Agreement between NSDL, our Company and the Registrar to the Issue dated July 19, 2006.
13. Agreement between CDSL, our Company and the Registrar to the Issue dated July 14, 2006.
14. Due diligence certificate dated August 30, 2006 to SEBI from ENAM Financial Consultants Private Limited, JM Morgan Stanley Private Limited and DSP Merrill Lynch Limited.



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15. SEBI observation letter CFD/DIL/ISSUES/V/78447/2006 dated October 10, 2006 and our in-seraitim reply to the same dated October 17, 2006.
 16. Certificate from the Compliance Officer dated 23.10.2006 that the observations of the SEBI vide SEBI's letter dated 10.10.2006 have been incorporated in the Red Herring Prospectus.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, 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 or guidelines issued thereunder, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

Signed by all Directors

Sd/-

Mr. Pradeep Kumar Jain (Chairman).

Sd/-

Ms. Nutan Jain.

Sd/-

Mr. Sanjeev Jain (Managing Director).

Sd/-

Dr. Rajeev Jain.

Sd/-

Mr. G.R. Gogia.

Sd/-

Mr. Ashok Kumar.

Sd/-

Mr. Sunil Kumar Jain.

Sd/-

Mr. Subhash Kathuria

Sd/-

Mr. Ram Niwas Lakhotia

Sd/-

Mr. R.J. Kamath

Sd/-

Mr. Vijay B. Raheja

Sd/-

Dr. Pritam Singh

Sd/-

**Mr. Pradeep Kumar Jain
Chairman**

Sd/-

**Mr. Madhur Narain
Chief Financial Officer.**

Date: October 20, 2006

Place: New Delhi.