Red Herring Prospectus
Dated June 18, 2007
Please read Section 60B of the Companies Act, 1956
100% Book Building Issue

HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

(We were incorporated as Housing Development and Improvement India Private Limited on July 25, 1996. Our status was subsequently changed to a public limited company by a special resolution of the members passed at the extraordinary general meeting on January 12, 2005. The fresh certificate of incorporation consequent to the change of name was granted to us on February 3, 2005 by the Assistant Registrar of Companies, Maharashtra, Mumbai. Our name was further changed to Housing Development and Infrastructure Limited by a special resolution of the members passed at the extraordinary general meeting on August 7, 2006. The fresh certificate of incorporation consequent to the change of name was granted on August 29, 2006, by the Deputy Registrar of Companies, Maharashtra, Mumbai. For details of the change in our name and registered office, please refer to "History and Corporate Structure" on page 95 of this Red Herring Prospectus.)

Registered and Corporate Office: 9-01, Dheeraj Arma, Anant Kanekar Marg, Bandra (East), Mumbai 400 051, Maharashtra, India
Company Secretary and Compliance Officer: Mr. Amitabh Verma
Tel: (91 22) 2658 3500, Fax: (91 22) 2658 3535, Email: compliance.officer@hdil.in, Website: www.hdil.in

PUBLIC ISSUE OF 29,700,000 EQUITY SHARES OF Rs. 10 EACH OF HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED ("HDIL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [•] PER EQUITY SHARE) AGGREGATING TO Rs. [•] MILLION (THE "ISSUE"). THE ISSUE COMPRISES A RESERVATION OF UP TO 600,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) (THE "EMPLOYEE RESERVATION PORTION") AND AN ISSUE TO THE PUBLIC OF 29,100,000 EQUITY SHARES ("THE NET ISSUE"). THERE WILL ALSO BE A GREEN SHOE OPTION OF UP TO 4,455,000 EQUITY SHARES FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE AGGREGATING TO RS. [•] MILLION (THE "GREEN SHOE OPTION"). THE ISSUE AND THE GREEN SHOE OPTION, IF EXERCISED IN FULL, WILL AGGREGATE TO 34,155,000 EQUITY SHARES AMOUNTING TO RS. [•] MILLION. THE NET ISSUE WILL CONSTITUTE 13.86% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY ASSUMING THAT THE GREEN SHOE OPTION IS NOT EXERCISED AND 15.65% ASSUMING THAT THE GREEN SHOE OPTION IS EXERCISED IN FULL.#

PRICE BAND: RS. 430 TO RS. 500 PER EQUITY SHARE OF FACE VALUE RS. 10 EACH
THE FLOOR PRICE IS 43 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 50 TIMES OF THE FACE VALUE

In case of revision in the Price Band, the Bidding/Issue Period will be extended by three additional 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 Bidding/Issue Period, if applicable, will be widely disseminated by notification to the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate.

In accordance with Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and 30% of the Net Issue will 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 600,000 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.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the Book Running Lead Managers on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing. **Our Company has not opted for a grading of this Issue from a SEBI registered credit rating agency.**

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 Issuer 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 drawn to the section titled "Risk Factors" on page XII 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 that is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole, or any information or the expression of any opinions or intentions, misleading in any material respect.

LISTING ARRANGEMENT

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 BSE and NSE for the listing of our Equity Shares pursuant to letters dated March 2, 2007 and March 7, 2007, respectively. For purposes of this Issue, the Designated Stock Exchange is the BSE.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
Kotak Mahindra Capital Company Limited 3rd Floor, Bakhtawar 229 Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: hdil.ipo@kotak.com Website: www.kotak.com Contact Person: Mr. Chandrakant Bhole	**Enam Financial Consultants Private Limited** 801/ 802, Dalamal Towers Nariman Point Mumbai 400 021 Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 e-mail: hdil.ipo@enam.com Website: www.enam.com Contact Person: Ms. Kinjal Palan	**Karvy Computershare Private Limited** Plot No. 17 to 24 Vittalrao Nagar, Madhapur Hyderabad 500 081 Tel: (91 40) 2343 1553 Fax: (91 40) 2343 1551 E-mail:einwards.ris@karvy.com Website: www.karvy.com Contact Person: Mr. Murali Krishna

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	June 28, 2007	BID/ISSUE CLOSES ON	July 3, 2007

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
"We", "us", "our", "the Issuer", "the Company", "our Company", "HDIL" or "Housing Development and Infrastructure Limited"	Unless the context otherwise indicates or implies, refers to Housing Development and Infrastructure Limited.

Company Related Terms

Term	Description
Articles	Articles of Association of our Company
Auditors	The statutory auditors of our Company, Thar and Co., Chartered Accountants
Board/ Board of Directors	Board of Directors of our Company
Directors	Directors of Housing Development and Infrastructure Limited, unless otherwise specified
Key Management Personnel	Those individuals described in "Our Management – Key Management Personnel" on page 113 of this Red Herring Prospectus
Land Reserves	The total amount of saleable area to be developed through Ongoing Projects or Planned Projects
Memorandum	Memorandum of Association of our Company
Ongoing Projects	Projects that are currently under construction and development
Planned Projects	Projects planned for construction and development in the future
PPIPL	Privilege Power and Infrastructure Private Limited, a company incorporated under the Companies Act and having its registered office at 3rd Floor, Dheeraj Arma, Anant Kanekar Marg, Bandra (E), Mumbai 400 051.
Promoters	Mr. Rakesh Kumar Wadhawan, Mr. Sarang Wadhawan, Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan
Promoter Group	Unless the context otherwise specifies, refers to those entities mentioned in the section "Our Promoters and Promoter Group" on page 116 of this Red Herring Prospectus
Registered and Corporate Office of our Company	9-01, Dheeraj Arma, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai 400 051
Wadhawan Group	Our Company, the promoters of our Company, namely Mr. Rakesh Kumar Wadhawan, Mr. Sarang Wadhawan, Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan, the companies and partnership firms as disclosed under the section "Our Promoters and Promoter Group" on page 116 of this Red Herring Prospectus and entities forming part of the promoter group at the time of development
Subsidiary	Refers to the subsidiary of our Company, Privilege Power and Infrastructure Private Limited

Issue Related Terms

Term	Description
Allotment/ Allot	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Banker(s) to the Issue	ABN AMRO Bank N.V., HDFC Bank Limited, Hongkong and Shanghai Banking Corporation Limited, ICICI Bank Limited, Kotak Mahindra Bank Limited, Standard Chartered Bank, Union Bank of India.
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 301 of the Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company 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 the Bid in the Issue
Bid / Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a Marathi newspaper 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 a English national newspaper, a Hindi national newspaper and a Marathi newspaper with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the 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 prospective Bidders can submit their Bids
Book Building Process/ Method	Book building route as provided in Chapter XI of the SEBI DIP Guidelines, in terms of which this Issue is being made
BRLMs/Book Running Lead Managers	Global Co-ordinators and Book Running Lead Managers to the Issue, in this case being Kotak Mahindra Capital Company Limited and Enam Financial Consultants Private Limited
Business Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open for business
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
Cut-off Price	The Issue Price finalised by the Company in consultation with the BRLMs. Only Retail Individual Bidders are entitled to bid at the Cut Off Price, for a Bid Amount not exceeding Rs. 100,000. QIB's and Non-Institutional Bidders are not entitled to bid at the Cut-Off Price.
Co-Book Running Lead Manager / CBRLM	ICICI Securities Primary Dealership Limited

Term	Description
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	BSE
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Eligible Employees	Permanent employees of the Company and its Subsidiary including the directors thereof who are Indian nationals based in India and are present in India on the date of submission of Bid-cum-Application Form. However, the Directors who are the Promoters and forming part of the Promoter Group of the Company shall not be considered to be Eligible Employees.
Employee Reservation Portion	The portion of the Issue being up to 600,000 Equity Shares available for allocation to Eligible Employees.
ENAM	Enam Financial Consultants Private Limited a company incorporated under the Companies Act and having its registered office at 113 Stock Exchange Towers, Dalal Street, Fort, Mumbai 400 001
Enam Securities	Enam Securities Private Limited, a company incorporated under the Companies Act and having its registered office at Khatau Building, 44B Bank Street, Fort, Off Shahid Bhagat Singh Road, Fort, Mumbai 400 001
Equity Shares	Equity shares of our Company of Rs. 10 each unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened
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, at or above which the Issue Price will be finalized and below which no Bids will be accepted
Green Shoe Lender	Mr. Rakesh Kumar Wadhawan
Green Shoe Option or GSO	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	Up to 15% of the Issue or 4,455,000 Equity Shares aggregating Rs. [•] million, if exercised in full.

Term	Description
GSO Bank Account	The bank account to be opened by the Stabilising Agent pursuant to the Stabilising Agreement on the terms and conditions thereof.
GSO Demat Account	The demat account to be opened by the Stabilising Agent pursuant to the Stabilising Agreement on the terms and conditions thereof.
I-Sec	ICICI Securities Primary Dealership Limited, a company incorporated under the Companies Act and having its registered office at ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai 400 020
Issue	The public issue of 29,700,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] each aggregating to Rs. [●] million. The Issue comprises a Net Issue to the public of 29,100,000 Equity Shares and the Employee Reservation Portion of up to 600,000 Equity Shares.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company
KMCC	Kotak Mahindra Capital Company Limited a company incorporated under the Companies Act and having its registered office at 3rd Floor, Bakhtawar 229, Nariman Point, Mumbai 400 021
Kotak Securities	Kotak Securities Limited, a company incorporated under the Companies Act and having its registered office at 1st Floor, Bakhtawar, 229, Nariman Point, Mumbai 400 021
Loaned Shares	Up to 4,455,000 Equity Shares loaned by the Green Shoe Lender pursuant to the terms of the Stabilisation 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
Monitoring Agent	Industrial Development Bank of India Limited or IDBI Bank Limited
Mutual Fund Portion	5% of the QIB Portion or 873,000 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Net Issue/Net Issue to the Public	The Issue less the Employee Reservation Portion
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on page 38 of this Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Issue being 2,910,000 Equity Shares of Rs. 10 each available for allocation to Non-Institutional Bidders
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to 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

Term	Description
	until the closure of the Pay-in Date
Pre-IPO Placement	The Company undertook a placement of 300,000 Equity Shares to BCCL at the price of Rs. 500 per Equity Share prior to filing of the Red Herring Prospectus
Price Band	Price band of a minimum price (floor of the price band) of Rs. 430 and the maximum price (cap of the price band) of Rs. 500 and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount
QIB Portion	The portion of the Net Issue being at least 17,460,000 Equity Shares of Rs. 10 each to be Allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made
Refund Banker	Kotak Mahindra Bank Limited
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS as applicable
Registrar to the Issue	Karvy Computershare Private Limited
Retail Individual Bidder(s)	Individual Bidders (including HUFs) who have not Bid for Equity Shares for an amount more than or equal to Rs. 100,000 in any of the bidding options in the Issue (including HUF applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Net Issue being 8,730,000 Equity Shares of Rs. 10 each 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 any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least 3 days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Stabilising Agent	Enam Financial Consultants Private Limited
Stabilising Agreement	The agreement entered into by us, the Green Shoe Lender and the Stabilising Agent dated February 7, 2007 in relation to the Green Shoe Option.
Stabilisation Period	The period commencing on the date of obtaining trading permission from the Stock Exchanges in respect of the Equity Shares in the Issue and ending 30 calendar days

Term	Description
	thereafter unless terminated earlier by the Stabilising Agent in accordance with the Stabilisation Agreement
Stock Exchanges	BSE and NSE
Syndicate	The BRLMs, CBRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue
Syndicate Members	Kotak Securities, Enam Securities and ICICI Securities Limited
TRS/ Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs, CBRLM and the Syndicate Members
Underwriting Agreement	The agreement among the members of the Syndicate and our Company to be entered into on or after the Pricing Date

Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BCCL	Bennett, Coleman & Company Limited
BIFR	Board for Industrial and Financial Reconstruction
BMC	Brihanmumbai Municipal Corporation
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DCR	Development Control Regulations for Greater Mumbai, 1991 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting

Term	Description
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce and Industry
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IT	Information Technology
ITES	Information Technology Enabled Services
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Mn / mn	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NCR	National Capital Region
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000

Term	Description
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	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 Foreign Security by a Person resident outside India) Regulations, 2000. OCBs are not allowed to invest in this Issue
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Maharashtra located at Everest, 100 Marine Drive, Mumbai 400 002
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
Sec.	Section
SEZ	Special Economic Zone
SIA	Secretariat for Industrial Assistance
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state of India
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
UIN	Unique Identification Number
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US$	United States Dollars

Technical/Industry Related Terms

Term	Description
Acre	Equals 43,560 sq. ft.
BMC	Bombay Municipal Corporation
CRM	Customer Relationship Management
ERP	Enterprise Resource Planning
FSI	Floor Space Index, which means the quotient of the ratio of the combined gross floor area of all floors, excepting areas specifically exempted, to the total area of the plot
IOD	Intimation of Disapproval
LOI	Letter of Intent
MCGM	Municipal Corporation of Greater Mumbai
MHADA	Maharashtra Housing Area Development Authority
MMRDA	Mumbai Metropolitan Region Development Authority
MMR/Mumbai Metropolitan Region	An area of 4,355 square kilometres and comprising Municipal Corporations of Greater Mumbai, Thane, Kalyan, Navi Mumbai and Ulhasnagar; 15 municipal towns; seven non-municipal urban centres and 995 villages. It covers Mumbai City and Mumbai Suburban districts, and parts of Thane and Raigad district.
MoU	Memorandum of Understanding
Sq. Ft.	Square Feet
Sq. metres	Square Metres
SEZ	Special Economic Zone
SRA	Slum Rehabilitation Authority
SRS	Slum Rehabilitation Scheme
TDR	Transferable Development Rights, which means when in certain circumstances, the development potential of land may be separated from the land itself and may be made available to the owner of the land in the form of transferable development rights.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

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

There are significant differences between Indian GAAP and IFRS or US GAAP. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

In this Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

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$"or are to United States Dollars, the official currency of the United States of America. All references to "AED" are to Emirati Dirham, the official currency of the United Arab of Emirates. The noon buying rate of the Federal Reserve Bank of New York was Rs. 44.03 per U.S.Dollar as on February 6, 2007.

This Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, the rates stated below or at all.

Industry and Market Data

Unless stated otherwise, industry and market 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 that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

The conversion factor from acres to square foot is 1 acre = 43,560 square feet.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant statement.

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, the following regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our ability to manage our growth and expansion, 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, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- The fluctuations in and the overall performance of the real estate market in the Mumbai Metropolitan Region;
- Changes in the Slum Rehabilitation Scheme currently in effect in the Mumbai Metropolitan Region;
- The potential for impairment of our title to land and unavailability of title insurance;
- Our ability to acquire approvals or permits in the anticipated time frames or at all;
- Our ability to identify suitable projects or to execute such projects successfully;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Our ability to compete effectively, particularly in new markets and business lines;
- Conflicts of interest with affiliated companies, our Promoter Group and other related parties;
- Our ability to finance our business and growth and obtain financing on favourable terms or at all;
- Our ability to anticipate market trends in and tailor our business lines accordingly; and
- Volatility in the Indian economy.

For further discussion of factors that could cause our actual results to differ from our expectations, see the sections titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xii, 60 and 217 of this Red Herring Prospectus. Neither our Company nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof. In accordance with SEBI requirements our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: 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 the 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" beginning on pages 60 and 217, respectively, of this Red Herring Prospectus as well as the other financial and statistical information contained in this Red Herring Prospectus. If the following risks actually 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 RISKS AND RISKS RELATING TO OUR BUSINESS

The Indian income tax authorities have recently surveyed our tax records.

The Department of Income Tax conducted search operations at the residence of Mr. Rakesh Kumar Wadhawan and Mr. Sarang Wadhawan, our Promoter Directors, pursuant to a search warrant issued under section 132 of the Income Tax Act. The Department of Income Tax also conducted a survey at our registered office pursuant to section 133 (A) of the Income Tax Act. Subsequent to the search and survey conducted by the department of Income Tax, the Company and Mr. Rakesh Kumar Wadhawan have paid advance tax aggregating approximately Rs. 80 million. As of the date hereof, no further tax-related action has been taken. However, there can be no assurance that the income tax authorities will not undertake any further actions or require the payment of additional taxes or penalties.

Title insurance is not commercially available in India and our title and development rights over land may be subject to significant legal uncertainties and defects.

Our business depends upon our ability to obtain good title to land from landowners or good development rights over land from landowners. Our title and development rights over land can be subject to various title–related legal defects that we may not be able to fully identify, assess or resolve. While we always seek to ensure through various means good title to land or development rights purchased from third parties, our rights in respect of these lands or development rights may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the land's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of spouses or other family members of prior owners, or other title defects. As each transfer in a chain of title may be subject to these and other various defects, our title and development rights over land which we acquire through a conveyance of deed, agreement to sell, development agreement, joint development agreement, memorandum of understanding ("MoU"), letter of intent or other contractual arrangement, may be subject to various defects. Title defects may result in the loss of title or development rights over such land as well as the cancellation of our development plans in respect of such land, thus negatively impacting our business and financial condition. Out of our total Land Reserves of 112.1 million square feet of saleable area, we own and have title to approximately 78.3 million square feet, representing 69.9% of our Land Reserves. For further details in relation to our Land Reserves, please see the section titled "Our Business – Land Reserves" on page 66 of this Red Herring Prospectus.

Additionally, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance in India means that title records provide only for presumptive rather than guaranteed title, and we face a risk of loss of lands we believe we own or have development rights over, which would have an adverse effect on our business, financial condition and results of operations.

We sometimes enter into MoUs, Agreements to Sell and similar agreements with third parties to acquire land or land development rights, which entails certain risks.

We sometimes enter into MoUs, agreements to sell and similar agreements with third parties to acquire title or land development rights with respect to certain land. Since we do not acquire ownership or land development rights with respect to land upon the execution of such agreements, formal transfer of title or land development rights with respect to such land is completed only after all requisite governmental consents and approvals have been obtained and all conditions precedent to such agreements have been complied with. As a result, we are subject to the risk that pending such consents and approvals sellers may transfer the land to other purchasers or that we may never acquire formal title or land development rights with respect to such land, which could have an adverse impact on our business. Out of our total Land Reserves of 112.1 million square feet of saleable area, we have entered into MoUs and agreements to sell and similar agreements with third parties to acquire land or land development rights in respect of 33.8 million square feet, representing 30.1% of our Land Reserves. For further details in relation to our Land Reserves, please see the section titled "Our Business – Land Reserves" on page 66 of this Red Herring Prospectus.

We also make partial payments to third parties to acquire certain land or land development rights which we may be unable to recover under certain circumstances. We cannot assure you that the acquisition of such land or land development rights will be completed in a timely manner or at all. In the event that we are unable to acquire such land or land development rights, we may be unable to recover the partial payment made by us with respect to that land. Our inability to acquire such land or land development rights, or if we fail to recover the partial payment made by us with respect to such land, may adversely affect our business, financial condition and results of operation.

Further, certain third parties with whom we have entered into such agreements may have litigation pending with respect to such lands or may have to comply with certain conditions before the title to such land or land development rights may be conveyed to us. Until such litigation is settled, such conditions have been complied with or a judgment has been obtained by a court of competent jurisdiction, we may be unable to utilize such lands according to the terms of such agreements which could adversely affect our business, financial condition and results of operations.

Limited supply of land, increasing competition and applicable regulations may result in an increase in the price of land and shortages of land available for development.

Due to the increased demand for land in connection with the development of residential, commercial and retail properties and SEZs, we are experiencing and may continue to experience increased competition in our attempt to acquire land in the various geographic areas in which we operate and the areas in which we anticipate operating in the future. This increased competition may result in a shortage of suitable land that can be used for development and can increase the price of land. Any such increase in the price of land that can be used for development could materially and adversely affect our business, prospects, financial condition and results of operations. For further details of the various geographic areas in which we operate, please see the section titled "Our Business" on page 60 of this Red Herring Prospectus.

Additionally, the availability of land, as well as its use and development, is subject to regulations by various local authorities. For example, if a specific parcel of land has been deemed as agricultural land, no commercial or residential development is permitted without the prior approval of the local authorities. Such restrictions could lead to further shortage of developable land. For further details, see "Regulations and Policies" on page 84.

We may be unable to successfully identify and acquire suitable parcels of land for development, which may impede our growth.

Our ability to identify suitable parcels of land for development is a vital element of our business and involves certain risks, including identifying and acquiring appropriate land, appealing to the tastes of residential customers, understanding and responding to the requirements of commercial clients and anticipating the changing retail shopping trends in India. We have an internal assessment process for land selection and acquisition which includes a due diligence exercise to assess the title of the land and its suitability for development and marketability. Our internal assessment process is based on information that is available or accessible to us. There can be no assurance that such information is accurate, complete or current. Any decision based on inaccurate, incomplete or outdated information may result in certain risks and liabilities associated with the acquisition of such land, which could adversely affect our business, financial condition and results of operations. For further details in relation to our internal assessment process for land selection and acquisition, please see the section titled "Our Business – Our Project Execution Process" on pages 79 and 80 of this Red Herring Prospectus.

In addition, our inability to acquire contiguous parcels of land may affect some of our existing and future development activities. We acquire parcels of land at various locations, which can be subsequently consolidated to form a contiguous land area, upon which we can undertake development. For example, our success in the development of an SEZ will depend on our ability to assemble contiguous parcels of land to create areas large enough for a viable SEZ that can be used for manufacturing or other commercial purposes. Whilst in the last three years we have identified nearly all our Land Reserves, we may not be able to acquire such parcels of land in the future or may not be able to acquire such parcels of land on terms that are acceptable to us, which may affect our ability to consolidate these parcels of land into a contiguous land area. Failure to acquire such parcels of land may cause delay or force us to abandon or modify the development of land that we have acquired at a certain location, which may result in a failure to realise profit on our initial investment. Accordingly, our inability to acquire contiguous parcels of land may adversely affect our business prospects, financial conditions and results of operations.

Our ability to obtain suitable development sites and generate revenue could be adversely affected by any changes to the slum rehabilitation schemes or the FSI/TDR regulatory regime currently in effect in the Mumbai Metropolitan Region.

Of the nearly 11.3 million square feet of saleable area that we have developed as of May 31, 2007, approximately 2.3 million square feet, or 20.3%, has been developed on land over which we obtained land development rights through our participation in slum rehabilitation projects in the Mumbai Metropolitan Region.

Our ability to obtain suitable development sites for our slum rehabilitation projects in the Mumbai Metropolitan Region in the future, and our cost to acquire land development rights over such sites or other sites, could be adversely affected by any changes to the Slum Rehabilitation Scheme, the DCR, the Town Planning Act or any changes in their interpretation or implementation. If the slum rehabilitation schemes in effect in the Mumbai Metropolitan Region were to significantly change or be terminated, we may be required to purchase developable land from third parties at significantly increased cost and we may not be able to acquire land development rights over sufficiently suitable land at an acceptable cost for our future development projects.

Under the Slum Rehabilitation Scheme, we receive FSI to develop real estate projects. Depending on market conditions and our commercial considerations, we may decide to sell such FSI in the market as FSI as well as TDRs. We derive significant income from the sale of FSI/TDRs to third parties if market conditions for such sales are favourable. Income derived from the sale of FSI/TDRs represented approximately 39.5% of total income for the financial year 2007. We also may purchase FSI/TDRs from third parties.

If the regulations change to preclude the sale or utilisation of FSI/TDRs or the planning and land use regulations in the Mumbai Metropolitan Region are significantly altered or terminated so as to permit additional construction on existing lots, our FSI/TDRs may lose value and we may not ultimately derive revenue from their sale, which would adversely affect our financial condition and results of operations.

We may be unable to execute slum rehabilitation or redevelopment projects or follow our business model with respect to slum rehabilitation projects in other geographic areas outside of the Mumbai Metropolitan Region.

Completing slum rehabilitation projects requires efficient management of such projects and infrastructure capabilities. We are currently developing 11 slum rehabilitation and redevelopment projects, which are expected to generate approximately 6.4 million square feet of saleable area upon their completion. In order to execute our slum rehabilitation projects, we also must apply for and obtain timely approvals from the relevant authorities. We must construct the rehabilitated buildings according to the conditions set forth under the slum rehabilitation schemes. We cannot assure you that we will be able to effectively complete projects under the SRA scheme, which may adversely impact the business and financial condition of the Company.

Additionally, we do not have experience implementing slum rehabilitation projects outside of the Mumbai Metropolitan Region and we cannot assure you that we will have the necessary capabilities to undertake and complete such projects.

We may experience difficulties in expanding our business into additional geographic markets within India.

We have limited experience in conducting business outside the Mumbai Metropolitan Region and may not be able to leverage our experience in the Mumbai Metropolitan Region to expand into other cities. Factors such as competition, culture, regulatory regimes, business practices and customs, customer tastes, behaviour and preferences in these cities where we plan to expand our operations may differ from those in the Mumbai Metropolitan Region, and our experience in the Mumbai Metropolitan Region may not be applicable to these cities. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national developers, but also local developers who have an established local presence, are more familiar with local regulations, business practices and customs, have stronger relationships with local contractors, suppliers, relevant government authorities, and who have access to existing land reserves or are in a stronger financial position than us, all of which may give them a competitive advantage over us.

In expanding our geographic footprint, our business will be exposed to various additional challenges, including adjusting our construction methods to different terrains; obtaining necessary governmental approvals and building permits under unfamiliar regulatory regimes; identifying and collaborating with local business partners, construction contractors and suppliers with whom we may have no previous working relationship; successfully gauging market conditions in local real estate markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographic areas of India; and adapting our marketing strategy and operations to different regions of India in which other languages are spoken.

We can provide no assurance that we will be successful in expanding our business to include other geographic markets in India. Any failure by us to successfully carry out our plan to geographically diversify our business could have a material adverse effect on our revenues, earnings and financial condition and may result in the Company remaining almost exclusively dependent on the Mumbai Metropolitan Region real estate market for our business. This could have the effect of constraining our long term growth and prospects.

We may not be able to successfully develop and market developments in our proposed new lines of business.

Our business strategy includes our undertaking projects in lines of real estate development which are new to us, such as the development of hotels, mega-structure complexes, which are large-scale mixed-use retail, commercial and residential developments, and SEZs. Our ability to successfully develop and market developments in these new lines of business has not yet been proven. In developing such new lines of business we face certain risks, including identifying and acquiring appropriately located property, appealing to the tastes of new customers, responding to changing trends in the real estate market in India, and marketing our developed real estate concepts to our customers in competition with more experienced developers. In particular, our success in the development of hotels will also depend on our ability to forecast and respond to demand in an industry in which we have no experience to date and depends upon our ability to select appropriate locations and joint venture partners or management companies to operate the hotels profitably. If we fail to successfully develop and market projects in our proposed new lines of business, we may be unable to fully develop all of our land or fully utilize development rights over such land.

Our success in the development of SEZs depends on our ability to attract manufacturing or industrial units to conduct business within the SEZs and the continued availability of financial incentives and financing under the SEZ regime. Since the SEZ regulations have been in force for only a relatively short period of time, they may not be interpreted in a consistent manner and there may be instances of diverging opinions among local, regional, national and judicial authorities as to their application. We have received in-principle approval from the Ministry of Commerce & Industry to develop, operate and maintain a “multi-services” SEZ in our name. For further details in relation to the in-principle approval, please see section titled “Government Approvals” on page 259 of this Red Herring Prospectus. The uncertainty of application, the evolution of SEZ laws and the possibility of the withdrawal of certain benefits and concessions create a risk for our current and planned investment in SEZ developments. Any change in the present regulatory framework or our inability to obtain final approval for our proposed SEZ development plan may adversely affect such plan.

We have recently experienced rapid growth and may not be able to sustain our growth or manage it effectively.

Our turnover has increased from Rs. 58.2 million in fiscal 2004 to Rs. 649.3 million in fiscal 2005, representing an increase of 1,015.6% over fiscal 2004, and to Rs. 4,348.6 million in fiscal 2006, representing an increase of 569.7% over fiscal 2005 and to Rs 12,041.9 million in fiscal 2007 representing an increase of 176.9% over fiscal 2006. For further details in relation to reasons for such a rapid growth, please see the section titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 217 of this Red Herring Prospectus. We may not, however, be able to sustain a similar rate of growth or manage our growth effectively. For example, as we grow and diversify, we may not be able to execute our projects as efficiently, which could result in delays, increased costs, lower profitability and diminished quality of business, which may adversely affect our reputation. Continued rapid future growth may strain our managerial, operational, financial and other resources. If we are unable to manage our growth effectively, our business, financial condition and results of operations may be adversely affected.

Such expansion also may make it more difficult to preserve our culture, values and work environment across projects; develop and improve our internal administrative infrastructure; recruit, train and retain sufficiently skilled management, technical and marketing personnel; maintain high levels of client satisfaction; and adhere to health, safety, and environmental standards. Any inability to manage our growth may have an adverse effect on our business and results of operations.

The success of our residential development business is dependent on our ability to anticipate and respond to consumer requirements.

We depend on our ability to understand the preferences of our customers and to accordingly develop projects that suit their tastes and preferences. The growing disposable income of India's middle and upper income classes has led to a change in popular lifestyle resulting in substantial changes in the nature of their demands. As customers continue to seek better housing and better amenities as part of their residential needs, we must continue our focus on the development of quality residential accommodation with various amenities. Our inability to provide customers with certain amenities or our failure to continually anticipate and respond to customer needs will affect our business and prospects and could lead to some of our customers switching to competitors.

The expansion of our commercial real estate business is dependent on our ability to provide our customers with high quality commercial space and the willingness and ability of corporate customers to pay purchase prices at suitable levels.

Our commercial real estate business is focused on development of commercial space, primarily offices, and selling such commercial space, rather than renting it to business tenants. Our growth and success will depend on the provision of high quality commercial space to attract and retain clients who are willing and able to pay purchase prices at suitable levels, and on our ability to anticipate the future needs and expansion plans of such clients. We will incur significant costs for the integration of modern fittings, contemporary architecture and landscaping, as well as the telecommunications, broadband and wireless systems expected by our customers. Our ability to pass these costs on to commercial customers will depend upon a variety of market factors beyond our control. For example, our commercial customers may choose to acquire or develop their own commercial facilities, which may reduce the demand for our commercial properties. Our inability to provide customers with properties that correspond to their needs could adversely affect our business.

The success of our retail strategy depends on our ability to build malls in appropriate locations and attract suitable retailers and customers.

The success of our retail real estate business depends on our ability to identify suitable locations for shopping malls and design retail space that can be successfully sold to department stores, smaller retailers, restaurant operators, cinema chains and other commercial customers. Our business is not designed to own and operate malls, so our ability to develop and sell retail space in malls we construct is critical to our retail business. The practices of Indian consumers are changing, with a trend away from traditional shopping environments such as small local retail stores or markets to larger retail environments such as malls. The speed of this trend and the nature of the changes in consumer preferences and tastes are evolving and can be difficult to predict correctly.

To help ensure our success in selling retail properties such as malls, we must secure suitable anchor purchasers and other retailers to ensure the successful sale of all units in the mall. With the likely entry of major international retail companies into India and their establishment of competing retail operations, the need to attract and retain anchor tenants and other retailers who can successfully compete with large international retailers will increase. A decline in retail spending or a decrease in the popularity of the retailers' businesses could cause retailers to cease operations or experience significant financial difficulties that could harm our ability to continue to sell our retail properties to successful retailers. For further details in relation to our competition, please see section titled "Our Business - Competition" on page 82 of this Red Herring Prospectus.

Our business strategy may change in the future and may be different from that which is contained herein.

In the past, we have followed a build and sell model for properties developed. Further, our developments have primarily focussed on residential properties and Land Development. We cannot ensure that we will follow the business strategies that we have previously followed, in the future. In the future, we may decide to own and lease properties, or substantially develop residential, commercial and retail properties in addition to Land Development. We have stated our objectives for raising funds through the Issue and have set forth our strategies for our future business. However, depending on prevailing market conditions and other commercial considerations, our business model in the future may change from what is described herein.

We are heavily dependent on the performance of, and prevailing conditions affecting, the real estate market, especially in the Mumbai Metropolitan Region.

Historically, we have focused our real estate and land development activities in the Mumbai Metropolitan Region. Our 32 Ongoing and Planned projects are comprised of a total 112.1 million square feet of saleable area, approximately 92.8 million square feet or 82.8% of which is in the Mumbai Metropolitan Region. As a result, our business, financial condition and results of operations have been and will continue to be heavily dependent on the performance of, and prevailing conditions affecting, the Mumbai Metropolitan Region real estate market.

As of May 31, 2007, approximately 45.5 million square feet of saleable area, or 40.6%, of our Land Reserves related to 21 Ongoing Projects and approximately 66.6 million square feet of saleable area, or 59.4%, of our Land Reserves related to 11 Planned Projects. For further details in relation to our Ongoing and Planned Projects, please see section titled "Our Business" beginning on page 60 of this Red Herring Prospectus.

The real estate market in the Mumbai Metropolitan Region may be affected by various factors outside our control, including prevailing local and economic conditions, changes in the supply and demand for properties comparable to those we develop, and changes in the applicable governmental regulations relating to slum rehabilitation in the Mumbai Metropolitan Region. These and other factors may contribute to fluctuations in real estate prices and the availability of land in the Mumbai Metropolitan Region and may adversely affect our business, financial condition and results of operations. In the event that market conditions produce a drop in real estate prices in the Mumbai Metropolitan Region, our business, financial condition and results of operations could be materially and adversely affected.

We face significant risks with respect to the length of time needed to complete each project.

It may take several years following the acquisition of land before income or positive cash flows can be generated through the sale of a completed real estate development project. The time it takes to complete a project generally ranges from nine to thirty months. Changes to the business environment during such time may affect the costs and revenues associated with the project and can ultimately affect the profitability of the project. For example, during this time there can be changes to the national, state and local business climate and regulatory environment, local real estate market conditions, perceptions of prospective customers with respect to the convenience and attractiveness of the project, and changes with respect to competition from other property developments. We have also recently had delays in completing our projects and consequent cost overruns. If such changes occur during the time it takes to complete a certain project, our returns on such project may be lower than expected and our financial performance may be adversely affected.

Certain information contained herein, including the measurements with respect to the total saleable area of our projects, is based on management estimates which may change for various reasons. Certain statistical and financial data from third parties contained herein may be incomplete or unreliable.

Some of the information contained in this Red Herring Prospectus with respect to our projects such as the amount of land or land development rights owned by us, the location and type of development of such land and the amount of total saleable area used for development is based on management estimates and has not been independently appraised. The total area of property that is ultimately developed may differ from the descriptions of the property presented herein depending on various factors such as market conditions, title defects, modification of architect estimates, and any inability to obtain necessary regulatory approvals. Therefore, management's estimates with respect to our Ongoing and Planned projects are subject to uncertainty.

We have not independently verified data from certain government and industry publications and other sources contained herein and therefore cannot assure you that they are complete or reliable. Also, data with respect to other countries may be produced on a different basis than the data that relates to India. Therefore, certain statements contained herein relating to India, its economy or our industry have not been verified by us and may be incomplete or unreliable.

As we have not entered into any definitive agreements to utilise a substantial portion of this Issue, our management will have significant flexibility in applying the proceeds of this Issue. The deployment of funds and fund requirement mentioned in "Objects of the Issue" have not been appraised or evaluated by any bank or financial institution.

As we have not yet entered into any definitive agreements concerning the use of Issue proceeds, our internal estimates with respect to how we may utilise the proceeds from this Issue may change in the future. Until we utilise the proceeds from this Issue, we intend to hold proceeds in bank accounts or invest the proceeds in high quality interest bearing liquid instruments in accordance with the investment policies approved by our Board of Directors from time to time.

The deployment of funds and fund requirement described in the section titled "Objects of the Issue" beginning on page 38 is at the discretion of our Board of Directors. We operate in a highly competitive, dynamic market, and may have to revise our estimates from time to time on account of new projects that we may pursue including any industry consolidation initiatives, such as potential acquisition opportunities. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays in our Ongoing and Planned projects. The deployment of funds and fund requirement as stated in section titled "Objects of the Issue" is based on internal management estimates and has not been appraised or evaluated by any bank or financial institution. Accordingly, our management will have significant flexibility in applying the proceeds received by us from this Issue and such flexibility could extend to the complete Net Issue of Proceeds.

We currently undertake and in the future will undertake certain projects jointly with third parties, which may entail certain risks.

We engage in certain projects by collaborating with third parties that own title to land and we, by virtue of a development agreement, acquire development rights to such land. In exchange for these development rights, we may be required to pay advances to the owner of the land. If we are unable to complete the construction and development of the agreed project, we may be unable to recover the advances paid by us through sale of a completed project.

Although we are generally empowered to make all operating decisions for the development of these projects, we are also required to make certain decisions in consultation with such parties which may limit our flexibility in making such decisions (including those pertaining to development and marketing). Also, we cannot assure you that such persons hold valid title to such land or that they have obtained all necessary approvals and licenses with respect to such land. Further, such parties may have business interests or goals that are inconsistent with ours, such that disputes may arise which could cause delays in completion, or the complete abandonment, of the project.

We also sometimes collaborate, and may collaborate in the future, as a joint venture partner or enter into joint development agreements with our Promoters, Promoter Group companies, directors of our Company and other real estate development companies in developing projects. If a joint venture partner or joint developer fails to perform its obligations in a satisfactory manner, the joint venture or partnership may be unable to successfully complete the intended project on the intended timetable, at the intended cost, or at all. Under such circumstances, we may be required to make additional investments in the joint venture or partnership or become liable for its obligations, which could result in reduced profits and significant losses. Further, the inability of a partner to continue with a project due to financial or legal difficulties could result in our having increased or sole responsibility for the relevant projects.

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

We must obtain certain statutory and regulatory approvals or permits at various stages in the development of our projects. For example, if a specific parcel of land has been deemed as agricultural land by certain regulatory bodies, we cannot develop such land without obtaining prior approval. Also, our slum rehabilitation projects depend substantially upon approvals, such as letters of intent, or occupancy certificates, from certain governmental agencies for the replacement of permanent housing for former slum dwellers. Some of our current projects are in the preliminary stages of planning and development and we have not yet applied for or obtained approvals for such projects. It is vital to obtain these approvals in order to commence and ultimately complete many of our projects.

We may encounter delays in obtaining these approvals, or may not be able to obtain such approvals at all. Moreover, there can be no assurance that we will not encounter material difficulties in fulfilling any conditions precedent to the approvals described above or any approvals we require in the future, or that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the property industry in general or the particular processes with respect to the granting of the approvals. If we fail to obtain, or experience material delays in obtaining, approvals, the schedule of development could be substantially disrupted, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

For further details regarding the Ongoing and Planned Projects, the development of which is subject to various approvals and consents, please see section titled “Our Business” on page 60 of this Red Herring Prospectus. For further details with respect to regulatory approvals required for our business, see the section titled “Regulations and Policies” beginning on page 84. For further details in relation to pending government approvals, please see section titled “Government Approvals” beginning on page 259 of this Red Herring Prospectus.

Increased costs of raw materials may adversely affect our results of operations.

Our ability to develop projects profitably is dependent upon our ability to obtain adequate building supplies for use in the construction of our real estate development projects. We procure all building materials for our projects directly from third party suppliers and are exposed to certain risks relating to the quality of such products. The prices and supply of raw materials depend on factors not under our control including general economic conditions, competition, production levels, transportation costs and import duties. During periods of shortages in building materials, such as cement and steel, we may not be able to obtain necessary materials to complete our projects according to our previously established timelines, at our previously estimate project costs, or at all, which could adversely affect our results of operations and financial condition. During periods of significant increases in the price of building materials, we may not be able to pass on price increases to our customers, which could have the effect of reducing or eliminating our profits. Also, if our primary suppliers curtail or discontinue their delivery of such materials to us in the necessary quantities or at reasonable prices, our ability to obtain necessary materials for our projects could be impaired, our construction schedules could be disrupted and we may be unable to complete our projects. For further details in relation to our raw materials suppliers, please see section titled “Our Business” beginning on page 60 of this Red Herring Prospectus.

We utilize independent professionals for certain services in developing and constructing our projects which entails certain risks if they fail to perform.

We contract with independent professionals to provide services such as architecture and engineering services in connection with the development and construction of our projects. As we do not control these service providers, we face the risk that they may not perform their obligations as agreed. If a service provider fails to perform its obligations satisfactorily, we may be unable to develop the project or complete the project on the intended timetable. In such circumstances, we may be required to incur additional time and costs to develop a property in a manner consistent with our development objectives, which could result in reduced profits or in some cases, significant losses. We cannot assure investors that the services rendered by any of our service providers will always be satisfactory or match our requirements for quality.

We rely on third parties for our construction labour requirements, which entails certain risks.

The real estate industry is labour intensive and continuous access to labour is critical to our business. We rely on external agencies and certain sub–contractors to meet our labour requirements. Accordingly, the time and quality of construction of our properties depends on the availability and skill of those sub–contractors. Currently, we have good relations with these third parties, but we cannot assure investors that this will continue in the future. Any strained relations with these agencies will severely affect our business requirements, as we may not be able to compensate for labour shortages. We also cannot assure you that these agencies will always meet our labour requirements. Additionally, our operations may also be affected by circumstances beyond our control which may be due to work stoppages, labour disputes, shortage of qualified skilled labour and lack of adequate infrastructure services. These factors could adversely affect our business, financial position, results of operations and cash flows.

Our staffing model subjects us to a number of risks, which may affect our profitability and competitiveness.

We maintain our own substantial staff of professionals, including engineers, architects, lawyers, accountants, and marketing and sales experts. Our ability to compete is dependent upon whether we can maintain the quality of our in–house capabilities at or above the levels available from third party contractors. In addition, if our costs of maintaining our in–house capabilities increase substantially, our profitability and price competitiveness could be adversely affected.

In the event of a slow down in the Indian economy or a slow down in the real estate or construction industry, our in–house resources may cause us to incur significant costs that cannot be easily mitigated. Our inability to reduce our costs during such periods may adversely impact our results of operations and financial condition.

We are dependent upon the experience and skills of our senior management team and skilled employees.

We believe that our senior management team has contributed significantly to the development of our business. However, we cannot assure you that we will be able to retain any or all of the key members of our management team. If one or more of our senior executives or other personnel are unable or unwilling to continue in their present positions, we may be unable to replace them, our business may be disrupted, and our financial condition and results of operations may be materially and adversely affected. The loss of such key personnel, or our failure to attract additional skilled management personnel, may adversely affect our business and results of operations.

We also believe that the success of our real estate development activities is dependent on our ability to attract, train, motivate, and retain highly skilled professional employees in a competitive market. Our professional staff includes engineers, design consultants, marketing specialists, treasury experts, costing consultants, procurement officers, human resource managers and accountants. In the event we are unable to maintain or recruit a sufficient number of skilled employees, our business and results of operations may be adversely affected.

We intend to register and utilize the "HDIL" brand name, which entails certain risks.

In the past, we have extensively used the "Dheeraj" brand name in marketing our real estate projects to customers. However, we currently intend to register and begin using the "HDIL" brand name in our marketing and sales efforts. As customers may not identify with the "HDIL" brand name, this could lead to a loss of customers and hence revenues. Additionally, we may need to put forth substantial efforts and funds to market the "HDIL" brand name. Further, while we have already applied to register the "HDIL" brand name, we may have difficulty obtaining the necessary approval, which could adversely affect our business, operations and financial condition.

In the past, auditors have qualified their reports with respect to our accounting treatment of retirement benefits.

The Institute of Chartered Accountants of India (ICAI), through "*Accounting for Retirement Benefits in the Financial Statement of Employers*", has prescribed certain accounting rules which provide that the accounting of contributions for retirement benefits should be made on an accrual basis. Over the past five financial years, our accounting policy has been to account for such retirement benefits on a cash basis and our auditors have commented on the difference between our accounting policy and the policy recommended by ICAI, which has resulted in auditor qualifications in determining our restated profit after tax. While we have amended such accounting policy to mirror ICAI guidelines, we cannot assure you that our auditors will not qualify our accounting policies in the future.

It is difficult to compare our performance between periods, as our revenue fluctuates significantly from period to period.

We derive income from the sale of land, land development rights and residential, commercial and retail units we have developed, including land development rights and saleable units in connection with slum rehabilitation schemes.

Our income from these activities may fluctuate significantly due to a variety of factors. For example, under our accounting policy, we recognize income with respect to a project only when such project is substantially complete. Moreover, due to occasional lags in development timetables caused by unforeseen circumstances, we cannot predict with certainty when our real estate developments will be completed or when we may acquire and sell FSI/TDRs related to completed projects. Our results of operations may also fluctuate from period to period due to a combination of other factors beyond our control, including volatility in expenses such as costs to acquire land or development rights and construction costs. Depending on our operating results in one or more periods, we may experience cash flow problems and difficulties in covering our operating costs, which may adversely affect our business, financial condition and results of operations. Such fluctuations may also adversely affect our ability to fund future projects.

As a result of one or more of these factors, we may record significant turnover or profits during one accounting period and significantly lower turnover or profits during prior or subsequent accounting periods. Furthermore, the periods discussed in our financial statements included in this Red Herring Prospectus may not be comparable to each other or to other future periods, and our results of operations and cash flows may vary significantly from period to period, year to year, and over time. Therefore, we believe that period–to–period comparisons of our results of operations should not be relied upon as indicative of our future performance.

Our revenue recognition policy is different from the accounting policy followed by most other real estate developers and changes in accounting policy could adversely affect our financial condition and results of operations.

Under our revenue recognition accounting policy, we begin to recognize revenue on a project when it is substantially complete. This differs from the percentage completion method of revenue recognition followed by many other real estate developers. We have received an opinion dated June 8, 2007 from M/s Haribhakti & Co., Chartered Accountants, that our revenue recognition policy is not in contravention with the mandatory Accounting Standards issued by the ICAI. The said opinion has been included as a material document for public inspection under "Material Contracts And Documents For Inspection" section on page 329 of the Red Herring Prospectus. As such, it may be difficult to compare our financial position to that of other real estate developers. If the "percentage of completion" or some other alternative method of accounting were made mandatory for real estate development companies in India, we would be required to change our revenue recognition policy and, as a result, the financial results of our operations might be adversely affected. We are currently unable to predict changes or the effects of such changes in accounting policy and we cannot assure you that such changes would not adversely affect our financial condition and results of operations.

We have incurred losses and negative cash flows in recent financial years and may not be profitable in the future.

We have incurred losses in financial year 2004 and in certain previous financial years primarily due to low income in relation to substantial investments in developing real estate projects. We cannot be certain that we will achieve or sustain profitability in the future. Failure to achieve profitability could diminish our ability to sustain operations, meet financial covenants, obtain additional required funds and make required payments on our present or future indebtedness.

We have had negative cash flows in certain recent financial periods, as indicated in the table below:

	Financial Year 2007 (Rs. Million)	Financial Year 2006 (Rs. Million)	Financial Year 2005 (Rs. million)	Financial Year 2004 (Rs. million)
Net cash from (used in) operating activities	(1,510.2)	664.4	(1,218.9)	905.1
Net cash from (used in) investing activities	(613.9)	(551.0)	(253.1)	(264.8)
Net cash from (used in) financing activities	1,741.5	275.7	1,485.7	(653.7)

For more detail regarding our net cash flows, see "Management's Discussion and Analysis – Net Cash Flows" beginning on page 231 of this Red Herring Prospectus.

We avail ourselves of certain tax benefits which, if withdrawn, may adversely affect our financial condition and results of operations.

Modifications to the tax benefits currently in place for real estate developers under Indian law may adversely affect our financial condition and results of operations. For example, we currently benefit from an income tax exemption for profits derived from the development and construction of housing projects if certain conditions are met. In the event that we become ineligible to avail ourselves of these benefits due to any change in law or the scope of our projects, the effective tax rates payable by us may increase and our financial condition and results of operations may be adversely affected. For details with respect to certain provisions of the Income Tax Act, see the section titled "Statement of Tax Benefits" on page 46.

Our contingent liabilities and capital commitments could adversely affect our financial condition.

Our contingent liabilities as of March 31, 2007 (as disclosed in our financial statements) include a guarantee by us, secured by 50,000 square feet of space situated on the third and fourth floors of Dheeraj Arma, a commercial property in the Mumbai Metropolitan Region, to support up to Rs. 500 million of obligations under a joint development agreement with Dinshaw Trapinex Builders Private Limited and Rs. 373.8 million towards claims against the Company not acknowledged as debts which represented a suit filed by a party in the High Court, Bombay and disputed by the company relating to failure to handover multiplex premises. If the related contingent liabilities materialize, our profitability could be adversely affected. Our capital commitments not provided for, as of March 31, 2007, include approximately Rs. 2.0 million in contracts remaining to be executed on capital account and could adversely affect our financial condition if such commitments are not executed according to the terms and conditions of the respective contracts.

We may be involved in legal and administrative proceedings arising from our operations from time to time to which we are, or may become, a party.

We may be involved from time to time in disputes with various parties involved in the development and sale of our properties, such as slum dwellers, contractors, suppliers, constructors, joint venture or joint development partners, occupants and claimants of title over land, and governmental authorities. These disputes may result in legal and/or administrative proceedings, and may cause us to suffer litigation costs and project delays. We may, for example, have disagreements over the application of law with regulatory bodies or third parties in the ordinary course of our business, which may subject us to administrative proceedings and unfavourable decisions, resulting in financial losses and the delay of commencement or completion of our projects. For example, local courts from time to time have temporarily enjoined us from carrying out slum rehabilitation projects pending determination of claims brought by persons claiming to be eligible to receive permanent housing in connection with our slum rehabilitation activities.

There are a number of legal proceedings pending against us or in relation to some of our lands or land development rights forming part of our Ongoing and Planned Projects that, if adversely determined, could impact our business and financial condition.

We, and certain of our directors, are involved in a number of legal proceedings that, if determined against us, could adversely impact our business and financial condition. Such legal proceedings are currently at different levels of adjudication before various courts and tribunals. Should any new developments arise in respect of such litigation, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may face losses and may need to make provisions in our financial statements with respect to such litigation, which could adversely impact our business results. Further, if significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, it could have a material adverse effect on our business and profitability. The total amount of claims outstanding against us in these cases is approximately Rs. 373.8 million. As of May 31, 2007, the pending litigation consists of:

Category	The Company	Directors
Criminal proceedings	None	One (1) criminal proceeding pending before the Metropolitan Magistrate's Court, in Andheri, Mumbai involving Mr. Rakesh Wadhawan. One (1) criminal proceeding pending before the Court of the Additional Chief Magistrate, 9th Court in Bandra, Mumbai involving Mr. Sarang Wadhawan.
Civil proceedings	Thirty five (35) civil proceedings involving amounts aggregating to approximately Rs. 373.8 million.	Seven (7) civil proceedings involving Mr. R.K.Wadhawan, Mr. Waryam Singh and Dheeraj Wadhawan.
Tax proceedings	One (1) survey proceeding conducted by the Department of Income Tax on January 18, 2007.	Two (2) search proceedings conducted at the residence of Mr. R.K. Wadhawan and Mr. Sarang Wadhawan on January 18, 2007 and January 22, 2007 pursuant to a search warrant issued by the Department of Income Tax on January 18, 2007.

Please refer to the section titled "Outstanding Litigations and Material Developments" on page 239 of this Red Herring Prospectus. Please also refer to the first risk factor relating to litigation against our Promoters on page xii of this Red Herring Prospectus.

Though there were no search or survey proceedings under the Income Tax Act on us, our Promoters or our Promoter Group in the last six months other than as disclosed in this Red Herring Prospectus, we cannot assure you that such proceedings, will not be carried out subsequently.

We cannot assure you that these legal proceedings will be decided in our favour or in favour of our Directors. Decisions in such proceedings adverse to our interests may have a material adverse effect on us, our results of operations and business prospectus.

In addition, there are also litigations pending in relation to some of our lands forming part of our Ongoing and Planned Projects. We are not a party to these suits and may not have adequate standing before the courts adjudicating such litigations to defend our interests with respect to the lands at issue. We cannot provide any assurances regarding the outcome of these litigations. Any adverse outcome may affect our ability to develop the properties which are the subject matter of these litigations, and therefore, adversely affect our business, financial condition and results of operations.

For further details with respect to such litigations, please see "Outstanding Litigation and Material Developments - Litigation involving lands forming part of Ongoing and Planned Projects" on page 245 of this Red Herring Prospectus.

There is litigation currently outstanding involving entities within our Promoter Group.

Some entities within the Promoter Group have been named as defendants in litigation with respect to certain of their business and operations. Such litigation is pending at different levels of adjudication before various courts and tribunals. Should new developments arise in respect of such litigation, such as a change in Indian law or rulings against such entities by appellate courts or tribunals, entities within the Promoter Group may face losses and may need to make provisions in their financial statements in respect of such litigation, which could adversely impact their business results. Further, if significant claims are determined against such entities and such entities are required to pay all or a portion of the disputed amounts, it could have a material adverse effect on their business and profitability. As at May 31, 2007, the pending litigation consists of:

Category	Promoter Group
Criminal proceedings	Nil
Civil proceedings	Eighty Seven (87) proceedings for an amount aggregating to approximately Rs. 2.4 million
Tax proceedings	Nil

Please refer to the section titled "Outstanding Litigation and Material Developments" on page 239 of this Red Herring Prospectus.

We are not aware of and have not disclosed litigation and other information relating to the immediate relatives of the Promoters, companies in which such immediate relatives of the Promoters hold more than 10% of the share capital and HUFs where such immediate relatives of Promoters may be a member.

We cannot assure you that these legal proceedings will be decided in favour of our Promoter Group. Decisions in such proceedings adverse to the interests of our Promoter Group may have a material adverse effect on such persons, and may have a material impact on the Company, its business and operations.

Certain of our Promoter Group entities have incurred losses in recent financial years.

Certain of our Promoter Group entities have incurred losses in recent financial years, as set forth in the table below:

Rs. in millions

Name of Company	Financial Year		
	2004	2005	2006
Privilege Distilleries Private Limited	(0.04)	(0.01)	(0.01)
Privilege Industries Limited	-	(0.01)	(0.06)
Privilege Airways Private Limited	-	-	(0.00)
Libra Hotels Private Limited	(0.17)	0.24	0.48
DHFL Venture Capital (I) Private Limited	-	-	(14.95)
DHFL Venture Trustee Company Private Limited	-	-	(0.43)
Wadhawan Holdings Private Limited	(0.01)	(0.01)	67.32
Dish Hospitality Private Limited	(0.02)	(0.01)	(0.19)
Wadhawan Food Retail Private Limited	-	-	(3.36)
Wadhawan Consolidated Holdings Private Limited	(0.01)	(0.00)	0.03
Housing Development and Improvement Corporation	0.07	(103.58)	(27.45)
Guruashish Construction Private Limited	-	(0.0)	(0.0)
Dinshaw Trapinex Limited (AED in millions)*	-	(0.00)	0.00

** Refer to 12 months ended December 31*

We have unlimited liability with respect to matters concerning our partnership firms.

We are partners with Agnel Developers, D.S. Corporation, Heritage Housing Development Corporation and Nahur Residence Developers. Certain of the Promoters and executives affiliated with such partners are also Promoters and executives of our Company. We may bear liability for certain matters affecting such partnership firms. Our liability with respect to such partnership firms, according to the terms of the respective partnership deeds and laws governing partnerships in India, is unlimited. If we incur liability with respect to such partnerships, it may have a significant impact on our business, financial condition and results of operations. For further details in relation to these partnerships firms, see "History and Corporate Structure" on page 95 of this Red Herring Prospectus.

Our Promoters are actively involved in the management of other business operations in our Promoter Group, which may cause conflicts of interest and cause them to spend less time and dilute their attention on matters pertaining to us.

Our Promoters are actively involved in the management of both our business and the business operations of other entities within the Promoter Group, including in related lines of business. Attention to the other entities within the Promoter Group, including those in related lines of business, may distract or dilute management attention from our business, which could adversely affect our results of operations and financial condition.

For more details regarding other entities in our Promoter Group, please refer to the section titled "Our Promoters and Promoter Group" on page 116 of this Red Herring Prospectus.

Certain of our Directors are partners in some partnership firms where we hold interests or in our Promoter Group which may cause conflicts of interest.

Certain of our Directors are partners in some partnership firms where we hold interests or in our Promoter Group which may cause conflicts of interest. To the extent of their interests in these entities there may be conflicts of interests with the Company.

Following the Issue we will remain under the control of our Promoters if they retain a controlling interest in our Equity Shares and conflicts of interests may arise.

As of May 31, 2007, our Promoters, along with the Promoter Group, directly or indirectly, held 73.2% of the issued and paid-up share capital of the Company. Upon completion of the Issue, our Promoters will beneficially own, along with the Promoter Group, directly or indirectly, approximately 62.8% of our post–Issue paid-up Equity Share capital, excluding the exercise of the Green Shoe Option, and approximately 61.5% of our post-Issue paid-up Equity Share capital if the Green Shoe Option is exercised in full. This will allow the Promoters to exercise significant influence over our business, major policy decisions and all matters requiring shareholders' approval. For example, such concentration of ownership may enable our Promoters to delay or prevent a change in control of the Company, which may materially and adversely affect the value of your investment in the Equity Shares. We cannot assure you that these or other potential conflicts of interest will be resolved in an impartial manner.

Conflicts of interest may also arise out of common business objectives shared by us, our directors, our Promoters, and certain entities within the Promoter Group. The Promoters and the entities within the Promoter Group can compete with us and have no obligation to direct any opportunities to the Company. As a result, conflicts of interest may arise in allocating or address business opportunities and strategies amongst the Company, our Promoters and other entities within the Promoter Group.

Furthermore, one or more of the companies within our Promoter Group may decide to raise additional capital through various methods including, but not limited to, a public offering of securities. This may adversely affect our own ability to raise capital if we were to undertake a capital markets offering around the same time.

We enter into certain related party transactions.

We have entered into, and may in the future enter into, certain related party transactions with Promoters and entities within the Promoter Group, including companies engaged in our same or related lines of business. We also enter into certain agreements with Promoters and entities affiliated with our Promoter Group, whereby such Promoters or affiliates hold land on our behalf. A conflict could arise if such an affiliated entity challenges title or claims ownership of the land. Additionally, as our Promoters will retain control of the Company after this Issue, we can provide no assurance that our transactions with such related parties will in all circumstances be made on an arms' length or commercial basis. For more information regarding our related party transactions, see the disclosure on related party transactions contained in our consolidated restated financial statements beginning on page 202 of this Red Herring Prospectus.

Our business may be adversely affected by losses from uninsured projects or losses exceeding our insurance limits.

We face risk of losses in our operations arising from a variety of sources, including, but not limited to, risks related to construction, catastrophic events, terrorist risk, intentional vandalism, and theft of construction supplies. We maintain contractor risk and general liability insurance with New India Assurance Company but cannot assure investors that the level of insurance maintained by us with respect to such risks is adequate. If we suffer any losses, damages and liabilities in the course of our operations and real estate development, we may not have sufficient insurance or funds to cover any such losses. In addition, any payment we make to cover any uninsured losses, damages or liabilities could have a material adverse effect on our business, financial condition and results of operations.

We do not carry coverage for contractor's liability, timely project completion, loss of rent or profit, construction defects or consequential damages for a tenant's lost profits. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, would not be covered by such insurance policies and we would bear the impact of such losses. We cannot assure investors that any claim under the insurance policies maintained by us will be honoured fully or on time.

Our operations and our work force are exposed to various hazards and we are exposed to risks arising from construction related activities that could result in material liabilities, increased expenses and diminished revenues.

We conduct various site studies prior to the acquisition of any parcel of land and its construction and development. However, there are certain unanticipated or unforeseen risks that may arise in the course of property development due to adverse weather and geological conditions such as such as storm, hurricane, lightning, flood, landslide and earthquake.

Additionally, our operations are subject to hazards inherent in providing architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Although we believe that we maintain sufficient insurance coverage to reduce losses (if any) from such risks, we cannot assure you that we will not bear any liability as a result of these hazards.

In order to finance our projects, we have incurred and may continue to incur debt financing, which entails certain risks.

Our real estate development projects typically require a large amount of capital. We finance our land acquisitions and development construction mainly through internal funds, equity contributions from shareholders and long term bank borrowings. As of March 31, 2007 we had outstanding Rs. 3,756.9 million of indebtedness, most of which was floating rate indebtedness as against our net worth of Rs. 7,322.7 million. We incurred finance charges of approximately Rs. 546.3 million during the financial year 2007.

We may obtain additional financing to fund the capital expenditure relating to our projects in the future. We can provide no assurance that in the future we will have access to sufficient financial resources, or that we will be able to obtain the necessary financing, to implement our planned projects and those under development. Some of our borrowing agreements contain restrictive covenants which affect our ability to operate our business absent consent from the relevant lender. There can be no assurance that we will be able to comply with these covenants or that we will be able to obtain any lender consents necessary to take the actions we believe

are necessary to operate and grow our business. Similarly, any breach under our financing agreements could result in an acceleration of our repayments or force us to sell our assets.
Our ability to borrow funds for the development of our real estate projects is affected in part by the prevailing interest rates available to us from leading Indian banks. Changes in prevailing interest rates affect our interest expense with respect to our borrowings. Therefore, the interest rate at which we may borrow funds, and the availability of capital to us for development purposes, affects our results of operations by limiting or facilitating the number of projects we may undertake and determining the return which we must obtain from each project to meet our obligations under our borrowings.

If there is a slowdown in the real estate market in the Mumbai Metropolitan Region or in India's economy generally, we cannot assure you that we will be able to raise adequate capital from banks to carry out our business plans. If we do not have access to these funds, we may be required to delay or abandon some or all of our planned developments or reduce capital expenditures and the scale of our operations, which could adversely affect our business and results of operations.

Any failure in our information technology systems could adversely impact our business.

We utilize a customised enterprise resource planning ("ERP") system which integrates our core and back–end information technology with respect to architecture and engineering matters, costing, inventory, finance, sales, CRM, invoice billing, estimation, purchases, payments, tax calculations and employee salaries. Any disruption to our ERP system and other information technology systems could disrupt our ability to track, record and analyse our work in progress, process financial information, engage in normal business activities or manage our creditors and debtors, and could cause certain data loss. This could have an adverse effect on our business.

EXTERNAL RISKS FACTORS

The performance of our real estate development business may be adversely affected by changes in, or the regulatory policies of, the Indian national, state and local governments.

Our real estate development business is significantly affected by the regulatory policies of various Indian central, state and local governmental bodies, including but not limited to the following:

- We currently receive favourable tax treatment with respect to our developments, which affects our results of operations. If the government were to curtail this favourable tax treatment, it could increase our taxable income;

- Residential property owners in India can deduct principal payments (subject to a limit) and mortgage interest from taxable income. If the government were to curtail such favourable tax treatment, it could reduce the affordability of residential housing for Indian families and diminish demand for our developments;

- We believe that we are currently one of the leading private real estate development companies in the Mumbai Metropolitan Region that participates in the slum rehabilitation schemes. Our participation in these schemes enables us to obtain rights to develop land in the Mumbai Metropolitan Region in exchange for construction of replacement housing for slum dwellers. Any change in the regulatory regime relating to such schemes could adversely affect our ability to develop land in the Mumbai Metropolitan Region for our real estate projects;

- We are required to obtain certain environmental and land use approvals for each of our real estate projects from local authorities. Delays in or our failure to obtain such approvals may delay or prevent development of specific real estate development projects;

- In the Mumbai Metropolitan Region, we are subject to certain municipal land use regulations which limit the amount of square footage of a completed building to specified amounts. We are also subject to the Urban Land (Ceiling and Regulation) Act**,** which limits the total area of freehold land we may own within the Mumbai Metropolitan Region that is registered in our name; and

- SEZ regulations have only been in force for a short period of time, may not be interpreted in a consistent manner and there may be instances of divergent opinion among local, regional and national authorities as to their application. The uncertainty of application and the evolution of SEZ laws and the possibility of withdrawal of or modifications to the fiscal incentives for SEZs create a risk for our current and planned investment in SEZ developments.

These and other governmental policies affecting our business may change from time to time at the local, state and national level in India. Any such changes may require us to modify the manner in which we do business, or may result in our not being able to carry out specific planned or future projects. For further details relating to governmental policies affecting our business see the section titled "Regulations and Policies" beginning on page 84.

Fluctuations in market conditions between the time we acquire land and sell developed projects on such land 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 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. These factors can negatively affect the demand for and pricing of our developed and undeveloped property and constructed inventories and, as a result, may negatively affect our business, financial condition and results of operations. Moreover, real estate investments are relatively illiquid, which may limit our ability to vary our exposure in certain investments in order to respond to changes in economic or other conditions.

Recently, real estate prices in India have been experiencing significant increases. We cannot assure you that such increases will continue or that the price of real estate in the Mumbai Metropolitan Region or India as a whole will not at some point experience significant declines.

Our business is substantially affected by prevailing economic conditions in India.

We perform all of our real estate development activities in India, primarily in the Mumbai Metropolitan Region, and our customers are mostly Indian companies or Indian nationals. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy and our results of operations include: an increase in Indian interest rates or inflation; diminished availability of credit or other financing in India; prevailing income conditions among Indian consumers and Indian corporations; volatility in India's principal stock exchanges; changes to India's present tax, trade, fiscal or monetary policies; conditions in other emerging market nations which may compete with Indian companies for a limited amount of global capital and resources; prevailing regional or global economic conditions; and other significant regulatory or economic developments that occur in or affect India's real estate development sector.

We are currently limited with respect to the geographic areas in which we conduct our business activities. As such, certain factors such as economic recession in India, inflation, an increase in interest rates, a decrease in real estate prices or a decrease in personal or corporate income may adversely impact our business more than companies that have greater geographical diversity.

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

Changes in interest rates affect the ability and willingness of prospective real estate customers, particularly the customers of residential properties, to obtain financing for the purchase of our completed projects. The interest rate at which our real estate customers may borrow funds for the purchase of our properties affects the affordability of our real estate projects. In particular, a large number of our residential buyers finance their purchases through third–party mortgage financing. In the event interest rates on such loans increase, or there is decrease in the availability of home loans, home loans may become less attractive to our customers which may adversely affect our operating results and financial condition.

We face competition from other real estate development firms in India, which may adversely affect our profitability.

The real estate development industry in India, while fragmented, is highly competitive and we face competition in the Mumbai Metropolitan Region (where currently our business activities are primarily focused) from other large Indian real estate development and construction companies. We presently compete in the Mumbai Metropolitan Region with various regional companies, including Hiranandani Developers, Raheja Group, Kalpataru Developers, Marathon Group, Akruti Nirman Limited and Lokhandwala Group. Given our strategy of expanding our business activities to include real estate development in other regions of India, we may experience competition in the future from potential competitors with significant operations elsewhere in India, including DLF Group, Ansal Group, Parsvanath Developers and Unitech Limited. Certain of these Indian real estate development firms are also our joint venture partners in connection with specific projects, and may compete with us more directly in the future. For further details in relation to our joint ventures, please see section titled "Our Business – Joint Developments and Partnerships" on page 81 of this Red Herring Prospectus.

The market value of an investor's investment may fluctuate due to the volatility of the Indian securities markets.

Indian securities markets are more volatile than the securities markets in certain countries. In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers for most stocks, which do not allow transactions beyond a certain level of price volatility. An index based market-wide (equity and equity derivatives) circuit breaker system has been implemented and additionally, there are currently in place varying individual scrip-wise bands. Circuit-breakers are not applicable to certain stocks listed in the "A" category of the BSE, on which stocks futures and options are traded. The Indian stock exchanges can also exercise the power to suspend trading during periods of market volatility. However, there can be no assurance that such actions will alleviate volatility-related problems in the long term.

The Indian Stock Exchanges have experienced problems which, if they were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements.

Any future issuance of Equity Shares may dilute your shareholding, and any future sales of our Equity Shares by our existing shareholders may adversely affect the trading price of our Equity Shares.

Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders from time to time may adversely affect the trading price of our Equity Shares and may lead to the dilution of your ownership interest in the Company. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Compliance with, and changes in, environmental, health and safety regulations may adversely affect our financial condition and results of operations.

We are subject to environmental and health and safety regulations in the ordinary course of our business, including governmental inspections, licenses and approvals of our project plans and projects during construction. Government bodies in India, at the national, state or local level, may take steps towards the adoption of more stringent environmental and health and safety regulations and we can not assure you that we will be at all times in full compliance with these regulatory requirements. Due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditure to comply with these regulatory requirements may vary substantially from those currently in effect. The costs of complying with current and future environmental, health and safety laws and regulations or any potential liabilities arising from any failure to comply therewith could adversely affect our business, financial condition and results of operations.

Restrictions on foreign direct investment in the real estate development industry may limit 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, subject to the conditions enumerated in Press Note No. 2 (2005 series). If we do not comply with such conditions, foreign investors may be precluded from investing funds into the Company, which may restrict our ability to raise funds and adversely affect our business, prospects, financial condition and results of operations. For further details of these policies, see the section titled "Regulations and Policies" beginning on page 84.

External factors such as natural disasters or attacks could adversely affect economic conditions in India, and could impact our financial results and prospects.

Natural disasters in India could have a negative impact on the Indian economy and cause our business to suffer. India has experienced significant natural disasters in recent years such as earthquakes, tsunami, flooding and drought. The extent, location and severity of these natural disasters determine their impact on the Indian economy and our business.

In addition, attacks such as the bomb blasts that occurred on August 25, 2003 and July 11, 2006 in Mumbai, the bomb blast that occurred in October 2004 in Northeast India, the World Trade Center attack on September 11, 2001 in the United States and the bomb blasts in London on July 7, 2005, as well as other acts of violence or war, including those involving India, the United States and other countries, may adversely affect India and worldwide financial markets. Such attacks also may result in a loss of business confidence generally which could have a material adverse effect on our business, results of operations, financial condition and the value of our Equity Shares.

We prepare our financial statements in accordance with Indian GAAP which differs in material respects from other accounting principles.

Our financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. The significant accounting policies applied in the preparation of our Indian GAAP financial statements are set forth in the notes to our financial statements included in this Red Herring Prospectus. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between these accounting principles and those with which they may be more familiar.

Governmental agencies in India may exercise rights of eminent domain in respect of our lands.

We, along with other real estate development firms in India, are subject to the risk that governmental agencies in India may exercise rights of eminent domain, or compulsory purchase, of our lands. The Land Acquisition Act, 1894 authorises the national, state and local governments in India to exercise rights of eminent domain, which could require us to relinquish our properties to the government with minimal compensation. The likelihood of such actions may increase in the event that the government seeks to acquire substantial blocks of land for the development of large infrastructure projects, such as roads, airports and railways. If we must relinquish any of our planned or ongoing development projects, it could adversely affect our business.

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 approval from the Government of India for the development, operation and maintenance of a SEZ project. We are required to obtain the concurrence of the respective state governments and the final approval of the Government of India in relation to the development of any SEZ. The SEZs will be eligible for the concessions and benefits under the SEZ legislation only after receipt of such approvals. However, we cannot guarantee that we will receive such approvals. In the event we are not granted the necessary approval(s), it may result in a material adverse effect on our business, results of operations and financial condition. Any change in the present regulatory framework or our inability to obtain final approval may adversely affect our proposed SEZ development plan.

For further details in relation to our SEZ plans, please see the section titled "Our Business-Proposed Expansion Opportunities-Special Economic Zones" on page 78 of this Red Herring Prospectus.

A downgrade of India's sovereign debt rating may adversely affect our ability to raise additional debt financing.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy, which are outside our control. Such downgrading could cause a change in interest rates or other commercial terms and could adversely affect our ability to raise additional financing as well as our capital expenditure plans, business and financial performance.

According to a report released by the RBI, India's foreign exchange reserves totalled approximately U.S.$ 204.0 billion as of May 18, 2007. A decline in this reserve could impact the valuation of the Indian rupee and could result in reduced liquidity and higher interest rates, which could adversely affect the availability of financing to us for our future projects.

An active trading market for our Equity Shares may not develop, which could diminish the value of our Equity Shares.

There has been no prior public market for our Equity Shares and an active trading market for the Equity Shares may not develop or be sustained after this Issue. The price at which our Equity Shares trade after this Issue may fall as a result of many factors, including but not limited to, volatility in the Indian and global capital markets, the results of our operations, the performance of our competitors, developments in the Indian real estate sector, changing perceptions in the market about investments in the Indian real estate sector, adverse media reports regarding 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 governmental policies, and changes in India's tax policies. In addition, we cannot assure investors that the price offered for our Equity Shares in connection with this Issue will correspond to the price at which the Equity Shares will trade in the Indian public market subsequent to this Issue.

You will not be able to immediately sell any of the Equity Shares purchased in this Issue on an Indian stock exchange.

Our Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' "demat" accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved. Until such time, as trading approvals are received from the BSE and the NSE you will not be able to sell any of the Equity Shares issued in the Issue.

Notes to Risk Factors:

- Public Issue of 29,700,000 Equity Shares of Rs. 10 each of Housing Development and Infrastructure Limited ("HDIL" or the "Company" or the "Issuer") for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) aggregating to Rs. [•] (the "Issue"). The Issue comprises a reservation of up to 600,000 Equity Shares for subscription by Eligible Employees (the "Employee Reservation Portion") and an issue to the public of 29,100,000 Equity Shares ("the Net Issue"). There will also be a green shoe option of up to 4,455,000 Equity Shares for cash at a price of Rs. [•] per Equity Share aggregating to Rs. [•] million (the "Green Shoe Option"). The Issue and the Green Shoe Option, if exercised in full, will aggregate to 34,155,000 Equity Shares amounting to Rs. [●]. The Net Issue will constitute 13.86 % of the fully diluted post Issue paid-up capital of the Company assuming that the Green Shoe Option is not exercised and 15.65% assuming that the Green Shoe Option is exercised in full.

- Under the terms of Rule 19(2) (b) of the Securities Contract Regulation Rules, 1957, the Issue will be made through a 100% book building process where at least 60% of the Net Issue will be allotted on a proportionate basis to QIBs. 5% of the QIB portion would be available for allocation to mutual funds only and the remaining QIB portion will be available for allocation to the QIB bidders including mutual funds, subject to valid bids being received at or above the Issue price. Further, up to 10% of the Net Issue will be available for allocation on a proportionate basis to Non–Institutional Bidders and up to 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue price.

- The net worth of the Company was Rs. 7,322.7 million as of March 31, 2007 as per our restated consolidated financial statements included in this Red Herring Prospectus.

- The net asset value per Equity Share was Rs. 40.7 as of March 31, 2007, as per our restated consolidated financial statements included in this Red Herring Prospectus.

- The average cost of acquisition (in rupees) of our Equity Shares by our Promoters is as follows:

  Mr. Rakesh Kumar Wadhawan – Rs. 2.65
  Mr. Sarang Wadhawan – Rs. 2.50
  Mr. Kapil Wadhawan – Rs. 2.50
  Mr. Dheeraj Wadhawan – Rs. 3.40

  For further details relating to the allotment of equity shares to our Promoters, Promoter Group and other entities please see the section titled "Capital Structure" on page 25 of this Red Herring Prospectus.

- For details of our related party transactions, please see "Related Party Transactions" on page 152 of this Red Herring Prospectus. The aggregate value of our related party transactions for fiscal 2007 is Rs. 1,758.7 million.

- Except as disclosed in the section titled "Capital Structure" on page 25 of this Red Herring Prospectus, we have not issued any shares for consideration other than cash.

- Our Promoters, our Directors and our key managerial personnel have no 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. For further details, see "Capital Structure" and "Our Management" on pages 25 and 102, respectively.

- Certain of our Promoter Group Companies have agreements with the Company in connection with their business. See "Related Party Transactions" on page 152 of this Red Herring Prospectus.

- Trading in Equity Shares of the Company for all investors shall be in dematerialised form only.

- Any clarification or information relating to the Issue shall be made available by the BRLMs and the Company to investors at large and no selective or additional information would be available for any subset of investors in any manner whatsoever. Investors may contact the BRLMs and the Syndicate Member for any complaints pertaining to the Issue.

- Investors may note that in case of over–subscription in the Issue, allotment to Qualified Institutional Bidders, Non–Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis. For more information, please refer to the section titled "Issue Structure" on page 276.

- Investors are advised to refer to the section titled "Basis for Issue Price" on page 44.

- The Company was incorporated as Housing Development and Improvement India Private Limited under the Companies Act, 1956 on July 25, 1996. On February 3, 2005, the Company was converted into a public limited company and on January 12, 2005, the name of the Company was changed pursuant to change in the status of the company from private to public limited company. On August 29, 2006, the name was changed to Housing Development and Infrastructure Limited. At the time of incorporation, the registered office address of the Company was Karim Mahal, St. Alexious Road, (Off. Perry Road), Bandra (West), Mumbai 400 050 which was changed on June 16, 1997 to Dheeraj Apartment., P.P. Dias Compound, Natwar Nagar, Road No. 1, W.E. Highway, Jogeshwari (E), Mumbai – 400 060. With effect from April 1, 2006 it was changed to 9–01, Dheeraj Arma, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai – 400 051, which is the present registered office of the Company.

SECTION III: INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

Overview

We are a real estate development company in India, with our significant operations in the Mumbai Metropolitan Region. Our business focuses on Real Estate Development, including construction and development of residential projects and, more recently, commercial and retail projects, Slum Rehabilitation and Development, including clearing slum land and rehousing slum dwellers, and Land Development, including development of infrastructure on land which we then sell to other property developers. We have an integrated in-house development team which covers all aspects of property development from project identification and inception through construction to completion and sale.

Since our incorporation in 1996, we have developed 24 projects covering approximately 11.3 million square feet of saleable area, including approximately 5.7 million square feet of land sold to other builders after Land Development, primarily in the Mumbai Metropolitan Region. We also have constructed an additional 2.0 million square feet of rehabilitation housing area under slum rehabilitation schemes.

Our residential projects generally are comprised of groups of apartments, towers or larger multi-purpose “township” projects in which individual housing units are sold to customers. Our commercial projects are a mix of office space and multiplex cinemas. Our retail projects focus on shopping malls. We usually follow a “build and sell” model for the properties we develop.

We also undertake slum rehabilitation projects under a Government scheme administered by the Slum Rehabilitation Authority (SRA), whereby developers are granted development rights in exchange for clearing and redeveloping slum lands, including providing replacement housing for the dislocated slum dwellers.

Although historically we have focused on real estate development in the Mumbai Metropolitan Region, as part of our growth strategy we are considering projects in other locations, including Kochi and Hyderabad. We also are considering expanding into hotel projects, special economic zone developments and “mega-structure” complexes, which are large-scale mixed-use retail, commercial and residential developments.

Our total land reserves are comprised of approximately 112.1 million square feet of saleable area to be developed through 32 Ongoing or Planned projects. We have 21 Ongoing Projects, which are projects under construction and development, aggregating to approximately 45.5 million square feet of saleable area, and we have an additional 11 Planned Projects, which are projects planned for construction and development in the future, aggregating approximately 66.6 million square feet of saleable area.

We are part of the Wadhawan Group (formerly known as the Dheeraj Group), which has been involved in real estate development in the Mumbai Metropolitan Region for almost three decades. As of May 31, 2007, the Wadhawan Group has developed (including our developments) approximately 73.2 million square feet of saleable area, which includes 13.7 million square feet of residential saleable area, 15.3 million square feet of commercial saleable area, 0.7 million square feet of retail, 35.6 million square feet of land development and 7.9 million square feet of saleable area under slum rehabilitation schemes, and additionally, has constructed approximately 5.5 million square feet of rehabilitation housing area under slum rehabilitation schemes. Our promoters are Rakesh Kumar Wadhawan, Sarang Wadhawan, Kapil Wadhawan, and Dheeraj Wadhawan, who, together with the rest of the Promoter Group, held 73.2% of our outstanding share capital as of May 31, 2007.

Our turnover from sales of projects, developed land and land development rights for the financial years ended March 31, 2007, 2006, 2005 and 2004 were Rs. 12,041.92 million, Rs. 4,348.6 million, Rs. 649.3 million and Rs. 58.2 million, respectively, and our restated profit after tax for the financial years ended March 31, 2007, 2006 and 2005 were Rs. 5,481.7 million, Rs. 1,172.9 million and Rs. 145.8 million, respectively. In financial year 2004, we incurred a loss of Rs. 4.0 million.

Competitive Strengths

We believe that the following are our primary competitive strengths:

Land Reserves in the Mumbai Metropolitan Region

We continually identify and acquire land or land development rights. Our Land Reserves consist of saleable areas of land to which we have, or are in the process of acquiring, title or development rights either directly, or through acquisition agreements or letters of intent, or through memoranda of understanding. As of May 31, 2007, we had approximately 112.1 million square feet of Land Reserves, which included approximately 45.5 million square feet of saleable area for our Ongoing Projects and approximately 66.6 million square feet of saleable area for our Planned Projects.

Approximately 92.8 million square feet, or 82.8% of our Land Reserves are in the Mumbai Metropolitan Region, which is the commercial capital of India and an important real estate market. We believe that our experience in building up our Land Reserves at a competitive cost is a significant advantage to us as we seek to expand our business.

In-House Development Capabilities and Project Execution Skills

We have established a detailed internal system for project development, implementation and monitoring to ensure proper identification and acquisition of potential project sites, effective and organized design and planning procedures, and efficient procurement, construction and other execution processes in order to complete projects on time and within budget. We believe these systems facilitate efficient operations and ensure consistent quality across all of our projects, thereby shortening project timelines and allowing us to successfully execute complex projects. Our teams have developed relationships with, and have extensive experience in working with regulatory authorities, as well as managing our external suppliers and third party contractors. We believe these systems also facilitate our ability to anticipate project requirements and to develop new types of structures.

Experienced and Established Participant in Slum Rehabilitation Schemes

We are an established developer in the market for slum rehabilitation, which primarily involves construction of residential buildings for slum dwellers and clearing public and private land for development of residential, commercial, retail and infrastructure purposes. Our team has extensive experience in identifying appropriate slum rehabilitation projects as well as working with the government authorities who regulate these projects, issue necessary permits and approvals and monitor the quality of replacement housing we build for slum dwellers. We believe we have established a reputation with slum dwellers for fair and efficient execution of such projects that has enhanced our ability to obtain their consent to our rehabilitation projects and successfully execute such projects, thereby facilitating our growth in this segment of the real estate market in the Mumbai Metropolitan Region.

Established Reputation for Quality Projects and Construction

Since our incorporation in 1996, we have successfully completed 24 projects comprised of approximately 11.3 million square feet of saleable area. We have never experienced any significant quality issues nor have we ever been cited for any material deficiencies in construction of our projects. We believe customers identify our projects with quality construction and, as a result, we enjoy customer confidence, enhancing our ability to sell our projects. In addition, we believe being part of the Wadhawan Group, which has been involved in property development in the Mumbai Metropolitan Region for almost three decades, enhances buyers' positive perceptions of our projects. As a result, we believe our projects appeal to a large cross section of the Indian population, including the growing middle class market for residential properties.

Experienced Management and Employees

Our management team has significant experience in the real estate sector and our staff of professionals cover a variety of disciplines, including architecture, engineering, project supervision, accounting, marketing and sales. Our management and professional personnel have extensive experience in anticipating market trends, identifying new markets and potential sites for development and acquiring land and development rights, as well as in the design, engineering, construction, supervision and marketing of projects. Their experience includes relationships with the suppliers from whom we source construction materials and the contractors we engage for construction services, allowing us to better manage the quality, schedule and cost of the materials and construction in our projects.

We believe our record in constructing and developing projects in the Mumbai Metropolitan Region gives us special expertise with respect to developing projects in and around the region, particularly with respect to working with relevant regulatory authorities and managing legal and regulatory requirements and processes. We believe that this experience and expertise will enable us to replicate our business model in other geographic areas of India and for other types of projects.

Our Strategy

The key elements of our business strategy are as follows:

Continued Expansion of Land Reserves

We believe that continuing to acquire additional land and land development rights in strategic locations at a competitive cost is critical to our ability to develop successful projects. We focus our acquisition efforts on lands where we can develop large saleable areas and maximise our returns in relation to the cost and time required to develop and sell a project. We intend to enhance our Land Reserves through executing slum rehabilitation projects, entering into joint development agreements or partnerships for the development of properties and through the acquisition of land, not only in the Mumbai Metropolitan Region, but also in other geographic areas of India, such as Palghar, Kochi and Hyderabad.

Portfolio Diversification

In addition to our core strengths in developing residential, commercial and retail projects, and projects under slum rehabilitation schemes and in land development, we intend to expand the types of projects we undertake to include hotels, special economic zone developments and "mega-structure" complexes, which are large-scale mixed-use retail, commercial and residential developments like our "Dreams" development in Bhandup, north of the central Mumbai Metropolitan Region. We believe that such diversification will allow us to take advantage of new trends and opportunities in the Indian market whilst simultaneously helping to mitigate the risks of being too concentrated in certain segments of the real estate sector.

Geographic Expansion

Although we are primarily focused on the real estate market in the Mumbai Metropolitan Region, India's growing economy and population present real estate development opportunities throughout the country. We are developing multi-use residential/retail projects in Palghar, Kochi and Hyderabad. We will continue to seek strategic development opportunities either on our own or jointly with third parties as they arise and believe that our experience in the Mumbai Metropolitan Region will translate well in other parts of the country. Geographic expansion also will enable us to grow the overall size of our operations.

Enhance Our Slum Rehabilitation Business

We engage, and have established a market presence, in slum rehabilitation projects that involve clearing slum lands owned by the Government or private parties, rehousing affected slum dwellers and redeveloping the cleared land for projects or for other infrastructure purposes such as roadway expansions. Land occupied by slum dwellers constitutes a significant portion of developable land in the Mumbai Metropolitan Region and rehabilitation projects therefore provide significant opportunities for real estate development in attractive locations. Rehabilitation projects give developers access to these areas for, in effect, the cost of clearing the slum and providing replacement housing for the affected slum dwellers.

The developer is compensated with land development rights that can be used for construction and development of projects either at the cleared area or otherwise anywhere in the Mumbai Metropolitan Region north of the area being rehabilitated. These transferable development rights (TDRs) can represent significant value to a developer because they permit construction of additional amounts of square footage of saleable area in areas of the Mumbai Metropolitan Region where the developer otherwise would not be permitted to build beyond a certain amount of saleable area. Alternatively, the developer can sell TDRs in the real estate market, which can improve the liquidity position of the developer.

SUMMARY FINANCIAL INFORMATION

The selected historical restated consolidated summary financial information presented below as at and for the financial years ended March 31, 2003, 2004, 2005, 2006 and 2007 has been prepared in accordance with Indian GAAP and should be read together with the Auditors' Reports and the consolidated financial statements and notes thereto contained in this Red Herring Prospectus and the sections entitled "Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Our Business" on page 154, 217, and 60 respectively, of this Red Herring Prospectus. The summary consolidated financial information presented below does not purport to project our results of operation or financial condition. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve months ending March 31 of that year.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. in Million

Particulars	As at March 31,				
	2007	**2006**	**2005**	**2004**	**2003**
Fixed Assets – A					
Gross Block	266.67	62.94	36.66	33.47	14.91
Less: Depreciation	15.93	8.35	3.84	2.37	1.46
Net Block	250.74	54.59	32.82	31.10	13.45
Capital Work in Progress	3.46	10.34	-	-	-
Goodwill	22.98	28.77	-	-	-
Total - A	**277.18**	**93.70**	**32.82**	**31.10**	**13.45**
Investments – B	**1,577.55**	**1,087.81**	**576.55**	**326.49**	**80.14**
Deferred Tax Assets – C	**0.61**	**-**	**-**	**-**	**-**
Current assets, Loans and advances – D					
Inventory	13,244.79	4,769.11	2,391.80	1,638.54	431.01
Sundry Debtors	3,113.12	782.00	6.89	2.61	4.57
Cash and Bank Balances	57.06	439.61	19.27	5.57	18.99
Loans and Advances	1,405.93	839.15	341.44	38.76	240.49
Total – D	**17,820.90**	**6,829.87**	**2,759.40**	**1,685.48**	**695.06**
Total Assets (A+B+C+D) = E	**19,676.24**	**8,011.38**	**3,368.77**	**2,043.07**	**788.65**
Liabilities and Provisions – F					
Secured Loans	3,756.85	1,964.64	403.10	7.12	659.82
Unsecured Loans	-	-	510.75	-	-
Deferred Tax Liabilities	8.28	4.53	2.75	-	-
Minority Interest	-	0.31	-	-	-
Current Liabilities	7,918.50	4,090.43	1,717.72	2,051.13	140.01
Provisions for tax	666.40	97.96	23.59	(0.30)	(0.20)
Provisions for retirement benefits to employees	3.52	1.71	0.07	0.13	0.07
Total –F	**12,353.56**	**6,159.58**	**2,657.98**	**2,058.08**	**799.70**
Net Worth (E-F)	**7,322.68**	**1,851.80**	**710.79**	**(15.01)**	**(11.05)**
Net Worth represented by					
Share Capital	**1,800.00**	**500.00**	**100.00**	**20.00**	**20.00**
Reserve and Surplus	5,541.94	1,365.98	610.79	(35.00)	(31.04)
Total	**7,341.94**	**1,865.98**	**710.79**	**(15.00)**	**(11.04)**
Less: Miscellaneous Expenditure	19.26	14.18	-	0.01	0.01
(to the extent not written off or adjusted)					
Net Worth	**7,322.68**	**1,851.80**	**710.79**	**(15.01)**	**(11.05)**

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

Rs. in Million

Particulars	For the year ended March 31,				
	2007	**2006**	**2005**	**2004**	**2003**
INCOME					
Turnover	12,041.92	4,348.57	649.34	58.16	99.09
Other income	205.99	185.72	99.66	15.69	5.53
Increase/(Decrease) in stock in trade	113.75	104.56	(1.46)	24.37	(1.84)
Increase/(Decrease) in work in progress	8,361.94	2,066.10	754.72	1,502.35	234.29
Cost of premises capitalised as investment	85.30	0.63	373.59	-	-
Cost of premises capitalized on fixed assets	155.32	-	-	14.40	-
Total	**20,964.22**	**6,705.58**	**1,875.85**	**1,614.97**	**337.07**
EXPENDITURE					
Purchases	11,286.67	4,038.90	1,213.30	1,251.92	108.21
Operating and other expenses	2,555.76	1,032.37	261.96	210.26	214.37
Employees remuneration and welfare expenses	84.76	18.85	9.67	3.25	1.66
Administrative expenses	226.32	88.09	50.16	8.77	7.08
Financial Expenses	546.33	176.26	166.11	143.76	33.89
Depreciation	7.57	2.82	1.47	0.91	0.49
Preliminary expenses written off	5.70	3.55	-	-	-
Total	**14,713.11**	**5,360.84**	**1,702.67**	**1,618.87**	**365.70**
Operating profit before tax	**6,251.11**	**1,344.74**	**173.18**	**(3.90)**	**(28.63)**
Less: Provision for taxation	768.34	169.91	24.70	-	-
Less: Provision for fringe benefit tax	2.03	1.30	-	-	-
Less: Deferred tax liability / (asset)	3.14	1.63	2.75	-	-
(Add) / Less : (Excess) / short provision for taxation no longer required	(2.41)	(2.64)	-	-	0.01
Operating profit after tax	**5,480.01**	**1,174.54**	**145.73**	**(3.90)**	**(28.64)**
(Add) / Less: Adjustments for changes in accounting policy or any audit qualification.	(1.71)	1.64	(0.06)	0.06	-
Restated profit after tax	**5,481.72**	**1,172.90**	**145.79**	**(3.96)**	**(28.64)**
Balance brought forward from previous year	1,035.00	118.24	(35.00)	(31.04)	(2.40)
Profit available for appropriation	**6,516.72**	**1,291.14**	**110.79**	**(35.00)**	**(31.04)**
APPROPRIATIONS					
Less: Transfer to General reserve	629.88	230.98	-	-	-
Less: Utilised for issue of bonus shares	980.00	-	-	-	-
Profit before minority interest	**4,906.84**	**1,060.16**	**110.79**	**(35.00)**	**(31.04)**
Less: minority interest	-	0.21	-	-	-
Less: pre-acquisition profit	-	24.95	-	-	-
Less: goodwill written off	5.75	-	-	-	-
Profit carried to Balance Sheet	**4,901.09**	**1,035.00**	**110.79**	**(35.00)**	**(31.04)**

CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

Rs. in Million

Particulars	For the year ended March 31,				
	2007	2006	2005	2004	2003
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and appropriations	6,251.11	1344.74	173.18	(3.90)	(28.63)
Adjustments for:					
Depreciation	7.57	2.82	1.47	0.91	0.49
Profit on sale of Investments	(72.95)	(24.15)	-	-	-
Loss on sale of Fixed Assets	-	0.10	-	-	-
Preliminary expenses written off	5.70	3.55	-	-	-
Interest expense	39.92	101.39	1.00	1.04	1.19
Interest received	-	-	(0.02)	-	(0.02)
Dividend Income	-	(4.01)	(0.08)	(0.08)	-
Operating profit before working capital changes	**6,231.35**	**1,424.44**	**175.55**	**(2.03)**	**(26.97)**
Adjustments for :					
(Increase)/Decrease in sundry debtors	(2,331.11)	(772.51)	(4.28)	1.96	4.02
(Increase)/Decrease in Loans and advances	(566.60)	41.44	(302.68)	201.73	(214.61)
(Increase)/Decrease in Inventories	(8,475.69)	(2,170.66)	(753.26)	(1,207.53)	(232.45)
Increase/(Decrease) in Current liabilities	3831.57	2,233.21	(333.41)	1911.12	5.34
Cash generated from / (used in) Operations	(1310.48)	755.92	(1,218.08)	905.25	(464.67)
Tax paid	199.68	(91.51)	(0.81)	(0.11)	0.05
Net cash from / (used in) operating activities	(1,510.16)	664.41	(1,218.89)	905.14	(464.62)
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed assets	(203.73)	(18.90)	(3.19)	(18.56)	(4.53)
Sale / (Purchase) of Investments	(420.40)	(496.99)	(250.05)	(246.35)	37.25
Interest received		-	0.02	-	0.02
Outflow in capital work in progress	6.88	(10.34)	-	-	-
Dividend Income	3.34	4.01	0.08	0.08	-
Exceptional Items- Goodwill		(28.77)	-	-	-
Net cash from/(used in)					
Investing activities	(613.91)	(550.99)	(253.14)	(264.83)	32.74
C. CASH FLOW FROM FINANCING ACTIVITIES					
Interest expenses	(39.92)	(101.39)	(1.00)	(1.04))	(1.19)
Increase/(Decrease) in secured loans	1792.20	1,561.54	395.98	(652.70)	447.68
Increase/(Decrease) in unsecured loans	-	(1,166.69)	510.75	-	-
Expenses towards increase in share capital	(10.78)	(17.73)	-	-	-
Further Issue of Shares	-	-	80.00	-	-
Security Premium	-	-	500.00	-	-
Net cash from / (used in) Financing activities	1,741.50	275.73	1,485.73	(653.74)	446.49
Net increase/(decrease) in cash and cash equivalents	(382.55)	389.15	13.70	(13.42)	14.61
Cash and cash equivalents as at the beginning of the period/year	439.61	50.46	5.57	18.99	4.38
Cash and cash equivalents as at the end of the period/year	57.06	439.61	19.27	5.57	18.99

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 bracket.

THE ISSUE

Issue of Equity Shares	29,700,000 Equity Shares
of which	
Employee Reservation Portion	600,000 Equity Shares *
Net Issue	29,100,000 Equity Shares
Of which:	
Qualified Institutional Buyers (QIBs) Portion	At least 17,460,000 Equity Shares*
of which	
Available for Mutual Funds only	873,000 Equity Shares*
Balance of QIB Portion (available for QIBs including Mutual Funds)	16, 587,000 Equity Shares*
Non-Institutional Portion	2,910,000 Equity Shares*
Retail Portion	8,730,000 Equity Shares*
Green Shoe Option Portion[1]	Up to 4,455,000 Equity Shares
The Issue and Green Shoe Option Portion	Up to 34,155,000 Equity Shares
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	180,300,000 Equity Shares
Equity Shares outstanding after the Issue (excluding the exercise of the Green Shoe Option)	210,000,000 Equity Shares
Equity Shares outstanding after the Issue (including the exercise of the Green Shoe Option in full)	214,455,000 Equity Shares

Use of Issue Proceeds

See “Objects of the Issue” on page 38 of this Red Herring Prospectus for information about the use of the Issue Proceeds.

1 The Green Shoe Option will be exercised at the discretion of the BRLMs and us only with respect to the Loaned Shares for which purpose the Green Shoe Lender has agreed to lend up to 4,455,000 Equity Shares. For further details, see the section “Green Shoe Option” on page 9 of the Red Herring Prospectus.

* *Allocation shall be made on a proportionate basis.*

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 January 27, 2007 have authorized the Green Shoe Option.

Enam Financial Consultants 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.

Mr. Rakesh Kumar Wadhawan, 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) On the Pricing Date, the BRLMs, in consultation with us, the Green Shoe Lender and the Stabilising Agent, shall take a decision relating to the exercise of the Green Shoe Option.

   (ii) In the event, it is decided that the Green Shoe Option shall be exercised, 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 Company, 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 Green Shoe 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 Housing Development and Infrastructure 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 Housing Development and Infrastructure 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 which shall be lent prior to allotment;

(v) Transfer funds from the GSO Bank Account to us within a period of three working days of close of the Stabilisation Period.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) To submit daily reports to the Stock Exchanges during the Stabilisation Period and to submit a final report to SEBI.

(x) To maintain a register of its activities and retain the register for three years.

(xi) 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.

GENERAL INFORMATION

Our Company was originally incorporated as Housing Development and Improvement India Private Limited on July 25, 1996. The status of our Company was changed to a public limited company by a special resolution of the members passed at the Extraordinary General Meeting held on January 12, 2005. The fresh certificate of incorporation consequent to the change of name was granted to our Company on February 3, 2005, by the Assistant Registrar of Companies, Maharashtra, Mumbai. The name of the Company was again changed to Housing Development and Infrastructure Limited by a special resolution of the members passed at the Extraordinary General Meeting held on August 7, 2006. The fresh certificate of incorporation consequent to the change of name was granted to our Company on August 29, 2006, by the Deputy Registrar of Companies, Maharashtra. For details of the change in our name and registered office, please refer to "History and Corporate Structure" on page 95 of this Red Herring Prospectus.

Registered and Corporate Office of our Company

9-01, Dheeraj Arma
Anant Kanekar Marg
Bandra (East)
Mumbai 400 051
Tel: (91 22) 2658 3500
Fax: (91 22) 2658 3535
Website: www.hdil.in
Registration Number: *11- 101379*
Company Identification Number: *U70100MH1996PLC101379*

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra, Mumbai situated at the following address:

Registrar of Companies Maharashtra
Everest, 100 Marine Drive
Mumbai 400 002
Tel.: (91 22) 2281 2639

Board of Directors

Our Board comprises the following:

Name, Designation and Occupation	Age (years)	Address
Mr. Rakesh Kumar Wadhawan **Chairman** Non Executive Non Independent Director *Business*	54	22-23, Sea View Palace, 48, Pali Hill, Bandra (West), Mumbai 400 050
Mr. Sarang Wadhawan **Managing Director** Executive Director *Business*	30	22-23, Sea View Palace, 48, Pali Hill, Bandra (West), Mumbai 400 050

Name, Designation and Occupation	Age (years)	Address
Mr. Kapil Wadhawan Non Executive Non Independent Director *Business*	33	22-23, Sea View Palace, 48, Pali Hill, Bandra (West), Mumbai 400 050
Mr. Dheeraj Wadhawan Non Executive Non Independent Director *Business*	28	22-23, Sea View Palace, 48, Pali Hill, Bandra (West), Mumbai 400 050
Mr. Waryam Singh Non Executive Non Independent Director *Business (Former Chairman Punjab and Maharashtra Cooperative Bank Limited)*	55	1401, Stellar Tower, Lokhandwala Complex, Andheri(W), Mumbai 400053
Mr. Ashok Kumar Gupta Independent Director *Professional*	57	401, Dheeraj Dhan, St. Alexious Road, Bandra (W), Mumbai 400050
Mr. Satya Pal Talwar Independent Director *Former Deputy Governor, Reserve Bank of India*	67	162, Kshitij, 16th Floor, 47 Napeansea Road, Mumbai 400036
Mr. Shyam Sunder Dawra Independent Director *Retired IAS Officer* *Former Secretary, Department of Personnel and Training, Government of India*	63	D-5/13, Second Floor, Vasant Vihar, New Delhi 110 057
Mr. Lalit Mohan Mehta Independent Director *Retired IAS Officer* *Former Secretary, Ministry of Urban Development, Government of India*	63	1551 (G.F.), Sector-38–B, Chandigarh
Mr. Sunil Behari Mathur Independent Director	62	A-20, Geetanjali Enclave, New Delhi 110 017

Name, Designation and Occupation	Age (years)	Address
Former Chairman, Life Insurance Corporation of India		
Mr. Surinder Kumar Soni Independent Director *Former Chairman, Oriental Bank of Commerce*	70	D-15, Enclave-II, Greater Kailash- II, New Delhi 110048
Mr. Joseph Pattathu Non Executive Non Independent Director *Business*	35	Sunder Nagar Cooperative Housing Society, House No. 100 CST Road, Kalina, Santa Cruz (E), Mumbai 400 029

For further details of our Directors, see the section titled "Our Management" on page 102 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Amitabh Verma. His contact details are as follows:

Mr. Amitabh Verma
9-01, Dheeraj Arma
Anant Kanekar Marg
Bandra (East)
Mumbai 400 051
Tel: (91 22) 2658 3500
Fax: (91 22) 2658 3535
Email: compliance.officer@hdil.in

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

Global Co-ordinators and Book Running Lead Managers

Kotak Mahindra Capital Company Limited
3rd floor, Bakhtawar,
229 Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: hdil.ipo@kotak.com
Redressal: kmccredressal@kotak.com
Contact Person: Mr. Chandrakant Bhole
Website: www.kotak.com

Enam Financial Consultants Private Limited
801, Dalamal Tower, Nariman Point
Mumbai 400 021
Tel: + 91 22 6638 1800
Fax: + 91 22 2284 6824
Email: hdl.ipo@enam.com
Redressal: complaints@enam.com
Contact Person: Ms. Kinjal Palan
Website: www.enam.com

Co-Book Running Lead Manager

ICICI Securities Primary Dealership Limited
ICICI Centre
H.T. Parekh Marg
Mumbai 400 020
Tel: (91 22) 2288 2460
Fax: (91 22) 2282 6580
Email: hdil.ipo@isecltd.com
Redressal: hdil.ipo@isecltd.com
Website: www.icicisecurities.com
Contact Person: Mr. Anuj Bhargav

Syndicate Members

Kotak Securities Limited
1st Floor, Bakhtawar, 229,
Nariman Point, Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 6634 3927
Email: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Mr. Umesh Gupta

Enam Securities Private Limited
Khatau Building, 2nd Floor
44B Bank Street, Off Shaheed Bhagat Singh Road
Fort, Mumbai 400 023
Tel: (91 22) 2267 7901
Fax: (91 22) 2266 5613
Email: hdl.ipo@enam.com
Website: www.enam.com
Contact Person: Mr. M. Natarajan

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai 400 020
Tel: (91 22) 2288 2460
Fax: (91 22) 2283 7045
Email: anil_mokashi@isecltd.com
Website: www.icicisecurities.com
Contact Person: Mr. Anil Mokashi

Financial Advisor to the Company

B.M. Chaturvedi Financial and Strategic Services Private Limited
32, Jolly Maker Chamber II
Nariman Point
Mumbai 400 021
Tel: (91 22) 2285 4274
Fax: (91 22) 2283 6075

Legal Advisors

Domestic Legal Counsel to the Underwriters
Amarchand & Mangaldas & Suresh A. Shroff & Co.
5th Floor, Peninsula Chambers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Domestic Legal Counsel to the Company
Hariani & Company
Ali Chambers, Ground Floor
Homi Mody 2nd Cross Lane
Fort, Mumbai 400 023
Tel: (91 22) 6635 6723
Fax: (91 22) 2265 6823

Domestic Legal Advisor to the Company
Markand Gandhi & Company
Bhagodaya,
Nagindas Master Road,
Fort, Mumbai 400 001
Tel : (91 22) 2261 2668
Fax : (91 22) 2267 0907

International Legal Counsel to the Underwriters
Milbank, Tweed, Hadley & McCloy LLP
10 Gresham Street
London EC2V 7JD
United Kingdom
Tel: (44 20) 7615 3000
Fax: (44 20) 7615 3100

Expert to the Company for the Issue (in relation to land in Vasai-Virar)

Shah Gattani Consultants, Architects & Engineers
103, Lucky Palace
Vasai (West), Thane 401202
Tel: (91 250) 2350001
Fax: (91 250) 2350003
Email: shahgattani@yahoo.co.in
Contact Person: Mr. Divesh Shah

Mr. K B Kumare, Advocate
A/101, 1st Floor, Madhupuri Complex
Opp. Panchal Nagar, Next to Priya Hotel
Navghar, Vasai Road (West) 401 202
Tel: (91 250) 2343708
Fax: (91 250) 233 4192
Email: k_bkumare@yahoo.com
Contact Person: Mr. K B Kumare

Expert to the Company for the Issue (in relation to saleable area of the Ongoing and Planned Projects)

Messrs Nimesh Mehta and Associates, Architects
A/3, Vinayak, 1st Floor
Kamala Nehru X Road No. 3
Kandivali (West), Mumbai 400 067
Tel: (91 22) 28076507
Fax: (91 22)28054703
Email: nmmehta@yahoo.co.in

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17 to 24
Vittalrao Nagar, Madhapur
Hyderabad 500 081
Tel: (91 40) 2343 1553
Fax: (91 40) 2343 1551
E-mail:einwards.ris@karvy.com
Website: www.karvy.com
Contact Person: Mr. Murali Krishna

Bankers to the Issue and Escrow Collection Banks

ABN AMRO Bank N.V.
Brady House,
Veer Nariman Road,
Fort,
Mumbai 400 001.
Tel: (91 22) 66585858
Fax: (91 22) 22873042
Contact Person: Mr. Neeraj Chhabra

HDFC Bank Limited
Process House, 2nd Floor,
Kamala Mills Compund,
Senapati Bapat Mrg,
Lower Parel,
Mumbai 400 013.
Tel: (91 22) 2498 8484
Fax: (91 22) 2496 3871
Contact Person: Mr. Rahul Sampat

Hongkong and Shanghai Banking Corporation Limited
52/60 Mahatma Gandhi Road,
Mumbai 400 013.
Tel: (91 22) 2268 1721
Fax: (91 22) 2267 4921
Contact Person: Mr. Viraf Karanjia

ICICI Bank Limited
30, Mumbai Samachar Marg,
Raja Bahadur Mansion,
Fort,
Mumbai 400 001
Tel: (91 22) 2265 5207
Fax: (91 22) 2265 5285
Contact Person: Mr. Sidharta Sankar Routray

Kotak Mahindra Bank Limited
13th Floor, Nariman Bhavan
Nariman Point,
Mumbai 400 021
Tel: (91 22) 6659 6457
Fax: (91 22) 6659 6022
Contact Person: Mr. Tushar Trivedi

Standard Chartered Bank
90, Mahatma Gandhi Road,
Mumbai 400 013.
Tel: (91 22) 2266 3294
Fax: (91 22) 2269 6925
Contact Person: Mr. Chaitanya Sampat

Union Bank of India
Union Bank Bhavan, 9th Floor,
239, Vidhan Bhavan Marg,
Nariman Point,
Mumbai 400 021.
Tel: (91 22) 2289 6319
Fax: (91 22) 2289 6322
Contact Person: Mr. Satyajit Mohanty

Bankers to the Company

Indian Bank
United India Building
Sir P.M. Road, Fort
Mumbai 400 001
Tel: (91 22) 2203 5571
Fax: (91 22) 2266 0769/2265 8975

Bank of India
Corporative Banking Branch
1st Floor, M.D.I. Building
28 S.V. Road, Andheri
Mumbai 400 0058
Tel: (91 22) 2670 2346
Fax: (91 22) 2624 7655

Syndicate Bank
Syndicate Bank Building
26A, Sir P.M. Road
Fort, Mumbai 400 001
Tel: (91 22) 2261 6316
Fax: (91 22) 2262 6619

Indian Overseas Bank
New Marine Lines Branch
1st Floor, Maker Bhavan No-2
New Marine Lines
Mumbai 400 020
Tel: (91 22) 2201 2528
Fax: (91 22) 2203 5571

Punjab National Bank
Maker Tower (E)
Ground Floor, Cuffe Parade
Churchgate
Mumbai 400 005
Tel: (91 22) 2215 3290
Fax: (91 22) 2215 2190

HDFC Bank
HDFC Bank House
Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Tel: (91 22) 2491 1857
Fax: (91 22) 2490 4908

Punjab & Maharashtra Co operative Bank Limited
204, Shankar Sadan
Opposite Mata Laxmi Hospital
Sion (E), Mumbai 400 022
Tel: (91 22) 2401 4190
Fax: (91 22) 2401 7820

Auditors to the Company

Thar & Co., Chartered Accountants
201, Capri
Anant Kanekar Marg
Station Road, Bandra (East)
Mumbai 400 051
Tel: (91 22) 28197676, 28146203,04
Fax: (91 22) 2819 7676
Email: jrthar@hotmail.com
Contact Person: Mr. Jayesh Thar

Monitoring Agent

Industrial Development Bank of India Limited
IDBI Towers,
WTC Complex,
Cuffe Parade,
Mumbai 400 005
Tel: (91 22) 66553355
Fax: (91 22) 22181294
Contact Person: Mr. Rajeev Kumar

Inter Se Allocation of Responsibilities between the BRLMs

The responsibilities and co-ordination for various activities in this Issue are as follows:

Sr. No	Activities	Responsibility	Co-ordinator
1.	Capital structuring with relative components and formalities such as type of instrument etc.	KMCC, ENAM	KMCC
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).	KMCC, ENAM	KMCC

Sr. No	Activities	Responsibility	Co-ordinator
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	KMCC, ENAM	ENAM
4.	Preparation and finalization of the road-show presentation; Preparation of FAQs for the road-show team	KMCC, ENAM	ENAM
5.	Appointment of Printer(s) and Advertising Agency	KMCC, ENAM	KMCC
6.	Appointment of Registrar(s) and Banker(s) to the Issue	KMCC, ENAM	ENAM
7.	Domestic institutional marketing including banks/ mutual funds marketing strategy: finalise the list and division of investors for one to one meetings Finalizing road show schedule and investor meeting schedules.	KMCC, ENAM	KMCC
8.	International institutional marketing strategy; finalise the list and division of investors for one to one meetings Finalizing road show schedule and investor meeting schedules.	KMCC, ENAM	ENAM
9.	Retail / Non Institutional marketing strategy • Finalise centers for holding conference for brokers etc. • Finalise media, marketing & PR Strategy • Follow up on distribution of publicity and issue materials including form, prospectus and deciding on the quantum of the Issue material • Finalise bidding centers	KMCC, ENAM, I-Sec	KMCC
10.	Pricing and managing the book	KMCC, ENAM	ENAM
11.	Coordination with Stock-Exchanges for book building software, bidding terminals etc.	KMCC, ENAM	KMCC
12.	The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc	KMCC, ENAM	ENAM
13.	The Post Issue activities for the Issue will involve essential follow up steps, which include the finalisation of basis of allotment, dispatch of refunds, demat of delivery of shares, finalisation of listing and trading of instruments with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue. (The merchant bankers shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the Company)	KMCC, ENAM	ENAM
14.	Stabilisation as per the Green Shoe Option	KMCC, ENAM	ENAM

Even if any of these activities are handled by other intermediaries, the designated BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with the Company.

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for this Issue.

IPO Grading

We have not opted for the grading of this Issue from a credit rating agency.

Trustee

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

Project Appraisal

There is no project being appraised.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- BRLMs;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;
- Registrar to the Issue; and
- Escrow Collection Banks.

In accordance with Rule 19 (2) (b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and 30% of the Net Issue will 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 600,000 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.

In accordance with the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay at least 10% of the Bid

Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, please refer to the section "Terms of the Issue" on page 273 of this Red Herring Prospectus.

We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI Guidelines is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

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

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

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

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (see section titled "Issue Procedure - Who Can Bid?" on page 280 of this Red Herring Prospectus);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid cum Application Form (see the section titled "Issue Procedure – Permanent Account Number or PAN" on page 297 of this Red Herring Prospectus);

    - Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form; and

    - Bids by QIBs will only have to be submitted to the BRLMs.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason therefore.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	**June 28, 2007**
BID/ISSUE CLOSES ON	**July 3, 2007**

Bids and any revision in Bids will be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned in the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees Bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days.Bids will be accepted only on Business Days.

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

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

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs and the CBRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●].

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 the RoC

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Million)
Kotak Mahindra Capital Company Limited 1st floor, Bakhtawar, 229 Nariman Point Mumbai India 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517	[●]	[●]
Enam Financial Consultants Private Limited 801, Dalamal Tower, Nariman Point Mumbai 400 021 Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824	[●]	[●]
ICICI Securities Primary Dealership Limited ICICI Centre H.T. Parekh Marg Mumbai 400 020 Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580	[●]	[●]
Kotak Securities Limited 1st Floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 6634 3927	[●]	[●]
Enam Securities Limited Khatau Building, 2nd Floor 44B Bank Street Fort, Mumbai 400 023 Tel: (91 22) 2267 7901 Fax: (91 22) 2266 5613	[●]	[●]

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Million)
ICICI Securities Limited ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020, India Tel: (91 22) 2288 2460 Fax: (91 22) 2283 7045	[●]	[●]

The abovementioned is indicative underwriting and this would be finalized after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors / Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this Red Herring Prospectus, is set forth below:

in Rs. Million (except share data)

		Aggregate Nominal Value	Aggregate Value at Issue Price
A.	**Authorised Share Capital**		
	250,000,000 Equity Shares of Rs. 10 each	2,500	
B.	**Issued, Subscribed and Paid-Up Equity Share Capital before the Issue**		
	180,300,000 Equity Shares of Rs. 10 each	1,803	
C.	**Issue pursuant to this Red Herring Prospectus**		
	29,700,000 Equity Shares of Rs. 10 each	297	[●]
D.	**Employee Reservation Portion**		
	Up to 600,000 Equity Shares of Rs. 10 each	6	[●]
E.	**Net Issue to the Public**		
	29,100,000 Equity Shares of Rs. 10 each	291	[●]
F.	**Green Shoe Option**		
	Up to 4,455,000 Equity Shares of Rs. 10 each	45	[●]
G.	**Equity Share capital after the Issue**		
	210,000,000 Equity Shares of Rs. 10 each (excluding the Green Shoe Option)	2,100	
	214,455,000 Equity Shares of Rs. 10 each (including the Green Shoe Option)	2,145	
H.	**Share Premium Account**		
	Before the Issue	147	
	After the Issue	[●]	

The Issue and the Green Shoe Option has been authorised by the Board of Directors in their meeting on December 19, 2006 and further amended by the Board of Directors in their meeting held on January 23, 2007. The Issue and the Green Shoe Option has been authorised by the shareholders of our Company at an EGM held on January 27, 2007.

The DIPP has by its letter no. 5(6)2000-FC (Pt.File) dated January 22, 2007 clarified to us that 'guidelines notified vide Press Note 2 (2005 Series) are applicable to investment made only under the FDI route and not applicable to investment by FIIs under the Portfolio Investment Scheme under the FEMA Regulations.'

The RBI by its letter dated June 1, 2007 has confirmed that FIIs are permitted to subscribe to equity shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in this Issue.

Changes in Authorised Share Capital

1. The initial authorised share capital of Rs. 2,500,000 divided into 250,000 equity shares of Rs. 10 each was increased to Rs. 20,000,000 divided into 2,000,000 equity shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on April 23, 1998.

2. The authorised share capital of Rs. 20,000,000 divided into 2,000,000 equity shares of Rs.10 was

increased to Rs.100,000,000 divided into 10,000,000 equity shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on April 16, 2003.

3. The authorised share capital of Rs. 100,000,000 divided into 10,000,000 equity shares of Rs.10 each was increased to Rs.1,000,000,000 divided into 100,000,000 equity shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on March 28, 2005.

4. The authorised share capital of Rs. 1,000,000,000 divided into 100,000,000 equity shares of Rs. 10 each was increased to Rs. 2,500,000,000 divided into 250,000,000 equity shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on March 20, 2006.

Notes to Capital Structure

1. Share Capital History

(a) *Equity Share Capital History of our Company*

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Equity share capital (Rs.)	Cumulative Share Premium (Rs.)
August 1,1996	30	10	10	Cash	Subscription to Memorandum (three allottees)	30	300	Nil
March 31,1997	249,970	10	10	Cash	Further Allotment to Promoters, Promoter Group and others (11 allottees)	250,000	2,500,000	Nil
May 26, 1998	1,750,000	10	10	Cash	Further Allotment to Promoters, the Promoter Group and others (14 allottees)	2,000,000	20,000,000	Nil
February 17, 2005	8,000,000	10	72.50	Cash	Further Allotment to Promoters, Promoter Group and others (10 allottees)	10,000,000	100,000,000	500,000,000
March 30, 2006	40,000,000	10	-	Capitalisation of reserve[1]	Bonus Issue in the ratio of 4:1	50,000,000	500,000,000	100,000,000
July 29, 2006	130,000,000	10	-	Capitalisation of reserve[2]	Bonus Issue in the ratio of 13:5	180,000,000	1,800,000,000	Nil
June 17, 2007	300,000	10	500	Cash	Pre-IPO Placement to BCCL[3]	180,300,000	1,803,000,000	147,000,000

1 These Equity Shares were issued through capitalisation of the share premium account.

2 These Equity Shares were issued through capitalisation of the share premium account, general reserves and the surplus in the profit and loss account of our Company.

3 These Equity Shares were issued to BCCL pursuant to the terms of a Share Subscription Agreement dated June 16, 2007. For further details please refer to "History and Corporate Matters" on page 95.

2. Promoter Contribution and Lock-in

All Equity Shares which are being locked in are eligible for computation of Promoters' contribution and are being locked in under clauses 4.6 and 4.11.1 of the SEBI Guidelines.

(a) *History of the Share Capital held by the Promoters*

Date of Allotment / Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
		Mr. Rakesh Kumar Wadhawan			
August 1, 1996	10	10	10	Cash	Subscription to Memorandum
March 31, 1997	89,990	10	10	Cash	Further Issue
May 26, 1998	563,000	10	10	Cash	Further Issue
February 17, 2005	250,000	10	72.5	Cash	Further Issue
March 4, 2005	900,000	10	72.5	Cash	Purchase
September 13, 2005	(153,000)	10	72.5	Cash	Transfer
March 30, 2006	6,600,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	21,450,000	10	Bonus	Bonus	Bonus Allotment
Total	**29,700,000**				
		Mr. Sarang Wadhawan			
March 31, 1997	20,000	10	10	Cash	Further Issue
May 26,1998	200,000	10	10	Cash	Further Issue
February 17, 2005	120,000	10	72.5	Cash	Further Issue
March 4, 2005	160,000	10	72.5	Cash	Purchase
March 30, 2006	2,000,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	6,500,000	10	Bonus	Bonus	Bonus Allotment
Total	**9,000,000**				
		Mr. Kapil Wadhawan			
March 31, 1997	20,000	10	10	Cash	Further Issue
May 26, 1998	200,000	10	10	Cash	Further Issue
September 13, 2005	280,000	10	72.5	Cash	Purchase
March 30, 2006	2,000,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	6,500,000	10	Bonus	Bonus	Bonus Allotment
Total	**9,000,000**				
		Mr. Dheeraj Wadhawan			
March 31, 1997	10,000	10	10	Cash	Further Issue
May 26, 1998	80,000	10	10	Cash	Further Issue
February 17, 2005	250,000	10	72.5	Cash	Further Issue
March 4, 2005	1,515,000	10	72.5	Cash	Purchase
September 13, 2005	(1,355,000)	10	72.5	Cash	Transfer
March 30, 2006	2,000,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	6,500,000	10	Bonus	Bonus	Bonus Allotment
Total	**9,000,000**				

(b) *History of the Share Capital held by the Promoter Group*

Date of Allotment / Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
			Mrs. Damyanti Rani Wadhawan		
September 13, 2005	350,000	10	72.5	Cash	Purchase
March 30, 2006	1,400,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	4,550,000	10	Bonus	Bonus	Bonus Allotment
August 2, 2006	360,000	10	10	Cash	Purchase
Total	**6,660,000**				
			Mrs. Aruna Wadhawan		
January 20,2005	140,000	10	12	Cash	Purchase
March 4, 2005	560,000	10	72.5	Cash	Purchase
September 13, 2005	(400,000)	10	72.5	Cash	Transfer
March 30, 2006	1,200,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	3900000	10	Bonus	Bonus	Bonus Allotment
August 2, 2006	900,000	10	10	Cash	Purchase
Total	**6,300,000**				
			Mrs. Malti Wadhawan		
March 4, 2005	937,000	10	72.5	Cash	Purchase
September 13, 2005	(637,000)	10	72.5	Cash	Transfer
March 30, 2006	1,200,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	3,900,000	10	Bonus	Bonus	Bonus Allotment
August 2, 2006	900,000	10	10	Cash	Purchase
Total	**6,300,000**				
			Mrs. Nikita Trehan		
September 13, 2005	50,000	10	72.5	Cash	Purchase
March 30, 2006	200,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	650,000	10	Bonus	Bonus	Bonus Allotment
Total	**900,000**				
			Mrs. Romy Mehra		
August 2, 2006	900,000	10	10	Cash	Purchase
Total	**900,000**				
			Mrs. Anjana Sakhuja		
August 2, 2006	900,000	10	10	Cash	Purchase
Total	**900,000**				

Date of Allotment / Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
Interactive Multimedia Technologies Private Limited					
January 20,2005	100,000	10	12	Cash	Purchase
March 4, 2005	400,000	10	72.5	Cash	Purchase
September 13, 2005	165,000	10	72.5	Cash	Purchase
March 30, 2006	2,660,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	8645000	10	Bonus	Bonus	Bonus Allotment
Total	**11,970,000**				
Dinshaw Trapinex Builders Private Limited					
January 20,2005	100,000	10	12	Cash	Purchase
March 4, 2005	400,000	10	72.5	Cash	Purchase
September 13, 2005	100,000	10	72.5	Cash	Purchase
March 30, 2006	2,400,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	7800000	10	Bonus	Bonus	Bonus Allotment
Total	**10,800,000**				
Dheeraj Consultancy Private Limited					
September 13, 2005	600,000	10	72.5	Cash	Purchase
March 30, 2006	2,400,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	7800000	10	Bonus	Bonus	Bonus Allotment
Total	**10,800,000**				
Dewan Housing Finance Corporation Limited					
July 29, 2006	750,000	10	15	Cash	Purchase
July 29, 2006	1950000	10	Bonus	Bonus	Bonus Allotment
Total	**2,700,000**				
Wadhawan Holding Private Limited					
July 29, 2006	750,000	10	15	Cash	Purchase
July 29, 2006	1950000	10	Bonus	Bonus	Bonus Allotment
Total	**2,700,000**				
Privilege Distilleries Private Limited					
September 13, 2005	440,100	10	72.5	Cash	Purchase
March 30, 2006	1,760,400	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	5721300	10	Bonus	Bonus	Bonus Allotment
Total	**7,921,800**				

Date of Allotment / Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
		Waryam Singh			
September 13, 2005	650,000	10	72.5	Cash	Purchase
March 30, 2006	2,600,000	10	Bonus	Bonus	Bonus Allotment
July 29, 2006	8450000	10	Bonus	Bonus	Bonus Allotment
August 2, 2006	(5479800)	10	10	Cash	Transfer
Total	**6,220,200**				

(c) *Details of Promoters contribution locked in for three years*

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

Name of Promoter	Date of Allotment / acquisition and when made fully paid-up	Nature of consideration (Cash, Bonus, Kind etc.)	Number of Equity Shares locked in* (assuming GSO not exercised)	Number of Equity Shares locked in* (assuming GSO exercised in full)	Face Value (Rs. per share)	Issue Price / Purchase Price (Rs. per share)	% of post-Issue paid-up capital (assuming GSO not exercised)	% of post-Issue paid-up capital (assuming GSO exercised in full)
Mr. Rakesh Kumar Wadhawan	July 29, 2006	Capitalisation of reserve	21,450,000	21,450,000	10	Bonus issue(13:5)	10.21	10.00
	March 30, 2006	Capitalisation of reserve	553,800	1,008,150	10	Bonus issue (4:1)	0.26	0.47
Sub Total (A)			**22,003,800**	**22,458,150**			**10.47**	**10.47**
Mr. Sarang Wadhawan	July 29, 2006	Capitalisation of reserve	6,500,000	6,500,000	10	Bonus issue (13:5)	3.10	3.03
	March 30, 2006	Capitalisation of reserve	165,400	313,950	10	Bonus issue (4:1)	0.08	0.15
Sub Total (B)			**6,665,400**	**6,813,950**			**3.18**	**3.18**
Mr. Kapil Wadhawan	July 29, 2006	Capitalisation of reserve	6,500,000	6,500,000	10	Bonus issue (13:5)	3.10	3.03
	March 30, 2006	Capitalisation of reserve	165,400	313,950	10	Bonus issue (4:1)	0.08	0.15
Sub Total (C)			**6,665,400**	**6,813,950**			**3.18**	**3.18**

Name of Promoter	Date of Allotment / acquisition and when made fully paid-up	Nature of consideration (Cash, Bonus, Kind etc.)	Number of Equity Shares locked in* (assuming GSO not exercised)	Number of Equity Shares locked in* (assuming GSO exercised in full)	Face Value (Rs. per share)	Issue Price / Purchase Price (Rs. per share)	% of post-Issue paid-up capital (assuming GSO not exercised)	% of post-Issue paid-up capital (assuming GSO exercised in full)
Mr. Dheeraj Wadhawan	July 29, 2006	Capitalisation of reserve	6,500,000	6,500,000	10	Bonus issue (13:5)	3.10	3.03
	March 30, 2006	Capitalisation of reserve	165,400	313,950	10	Bonus issue (4:1)	0.07	0.14
Sub Total (D)			**6,665,400**	**6,813,950**			**3.17**	**3.17**
Total (A+B+C+D)			**42,000,000**	**42,900,000**			**20.00***	**20.00***

* Commencing from the date of the Allotment of the Equity shares in the Issue.

The Promoters contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as promoters under the SEBI Guidelines. All Equity Shares being included for computation of Promoters contribution and three year lock-in are not ineligible for such purposes under Clause 4.6 of the SEBI Guideliens. Further, in accordance with Clause 4.13 of the SEBI Guidelines, the Equity Shares issued last to the Promoters have been locked in first. Equity Shares issued as Bonus which are locked-in for three years are not issued in lieu of ineligible shares in terms of clause 4.6.1(ii)

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

In addition to the lock-in of the Promoters' contribution specified above, the entire pre-Issue Equity Share capital and the Equity Shares issued by our Company pursuant to the exercise of the Green Shoe Option, will be locked in for the period of one year from the date of Allotment of Equity Shares in this Issue. If the Green Shoe Option is not exercised, 138,300,000 Equity Shares will be locked-in for a period of one year from the date of allotment of the Equity Shares in this Issue. If the Green Shoe Option is exercised in full, 137,400,000 Equity Shares will be locked-in for a period of one year from the date of allotment of the Equity Shares in this Issue.

(e) *Other Requirements in respect of lock-in*

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. If the Equity Shares are returned to the Green Shoe Lender in accordance with Clause 8A.13 or 8A.15 of the SEBI Guidelines, such Equity Shares shall be subject to a lock in of one year as provided in accordance with Clause 8A.16 of SEBI Guidelines.

As per clause 4.15.1 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 that the pledge of the Equity Shares is when the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

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

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

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

3. Shareholders of our Company and the number of Equity Shares held by them

(a) *Our top ten shareholders and the number of Equity Shares held by them as of the date of filing this Red Herring Prospectus with ROC are as follows:*

S.No.	Name of the shareholder	No. of Equity Shares	Percentage Shareholding
1.	Mr. Rakesh Kumar Wadhawan	29,700,000	16.47
2.	Interactive Multimedia Technologies Private Limited	11,970,000	6.64
3.	Dheeraj Consultancy Private Limited	10,800,000	5.99
4.	Dinshaw Trapinex Builders Private Limited	10,800,000	5.99
5.	Mr. Kapil Wadhawan	9,000,000	4.99
6.	Mr. Sarang Wadhawan	9,000,000	4.99
7.	Mr. Dheeraj Wadhawan	9,000,000	4.99
8.	Privilege Distilleries Private Limited	7,921,800	4.39
9.	Mrs. Damyanti Rani Wadhawan	6,660,000	3.69
10.	Mrs. Aruna Wadhawan	6,300,000	3.49
11.	Mrs. Malti Wadhawan	6,300,000	3.49
TOTAL		**117,451,800**	**65.14**

(b) *Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of filing of this Red Herring Prospectus with ROC are as follows:*

S.No.	Name of the shareholder	No. of Equity Shares	Percentage Shareholding
1.	Mr. Rakesh Kumar Wadhawan	29,700,000	16.50
2.	Interactive Multimedia Technologies Private Limited	11,970,000	6.65
3.	Dheeraj Consultancy Private Limited	10,800,000	6.00
4.	Dinshaw Trapinex Builders Private Limited	10,800,000	6.00
5.	Mr. Kapil Wadhawan	9,000,000	5.00
6.	Mr. Sarang Wadhawan	9,000,000	5.00
7.	Mr. Dheeraj Wadhawan	9,000,000	5.00
8.	Privilege Distilleries Private Limited	7,921,800	4.40
9.	Mrs. Damyanti Rani Wadhawan	6,660,000	3.70
10.	Mrs. Aruna Wadhawan	6,300,000	3.50
11.	Mrs. Malti Wadhawan	6,300,000	3.50
TOTAL		**117,451,800**	**65.25**

(c) *Our top ten shareholders and the number of Equity Shares held by them two years prior to date of filing of this Red Herring Prospectus with ROC are as follows:*

S.No.	Name of the shareholder	No. of Equity Shares	Percentage Shareholding
1.	Mr. Dheeraj Wadhawan	1,855,000	18.55
2.	Mr. Rakesh Kumar Wadhawan	1,803,000	18.03
3.	Mrs. Malti Wadhawan	937,000	9.37
4.	Mrs. Aruna Wadhawan	700,000	7.00
5.	Sunshine Communications Private Limited	685,000	6.85
6.	Educational and Scientific Equipments Private Limited	685,000	6.85
7.	Ms. Pooja Wadhawan	600,000	6.00
8.	Dinshaw Trapinex Builders Private Limited	500,000	5.00
9.	Interactive Multimedia Technologies Private Limited	500,000	5.00
10.	Mr. Sarang Wadhawan	500,000	5.00
	TOTAL	**8,765,000**	**87.65**

4. Shareholding pattern of our Company before and after the Issue

The table below presents the Equity Shareholding pattern of our Company before the proposed Issue and as adjusted for the Issue.

Shareholder Category	Pre-Issue		Post-Issue			
	Number of Equity Shares	Percentage Shareholding	Number of Equity Shares (assuming GSO exercised in full)	Percentage Shareholding	Number of Equity Shares (assuming GSO not exercised)	Percentage Shareholding
Promoters						
Mr. Rakesh Kumar Wadhawan	29,700,000	16.47	29,700,000	13.85	29,700,000	14.14
Mr. Sarang Wadhawan	9,000,000	4.99	9,000,000	4.20	9,000,000	4.29
Mr. Kapil Wadhawan	9,000,000	4.99	9,000,000	4.20	9,000,000	4.29
Mr. Dheeraj Wadhawan	9,000,000	4.99	9,000,000	4.20	9,000,000	4.29
Sub Total (A)	**56,700,000**	**31.45**	**56,700,000**	**26.44**	**56,700,000**	**27.00**
Relatives of Promoters						
Mrs. Damyanti Rani Wadhawan	6,660,000	3.69	6,660,000	3.11	6,660,000	3.17
Mrs. Aruna Rajesh Kumar Wadhawan	6,300,000	3.49	6,300,000	2.94	6,300,000	3.00
Mrs. Malti Rakesh Kumar Wadhawan	6,300,000	3.49	6,300,000	2.94	6,300,000	3.00
Mrs. Nikitha Trehan	900,000	0.50	900,000	0.42	900,000	0.43
Mrs. Romy Mehra	900,000	0.50	900,000	0.42	900,000	0.43
Mrs. Anjana Sakhuja	900,000	0.50	900,000	0.42	900,000	0.43
Sub Total (B)	**21,960,000**	**12.18**	**21,960,000**	**10.24**	**21,960,000**	**10.46**
Other Promoter Group Entities/ Individuals						
Interactive Multimedia Technologies Private Limited	11,970,000	6.64	11,970,000	5.58	11,970,000	5.70
Dinshaw Trapinex Builders Private Limited	10,800,000	5.99	10,800,000	5.04	10,800,000	5.14

Shareholder Category	Pre-Issue		Post-Issue			
	Number of Equity Shares	Percentage Shareholding	Number of Equity Shares (assuming GSO exercised in full)	Percentage Shareholding	Number of Equity Shares (assuming GSO not exercised)	Percentage Shareholding
Dheeraj Consultancy Private Limited	10,800,000	5.99	10,800,000	5.04	10,800,000	5.14
Privilege Distilleries Private Limited	7,921,800	4.39	7,921,800	3.69	7,921,800	3.77
Dewan Housing Finance Corp Limited	2,700,000	1.50	2,700,000	1.26	2,700,000	1.29
Wadhawan Holding Private Limited	2,700,000	1.50	2,700,000	1.26	2,700,000	1.29
Mr. Waryam Singh	6,220,200	3.45	6,220,200	2.90	6,220,200	2.96
Sub Total (C)	**53,112,000**	**29.46**	**53,112,000**	**24.77**	**53,112,000**	**25.29**
Sub Total (D=A+B+C)	**131,772,000**	**73.08**	**131,772,000**	**61.45**	**131,772,000**	**62.75**
Non Promoter Group Entities #						
Satyam Realtors Private Limited	5,062,800	2.81	5,062,800	2.36	5,062,800	2.41
Awas Developers & Constructions Private Limited	2,680,000	1.49	2,680,000	1.25	2,680,000	1.28
Educational & Scientific Equipments Private Limited	6,120,000	3.39	6,120,000	2.85	6,120,000	2.91
Sun Shine Communication Private Limited	6,120,000	3.39	6,120,000	2.85	6,120,000	2.91
Serveall Construction Private Limited	2,484,000	1.38	2,484,000	1.16	2,484,000	1.18
Group Housing Development Corp. Private Limited	2,844,000	1.58	2,844,000	1.33	2,844,000	1.35
Mr. Ashok Kumar Gupta	2,298,800	1.27	2,298,800	1.07	2,298,800	1.09
Mrs. Kuljeet Kaur	2,180,400	1.21	2,180,400	1.02	2,180,400	1.04
Preet Gruh Nirman Private Limited	1,800,000	1.00	1,800,000	0.84	1,800,000	0.86
Others*	**16,938,000**	9.39	**16,938,000**	7.90	**16,938,000**	8.07
Sub Total (E)	**48,528,000**	**26.92**	**48,528,000**	**22.63**	**48,528,000**	**23.11**
Public Issue (F)	**0**	**0**	**34,155,000**	**15.93**	**29,700,000**	**14.14**
Total Share Capital (D+E+F)	**180,300,000**	**100.00**	**214,455,000**	**100.00**	**210,000,000**	**100.00**

* Others include shareholders who have less than 1% pre Issue shareholding in the Company and Equity Shares issued to BCCL by way of a Pre-IPO Placement.

Assuming the entities do not apply under the Issue for the purposes of calculating the post-Issue shareholding

5. Our Company, our Promoters, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares of our Company from any person.

6. None of our Directors or Key Managerial Personnel hold any Equity Shares in our Company, except as stated in the section "Our Management" on page 102 of this Red Herring Prospectus.

7. Our Promoters, Directors and our Promoter Group have not purchased or sold any Equity Shares within the six months preceding the date of filing of this Red Herring Prospectus with SEBI.

8. At least 60% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and 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 and Retail Portion would be met with spill over from any other category at the discretion of our Company and the BRLMs. Undersubscription, if any, in the Employee Reservation Portion would be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Portion in the ratio of 50:50. In case of undersubscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.

9. Up to 600,000 Equity Shares has been reserved for allocation to the Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion. Eligible 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.

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

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

12. We have not raised any bridge loan against the Issue Proceeds.

13. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer while finalizing the Basis of Allotment.

14. 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 submission of this Red Herring Prospectus to ROC until the Equity Shares issued/ to be issued pursuant to the Issue have been listed.

15. We presently do not intend or propose to alter our capital structure for a period of six months from the date of filing of this 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, or 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.

16. We have not issued any Equity Shares out of revaluation reserves or for consideration other than cash other than the Equity Shares issued through a bonus issue, which was from the free reserves of our Company.

17. There shall be only one denomination of 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.

18. Our Promoters and the Promoter Group will not participate in the Issue.

19. The DIPP has by its letter no. 5(6)2000-FC (Pt.File) dated January 22, 2007 clarified to us that 'guidelines notified vide Press Note 2 (2005 Series) are applicable to investment made only under the FDI route and not applicable to investment by FIIs under the Portfolio Investment Scheme under the

FEMA Regulations.'

The RBI by its letter dated June 1, 2007 has confirmed that FIIs are permitted to subscribe to equity shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in this Issue.

20. As of the date of filing of this Red Herring Prospectus, the total number of holders of Equity Shares is 361.

21. As per Chapter VIII-A of the SEBI Guidelines, we may avail of the Green Shoe Option for stabilising the post-listing price of the Equity Shares. We have appointed Enam Financial Consultants as the Stabilising Agent. The Green Shoe Option consists of an option to over-allot up to 4,455,000 Equity Shares at the Issue Price, aggregating Rs. [●] million, representing up to 15% of the Issue, exercisable during the stabilisation period

Maximum number of Equity Shares	4,455,000 Equity Shares
The maximum increase in our Equity Share capital if we are required to utilise the full over-allotment in the Issue	4,455,000 Equity Shares
Green Shoe Option Portion	Upto 15% of the Issue
Maximum number of Equity Shares that may be borrowed	4,455,000 Equity Shares
Pre-Issue holding of the Green Shoe Lender	29,700,000 Equity Shares representing 16.47% of the pre-Issue paid up 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	• Open a special bank account under the name "Special Account for GSO proceeds of Housing Development and Infrastructure Limited" or GSO Bank Account and deposit the money received against the over-allotment in the GSO Bank Account. • Open a special account for securities under the name "Special Account for GSO shares of Housing Development and Infrastructure Limited" or GSO Demat Account and credit the Equity Shares purchased by the Stabilising Agent, if any, during the Stabilisation Period to the GSO Demat account. • As per SEBI Guidelines, stabilise the market price of the Equity Shares only in the event the market price falls below the Issue Price, including determining the price and timing of purchases of the Equity Shares. • To submit daily reports to the Stock Exchanges during the Stabilisation Period and a final report to SEBI. • On expiry of the Stabilisation Period, to return Equity Shares lying to the credit of the GSO Demat Account to the Green Shoe Lender

	• On expiry of the Stabilisation Period, to request us to issue fresh Equity Shares (equal to the difference between the Equity Shares lying to the credit of the GSO Demat Account and the Over Allotment 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. • To maintain a register of its activities and retain such register 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.
Our rights and obligations	• On expiry of the Stabilisation Period, issue Equity Shares to the extent of the Over Allotment Shares that have not been purchased from the market by the Stabilising Agent. • If no Equity Shares are purchased, then to issue the Equity Shares to the entire extent of the Over Allotment Shares.
Rights and obligations of the Green Shoe Lender	• 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. • Upon instructions from the Stabilising Agent, on or prior to the Pricing Date, transfer the Loaned Shares to the GSO Demat account.

22. The Equity Shares will be fully paid up at the time of allotment failing which no allotment shall be made.

23. The Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Red Herring Prospectus.

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

OBJECTS OF THE ISSUE

The objects of the Issue are:

- Acquisition of land and land development rights for our Ongoing and Planned projects;
- Construction of our Ongoing projects; and
- General corporate purposes.

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 details of the proceeds of the Issue are summarized in the table below:

Particulars	Rs. in million
Gross proceeds of the Issue	[•]
Issue related expenses	[•]
Net Proceeds of the Issue	[•]

Expenses of the Issue

The estimated issue related expenses are as follows:

Rs. in millions

Activity	Estimated Expense
Lead management fee, underwriting and selling commission*	[•]
Advertising and marketing expenses	[•]
Printing and stationery	[•]
Others (Monitoring Agent fees, Registrar's fee, legal fee, listing fee etc.)	[•]
Total estimated issue expense	**[•]**

* Will be incorporated after finalization of Issue Price

Use of Net Proceeds

The following table summarises the intended use of Net Proceeds:

Rs. in million

S. No.	Expenditure Items	Total Estimated Cost	Amount deployed till May 31, 2007 *	Balance Payable as on May 31, 2007	Proposed to be funded by internal accruals #	Amount upto which will be financed from Net Proceeds of the Issue	Estimated schedule of deployment of Net Proceeds for Fiscal		
					FY 2008		2008	2009	2010
1.	Acquisition of land and land development rights for our Ongoing and Planned projects	5,825	4,381	1,444	156	1,288	1,288		
2.	Construction of our Ongoing projects	15,013	2,996	12,017	33	11,984	4,884	5,807	1,292
3.	General corporate purposes	[•]	0	0	0	[•]	[•]	[•]	[•]
	Total	[•]	7,377	13,461	189	[•]	[•]	[•]	[•]

** As per certificate from Thar & Co, Chartered Accountants dated June 4, 2007*
 # As per certificate from Thar & Co, Chartered Accountant dated June 4, 2007 certifying availability of adequate resources to finance the capex for FY 2008.

Any shortfall in the Objects of the Issue and the Gross Issue proceeds would be met through the funds raised by way of the Pre-IPO Placement of Rs. 150 million and also through debt financing for which we have received a sanction letter dated May 11, 2007 from Bank of Baroda for an amount of Rs. 500 million and a sanction letter dated June18, 2007 from Dewan Housing Finance Corporation Limited for an amount of Rs. 500 Million. These are subject to various terms and conditions and signing of definitve agreements.

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or other financial condition, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and debt.

In addition, the fund requirements are based on the current internal management estimates of our Company. We operate in a highly competitive, dynamic market, and may have to revise our estimates from time to time on account of new projects that we may pursue including any industry consolidation initiatives, such as potential acquisition opportunities. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays in our Ongoing and Planned projects. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects which are not currently planned, discontinuing projects currently planned and an increase or decrease in the expenditure for a particular project or land acquisition or land development rights in relation to current plans, at the discretion of the management of the Company. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from our cash flow from operations and debt.

Details of the Objects

1. Acquisition of land or land development rights for our Ongoing and Planned projects

We are in the business of real estate development including residential, commercial and retail projects, slum rehabilitation and land development and we intend to acquire further land and land development rights in order to facilitate our expansion and our diversification. For details of our business, see the section titled "Our Business" on page 60 of this Red Herring Prospectus.

We intend to utilize a part of the Net Proceeds of the Issue to finance the acquisition of land and land development rights for our Ongoing and Planned Projects.

Estimated acquisition cost of land and land development rights

We have entered into various acquisition agreements like conveyance deed, development agreement, joint development agreement, agreement to purchase, MoUs to acquire land and land development rights in the Mumbai Metropolitan Region and other locations in India such as Palghar, Hyderabad and Kochi aggregating approximately 112.1 million square feet. These lands and land development rights are at various stages of identification and acquisition and are as set forth below:

S. No.	Project Name	Plot Area (sq. ft) #	Total cost of Land and Land development rights (Rs. Mn)	Amount Paid till May 31, 2007* (Rs. Mn)	Amount Paid as percentage of Total Cost of Land and Land Development Rights (%)	Balance payable after May 31, 2007	Nature of Contract/ Documentation	Status of property
Mumbai Metropolitan Region								
1	Worli	61,690	187	181	97	6	Development	

S. No.	Project Name	Plot Area (sq. ft) #	Total cost of Land and Land development rights (Rs. Mn)	Amount Paid till May 31, 2007* (Rs. Mn)	Amount Paid as percentage of Total Cost of Land and Land Development Rights (%)	Balance payable after May 31, 2007	Nature of Contract/ Documentation	Status of property
	Commercial Property						Agreement	Ongoing
2	Versova Property	746,376	717	644	90	73	Deeds of conveyance and Deeds of Assignment	Ongoing
3	Virar (East) Property	4,181,792	350	235	55	115	Agreement to Sell	Planned
4	Dongre Phase I	2,944,675	269	116	43	153	Deed of Conveyance	Planned
5	Dongre Phase II	5,270,776	498	269	75	229	Deed of Conveyance	Planned
6	Sasunavghar Property	17,715,972	628	485	77	143	Agreements to Sell	Ongoing
7	Mega Township - I	13,688,826	350	268	64	82	Agreements to Sell	Planned
8	Mega Township – II	16,888,328	446	328	74	118	Agreements to Sell	Planned
9	Dewan Mann	4,268,906	236	191	74	45	Undertaking from Mr. Rakesh Kumar Wadhawan	Planned
10	Agashi	4,443,153	267	240	90	27	Undertaking from Mr. Rakesh Kumar Wadhawan	Planned
Other locations								
11	Palghar	2,374,883	167	106	63	61	Deeds of Conveyance	Planned
12	Hyderabad	11,845,911	410	390	95	20	Joint Development Agreement and Agreement for Sale	Ongoing
13	Kochi	8,710,229	1,300	928	71	372	MoU	Ongoing
Total		**93,141,517**	**5,825**	**4,381**	**75**	**1,444**		

** As per certificate from Thar & Co, Chartered Accountants dated June 4, 2007*
 # As per certificate from K.B. Kumare, Advocate, dated January 27, 2007

None of the above mentioned lands and land development rights forming part of our land reserves have been or are being purchased from our Promoters except in cases where land and land development rights was originally acquired by Mr. R. K. Wadhawan, rights in relation to which have now been transferred in the name of the Company through a Declaration of Undertaking.

In respect of many of our land and land development rights to be acquired, we are required to pay an advance at the time of executing an agreement to purchase, with the remaining purchase price due upon completion of the acquisition. The estimated amounts paid as described above include such advances and deposits. The above amount payable will be financed through internal accruals, reserves and Issue proceeds.

Means of Finance

The cost of acquisition of land and development rights is proposed to be funded by internal accruals and Net Proceeds of the Issue. The following is the summary of the means of financing for our acquisition of land and land development rights for our Ongoing and Planned Projects:

Rs. in million

	Amount required	Amount deployed as of May 31, 2007*	Balance Payable after May 31, 2007
Internal Accruals and Company resources		4,381	156#
Net proceeds from the Issue			1,288
Total	5,825	4,381	1,444

 # As per certificate from Thar & Co, Chartered Accountant dated June 4, 2007 certifying availability of adequate resources to finance the capex for FY 2008.
** As per certificate from Thar & Co, Chartered Accountants dated June 4, 2007*

Based on the certificates received from Thar & Co, Chartered Accountants, we confirm that firm arrangements for at least 75% of the stated means of finance, excluding Net Proceeds of the Issue, have been made.

2. Construction of our Ongoing projects

We are constructing and developing various residential, commercial and retail projects in the Mumbai Metropolitan Region and other locations such as Palghar and Hyderabad and intend to additionally deploy Rs. 12,017 million for the construction of these Ongoing Projects.

Details of the projects

The details of our Ongoing Projects, like the total project cost and the costs already incurred are as set forth in the table below:

Rs. in million

Sr. No.	Name of the Project	Saleable and Rehabilitation Area (in Sq ft)	Start Year/ Estimated Start Year	Estimated Completion Year	Total Construction Cost	Amount deployed as of May 31, 2007 out of internal accruals *	Balance Payable after May 31, 2007	Break-up of the Funding of the Total Cost of the Project: Internal Accruals for FY 2008	Break-up of the Funding of the Total Cost of the Project: Net Proceeds of the Issue	Nature of Contract/ Documentation**
	Mumbai Metropolitan Region									
1	Worli Commercial Property	110,000	2006-07	2007-08	178	45	133		133	Development Agreement
2	Versova Property	1,542,691	2006-07	2008-09	2,499	62	2,437		2,437	Deeds of Conveyance and Deed of Assignment
3	Bandra (E) SRS Scheme No-2	318,148	2006-07	2007-08	258	129	129	8	121	Letter of Intent
4	Affaire	35,235	2005-06	2007-08	178	162	16	6	10	Deed of Conveyance and Development Agreement
5	Grande	56,251	2005-06	2007-08	60	17	43		43	Deed of Conveyance and Development Agreement

Sr. No.	Name of the Project	Saleable and Rehabilitation Area (in Sq ft)	Start Year/ Estimated Start Year	Estimated Completion Year	Total Construction Cost	Amount deployed as of May 31, 2007 out of internal accruals *	Balance Payable after May 31, 2007	Break-up of the Funding of the Total Cost of the Project: Internal Accruals for FY 2008	Net Proceeds of the Issue	Nature of Contract/ Documentation**
6	Bandra (W) SRS Scheme	148,369	2006-07	2007-08	311	221	90	7	83	Letter of Intent
7	Santacruz Property	600,000	2006-07	2007-08	486	169	317		317	Letter of Intent
8	Andheri (W) SRS Scheme No-1	558,780	2006-07	2007-08	412	37	375		375	Joint Development Agreement
9	Ghatkopar (E) Property	1,018,914	2006-07	2007-08	1,068	616	452	13	439	Letter of Intent
10	Dreams	551.940	2005-06	2007-08	476	442	34		34	Development Agreement
11	Andheri (W) SRS Scheme No-2	771,650	2006-07	2007-08	828	329	499		499	Joint Development Agreement
12	Malad (W) SRS Scheme	2,893,686	2006-07	2008-09	2,063	625	1438		1,438	Joint Development Agreement
13	Vasai Mall	44,560	2005-06	2007-08	121	97	24		24	Deed of Conveyance
	Other Locations									
14	Kukatpally	9,844,560	2006-07	2009-10	6,075	45	6030		6,030	Joint Development Agreement and Agreement to Sell
	Total	**18,494,784**			**15,013**	**2,996**	**12,017**	**33**	**11,984**	

** As per certificate from Thar & Co, Chartered Accountants dated June 4, 2007*
*** For a brief description of the nature of each contract please refer to the 'Our Business' section on page 60 of this Red Herring Prospectus.*

Means of Finance

The following is the summary of the means of financing for the construction of our Ongoing and Planned projects:

	Amount required	Amount deployed as of May 31, 2007*	Balance Payable after May 31, 2007
Internal Accruals and Company resources		2,996	33#
Net proceeds from the Issue			11,984
Total	15,013	2,996	12,017

* *As per certificate from Thar & Co, Chartered Accountants dated June 4, 2007*
\# *As per certificate from Thar & Co, Chartered Accountant dated June 4, 2007 certifying availability of adequate resources to finance the capex for the period FY 2008.*

Based on the certificates received from Thar & Co, Chartered Accountants, we confirm that firm arrangements for at least 75% of the stated means of finance, excluding Net Proceeds of the Issue, have been made. We intend to finance the balance fund requirements through issue proceeds completely.

3. General Corporate Purposes

The Net Proceeds from the Issue will be first utilised towards the aforesaid items and the balance is proposed to be utilized for general corporate purposes including strategic initiatives and acquisitions, brand building exercises and strengthening of our marketing capabilities, subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds of the Issue, we shall utilize Rs. 150 million raised by way of the Pre-IPO Placement and our management may also explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds for the purposes mentioned above and earmarked for general corporate purposes.

Interim use of funds

Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Issue. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts.

Monitoring Utilization of Funds

Our Board and IDBI Bank Limited, the Monitoring Agency will monitor the utilization of the Net Issue proceeds. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements for fiscal 2008, fiscal 2009 and fiscal 2010, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular Clause 49 of the Listing Agreement.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Promoter group companies or key managerial personnel, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is 43 times the face value at the lower end of the Price Band and 50 times the face value at the higher end of the Price Band.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the real estate sector:

- Large Land Reserves in the Mumbai Metropolitan Region;
- Strong in-house development capabilities and project execution skills;
- Experienced and established participant in Slum Rehabilitation Schemes;
- Established reputation for quality projects and construction; and
- Experienced management and employees.

For further details, refer to "Our Business - Competitive Strengths" on page 61 and Risk Factors on page xii.

Quantitative Factors

Information presented in this section is derived from the Company's restated consolidated audited financial statements, as at and for the year ended March 31, 2007 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year ended	EPS (Rs.)	Weight
March 31, 2005	2.75	1
March 31, 2006	6.52	2
March 31, 2007	30.45	3
Weighted Average	17.86	

Note:

- The earning per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year. Restated weighted average number of equity shares have been computed as per AS 20 relating pursuant to bonus shares issued by the Company. Restated weighted average number of equity shares as at March 31, 2007 and March 31, 2006 were 180,000,000. Actual number of equity shares outstanding as at March 31, 2007 and March 31, 2006 were 180,000,000 and 50,000,000 respectively.

- The face value of each Equity Share is Rs. 10/-.

2. Price Earning Ratio (P/E) in relation to the Issue Price of Rs. [•] per share of Rs. 10 each

a. P/E ratio in relation to the Floor Price : 14.12 times
b. P/E ratio in relation to the Cap Price : 16.42 times
c. P/E based on EPS for the year ended March 31, 2007 : [•] times
d. P/E based on Weighted average EPS : [•] times
e. Industry P/E*
   i. Highest : 173.0
   ii. Lowest : 2.4
   iii. Industry Composite : 32.4

* P/E based on trailing twelve month earnings for the entire construction sector
Source: Capital Market, Volume XXII/07 June 4-17, 2007 (Industry-Construction)

3. *Average Return on Net worth (RoNW)*

Year ended	RoNW (%)	Weight
March 31, 2005	20.51	1
March 31, 2006	63.34	2
March 31, 2007	74.86	3
Weighted Average	61.96	

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year.

4. *Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2007 is* [●]

5. *Net Asset Value*

NAV as at March 31, 2007	: Rs. 40.68 per Equity Share
NAV as at March 31, 2006	: Rs. 10.29 per Equity Share
NAV after the Issue	: Rs. [●] per Equity Share*
Issue Price	: Rs. [●] per Equity Share

* Assuming Net worth as per Consolidated Restated Financial Statements as at March 31, 2007.

NAV per equity share has been calculated as shareholders' equity less miscellaneous expenses as divided by restated weighted average number of equity shares. Restated weighted average number of equity shares has been computed as per AS 20 relating pursuant to bonus shares issued by the Company. Restated weighted average number of equity shares as at March 31, 2007 and March 31, 2006 were 180,000,000. Actual number of equity shares outstanding as at March 31, 2007 and March 31, 2006 were 180,000,000 and 50,000,000 respectively.

The Issue price of Rs. [●] per Equity Share has been determined on the basis of the demand from investors through the Book Building Process and is justified based on the above accounting ratios.

6. *Comparison with other listed companies*

	EPS (Rs.) (TTM)*	P/E as on May 28, 2007	RoNW for fiscal 2007 (%)	NAV for fiscal 2007 (Rs.)	Sales for year ended March 31, 2007 (Rs. in million)
HDIL	30.45	[●]	74.86	40.68	12,041.92
Ansal Properties**	9.4	34.3	42.8	71.7	3,207.0
Mahindra Gesco	3.5	173.0	2.1	189.3	1,555.0
Parsvanath Developers	14.7	21.6	70.0	79.2	12,361.0
Sobha Developers	22.2	42.1	95.0	118.3	11,865.0
Unitech	12.1	49.2	35.0	14.9	25,040.0

** TTM – Trailing Twelve Months ended March 31, 2007.*
*** All data for Ansal Properties is on the basis of year ending December 31, 2006.*
Source: Capital Market, Volume XXII/07 June 4-17, 2007 (Industry-Construction) and company websites.

The peer group listed companies, as stated above are engaged in the real estate business.

The Issue Price of Rs. [•] has been determined by us, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above accounting ratios. For further details, see the section titled "Risk Factors" beginning on page xii 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 200 of this Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Housing Development and Infrastructure Limited
9th Floor, Dheeraj Arma,
Anant Kanekar Marg, Station Road,
Bandra (East),
Mumbai – 400 051,
Maharashtra, India

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby report that the enclosed annexure states the probable tax benefits that may be available to Housing Development and Infrastructure Limited (the "Company") and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 and other allied direct and indirect tax laws presently prevailing and in force in India.

Several of these benefits are subject to the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is subject to fulfillment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are neither exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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 revenue authorities / courts will concur with the views expressed herein.

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. While all reasonable care has been taken in the preparation of this opinion we accept no responsibility for any errors and omissions therein or for any loss sustained by any person who relies on it.

This report is intended solely for information and for the inclusion in the offer Document 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 Thar & Co.
Chartered Accountants

Jayesh R. Thar
Proprietor
Membership No. 32917
Date: June 1, 2007.

BENEFITS AVAILABLE UNDER INCOME TAX ACT, 1961 ("THE IT ACT")

Benefits available to the Company

a. In accordance with and subject to the conditions specified under Section 80 -IB (10) of the IT Act, the Company is eligible for one hundred percent deduction of the profits derived from development and building of Housing Projects approved before 31 March, 2007, by a local authority.

b. Under section 10(34) of the IT Act, income by way of dividends referred to in section 115-O received by the Company from domestic companies is exempt from income tax.

c. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder company on transfer of equity shares held in another Company as investment 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. However, as amended by Finance Act, 2006 from A.Y.2007-08, long term capital gain needs to be taken into account in computing the book profit and income tax payable under section 115 JB.

d. Under section 24(a) of the IT Act, the 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).

e. Under section 24(b) of the IT Act, 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 the income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in five equal installments beginning with the year of acquisition or construction.

f. 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, as per second proviso to section 48 of the IT Act, in respect of Long Term Capital Gains arising out of transfer of Long Term Capital Assets i.e. shares held in Indian Company for a period exceeding 12 months or other capital assets held for a period exceeding 36 months , 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.

g. Under section 115JAA (2A) of the IT Act, tax credit shall be allowed in respect of any tax paid (MAT) under section 115JB of the Act for any Assessment Year commencing on or after 1st April, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years immediately succeeding the year in which the MAT credit initially arose.

Benefits available to resident shareholders, approved infrastructure capital companies, infrastructure capital funds and co -operative banks

a. Under section 10(34) of the IT Act, income by way of dividends referred to in section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder 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.

c. 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, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares 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.

d. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) notified by Central Government in the official gazette 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, the 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. 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 of the IT Act for any assessment year beginning on or after April 1, 2006.

e. Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those 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 subject to certain conditions, if the net consideration 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.

f. In terms of section 88E of the 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. 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 on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

g. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of 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. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

h. However In the case of an Individual or a Hindu Undivided Family, Being resident, where the total income as reduced by such short term capital gains is below the maximum amount which is not chargeable to Income Tax then, such short term capital gain shall be reduced by the amount by which total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the tax on the balance of such short term capital gains shall be computed at the rate of ten percent. Where the gross total income of an assessee includes any short term capital gain referred herein above then the deduction under chapter VI – A shall be allowed from the gross total income as reduced by such capital gains.

i. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those 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. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

   Provided that in the case of an Individual or a Hindu Undivided Family where the total income as reduced by such long term capital gains is below the maximum amount which is not chargeable to income tax, then, such long term capital gain shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the balance of such long term capital gains shall be computed at the rate of 20%.

Benefits available to mutual funds

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.

Benefits available to foreign institutional investors ('FIIs')

a. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder 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.

c. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) notified by Central Government in the official gazette 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, the 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.

d. In terms 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. 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 on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

e. 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.

f. Under section 115AD (1) (ii) of the IT Act short term capital gains on transfer of securities shall be chargeable @ 30% and 10% (where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax). The above rates are to be increased by applicable surcharge and education cess.

g. Under section 115AD(1)(iii) of the IT Act income by way of long term capital gain arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable @10% (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

Benefits available to venture capital companies / funds

Under section 10(23FB) of the IT Act, any income of Venture Capital companies/ Funds (registered with the Securities and Exchange Board of India) from investment in venture capital undertaking as specified in sub clause (c) would be exempt from income tax, subject to conditions specified therein. As per section 115-U 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.

Benefits available to non-residents/ non-resident Indian shareholders (other than mutual funds, FIIs and foreign venture capital investors)

a. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder 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.

c. Under the first proviso to section 48 of the IT Act, in case of a non resident shareholder, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations) (in cases not covered by section 115E of the IT Act-discussed hereunder), protection is provided from fluctuations in the value of the Rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.

d. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) notified by Central Government in the official gazette 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, the 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.

e. Under section 54F of the IT Act and subject to the conditions specified therein, long- term capital gains (other than those 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 subject to certain conditions, if the net consideration 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.

f. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity shares 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. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

g. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those 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. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

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:

a. In terms 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. 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 on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

b. 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.

c. Under section 115E of the IT Act, 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 India, 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.

d. Under provisions of section 115F of the IT Act, long term capital gains (in cases not covered under section 10(38) of the IT Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the IT Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in section 10(4B), within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

e. Under provisions of section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income under section 139(1) if his income chargeable under the Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

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

Gift tax is not leviable in respect of any gifts made on or after 1st 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 and 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; and

The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The following information includes extracts from publicly available information, data and statistics derived from official sources and other sources the Company believes to be reliable, but which has not been independently verified. The Company accepts responsibility for accurately reproducing such information, data and statistics, but accepts no further responsibility in respect of such information, data and statistics. Such information, data and statistics may be approximations or may use rounded numbers. Information, data and statistics can be obtained from the websites of certain specific organizations quoted below.

GROWTH OF THE INDIAN ECONOMY

India is the world's largest democracy by population size, and one of the fastest growing economies in the world. According to India's Central Statistical Organization ("CSO"), India had an estimated population of 1.1 billion people as of July 31, 2005. India was the fourth largest economy in the world in terms of purchasing power parity adjusted GDP (Source: World Bank – http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP_PPP.pdf), and the twelfth largest economy in the world in terms of absolute GDP, for financial year 2005, with a GDP in nominal terms for financial year 2007 estimated to be US$ 1,070.7 billion (Source: World Bank).

In recent years, India has experienced rapid economic growth. India's GDP grew approximately 7.5%, 8.1% and 9.0% in financial years 2004, 2005 and 2006, respectively. In financial year 2006, India's industrial, agricultural and service sectors grew approximately 8.0%, 6.0% and 10.3%, respectively (quick estimates).(Source: CSO) An important factor in the growth of the service sector has been the strong growth of the IT and ITES sectors. These sectors have benefited from a trend whereby international firms are increasingly engaging in off-shoring activities, which has resulted in higher demand for skilled, low cost, English-speaking workers. India's competitiveness in this sector has been aided by substantial investment in telecommunications, infrastructure and the phased liberalisation of the communications sector. The Reserve Bank of India (RBI) has reported GDP growth of 9.2% in the financial year 2007 (advance estimates) and forecasts that GDP will grow at around 8.5% in financial year 2008.

Positive indicators include a stable annual growth rate above 8.0% for the past two years, rising foreign exchange reserves of approximately US$ 204.0 billion as of May 18, 2007 (Source: RBI) and strong growth in India's capital markets, with Sensex exceeding 14,000 for the first time on January 12, 2007, compared to 9,390 at the beginning of calendar year 2006.

Factors which have contributed to significant growth in recent years are:

- a new industrial resurgence;
- increase in investment;
- modest inflation in spite of spiralling global crude oil prices;
- rapid growth in exports and imports; and
- progress in fiscal consolidation.

THE INDIAN REAL ESTATE SECTOR

The Indian real estate sector involves the development of commercial offices, industrial facilities, hotels, restaurants, cinemas, residential housing, trading spaces such as retail outlets and the purchase and sale of land and land development rights.

Over the past three years, the amount of investment in the real estate sector and the total amount of constructed square footage has increased significantly, having recovered from a severe recession between 1995 and 1999. According to CRIS INFAC, an independent research agency in India, investment in real estate construction in India during the three-year period from financial year 2006 through 2008 is estimated to be over Rs. 5,106 billion compared to investment of approximately Rs. 4,504 billion during the three-year period from financial year 2003 through 2005 (Source: CRIS INFAC "Construction Annual Review" (February 2006)). CRIS INFAC estimates that constructed square footage during the period from financial year 2006 through 2008 will be approximately 8.3 million square feet compared to constructed square footage of approximately 7.4 million square feet during the period from financial year 2003 through 2005.

PRIMARY SEGMENTS OF THE REAL ESTATE SECTOR

Activities in the real estate sector relevant to our business may broadly be classified into the following segments: (i) Residential, (ii) Commercial, (iii) Retail, (iv) Hospitality, (v) SEZ and (vi) Entertainment. Each of these segments is discussed below.

The Residential Segment

The demand for housing in India today exceeds supply due to various factors, including: a growing population, increasing urbanisation, increasing affluence and disposable income as a result of a growth in employment opportunities and work force, and a general trend away from India's tradition of joint or extended family residences toward nuclear or individual family residences. Currently in India, it is easier for home purchasers to obtain financing and favourable tax incentives, which has also increased demand for housing. According to the National Housing Bank, there was a housing shortage of 19.4 million units in 2003. CRIS INFAC has estimated that the shortage of housing units in financial year 2004 was 19.7 million housing units. According to India's current "five year plan", there will be a housing shortage of approximately 22.7 million housing units in financial year 2007. CRIS INFAC expects the housing shortage to continue despite the fact that approximately 4.7 million new housing units were added to India's housing supply in financial year 2005 and that new housing units are expected to increase to 5.3 million annually by financial year 2010 (Source: Crisinfac Construction Annual Review – February, 2006).

Another measure of growth in the residential market is total floor space area ("FSA"). Existing FSA was estimated at 96 billion square feet in financial year 2004, with an estimated 2.5 billion square feet added in financial year 2005. The annual rate at which FSA is added is expected to grow at a CAGR of 4.0% over the next five years to reach 3.0 billion square feet per year by financial year 2010. This would translate into approximately 14.0 billion square feet of additional FSA over a period of five years. During the same period, total housing construction investment is estimated to be approximately Rs. 9,176 billion (Source: CRIS INFAC "Construction Annual Review" February 2006).

A large portion of the demand for housing, especially in urban centers such as Mumbai, Bangalore, Delhi (including the Gurgaon and Noida regions) and Pune, is likely to be for high-rise residential buildings. Since this is a relatively new segment in India, the growth of this segment is expected to increase more rapidly than the rest of the urban housing segment. The increase in the construction of high-rise apartment buildings is due to factors such as the scarcity of land in areas such as Mumbai and the high demand for housing near offices and IT parks in cities such as Gurgaon, Bangalore and Pune. This trend towards an increase in high-rise residential buildings is spreading gradually into other cities such as Kolkata, Hyderabad and Chennai.

Cushman & Wakefield estimates that there is space available for approximately 400 new township projects over the next five years spread across 30 to 35 cities that have population greater than 0.5 million people each. It is estimated that the total project value dedicated to low and middle income housing in the next seven years will be approximately US$ 40 billion (Source: "Opportunities for Private Equity Investment in Indian Real Estate" (4th Quarter, 2005)).

The main factors that are driving demand in the residential segment are described in more detail below:

Changing demographics and increasing affluence: India's demographics have been impacted by large increases in employment opportunities, people in the earning age bracket (25 to 44 year olds) and higher salaries. Such factors are increasing disposable incomes and driving demand for new residential and retail properties.

The table below shows historic and projected annual growth rates for different segments of India's population, classified by levels of annual income. The figures highlight that strong growth is expected especially in the higher income segments. For example, the number of households with annual incomes of between Rs. 2 million and Rs. 5 million per year, Rs. 5 million and Rs. 10 million per year and in excess of Rs. 10 million per year is expected to increase in size by 23%, 26% and 28%, respectively, between financial year 2002 and 2010, as illustrated by the table. These higher income segments of India's growing middle class are expected to provide a strong impetus for the continued development and growth of the Indian real estate sector.

Household Income (Rs. mn p.a.)	Households in FY96 ('000)	Households in FY02 ('000)	Expected households in FY06 ('000)	Expected households in FY10 ('000)	CAGR (FY96-02) (%)	CAGR (FY02-06) (%)	CAGR (FY06-10) (%)
>10	5	20	52	141	26.0	27.0	28.3
10 to 5	11	40	103	255	24.0	26.7	25.4
5 to 2	63	201	454	1,037	21.3	22.6	22.9
2 to 1	189	546	1,122	2,373	19.3	19.7	20.6
1 to 0.5	651	1,712	3,212	6,173	17.5	17.0	17.7
0.5 to 0,2	3,881	9,034	13,188	22,268	15.1	9.9	14.0
0.2 to 0.009	28,901	41,262	53,276	75,304	6.1	6.6	9.0
<0.009	131,176	135,378	132,249	114,394	0.5	(0.6)	(3.6)
Total	164,877	188,193	203,656	221,945			

Source: www.ncaer.org

Large segment of the population economically active: India's growing population in the earning age bracket is recognized as a key driver of growth in housing demand. The size of India's main working age group, 25 to 44 year olds, has increased over the last two decades. According to CRIS INFAC estimates, as of 2005, approximately 28.2% of India's population was in this age bracket. This figure is expected to rise to approximately 30.6% by 2025, an increase of approximately 5.5 million people each year, which could translate into a further 2.75 million new households per year. Also, according to industry estimates, the average age of a home purchaser has fallen from 42 to 31 years old (Source: CRISINFAC Retail Finance, July 2006).

Shift in consumer preferences from renting to owning houses: Due to the changing demographic profile in India, there has been a steady decline in the portion of households living in rented premises. To a certain extent, this may be attributed to rising income levels. However, with fewer properties available to rent today and an increase in the rents being charged to tenants, consumers have increasingly been investing in property. Factors such as the increase in the standard of living of consumers and the greater availability of financing for consumers are expected to fuel a further decline in the number of households renting premises (CRIS INFAC Annual Review on Housing Industry, January 2006).

Increasing Urbanisation: India has witnessed a trend of increased urbanisation as people migrate from rural to urban areas seeking employment opportunities. According to CRIS INFAC estimates, India's urban population is expected to grow at a CAGR of 2.6% over the five year period from financial year 2005 through 2010, as illustrated in the table below. Urban areas must accommodate this increase in population which, in turn, is expected to increase in demand for new urban areas and townships (CRIS INFAC Annual Review on Housing Industry, January 2006).

Growth in Population	2001	2005	2010	CAGR (fiscal 2005 to fiscal 2010
Urban	285,355	316,921	360,590	2.60%
Rural	741,660	775,575	818,488	1.10%
Total	**1,027,015**	**1,092,496**	**1,179,078**	**1.50%**

Source: CRIS INFAC

Shrinking household size: India's traditional joint family (or multi-occupant) residences are gradually being replaced by individual or smaller nuclear family residences. For example, according to CRIS INFAC, the average size of Indian households decreased from approximately 5.52 persons in 1991 to approximately 5.30 persons in 2001. This trend is expected to continue as factors such as increasing urbanization and migration for employment opportunities cause a decrease in the size of the average Indian household to an estimated 5.08

persons by 2011. Given India's increasing population, such contraction in the size of the average household is expected to increase demand for housing (Source: CRIS INFAC Annual Review on Housing Industry, January 2006).

Slum Rehabilitation Scheme ("SRS")

One sector of the real estate development market that is unique to Mumbai is it's Slum Rehabilitation Scheme. In 1995, the Government of Maharashtra initiated the Slum Rehabilitation Scheme to be administered by the newly-created Slum Rehabilitation Authority (SRA). The objective of the SRS is to redevelop slums in the Mumbai area. Through the scheme, slum dwellings are replaced by residential buildings containing flats of 225 square feet that are constructed free of cost to former slum dwellers by private real estate developers participating in the scheme. The government of Mumbai subsidizes this clearance and construction by granting developers the right to develop a proportion of former slum land for their own purposes, or by granting them transferable development rights ("**TDRs**") which may be used to develop land elsewhere in Mumbai north of the slum land concerned. In other words, in exchange for the construction of flats for slum dwellers, real estate developers are allowed to construct residential, commercial and retail properties on slum land, whether it is government or private land, which they can then freely sell. Moreover, TDRs permit developers to develop land in certain parts of Mumbai that are outside the rehabilitated slum area. A TDR is made available in the form of a certificate issued by the municipal corporation of Mumbai, and its owner can use it either for actual construction or can sell it on the open market. Residential development on slum land that is subject to the SRS also benefits from a superior Floor Space Index (FSI) allowance which determines the total permitted construction area as a portion of the total land area of a site. Under the SRS, the FSI is generally around 2.5 as against a normal FSI of 1.33 thereby making SRS development more attractive for developers. Moreover, the SRS can enable a developer to acquire land in prime locations in Mumbai, a city where the scarcity of land is a constraint on real estate development. The acquisition can be made at, in effect, lower cost (e.g., the cost of constructing replacement housing for the slum dwellers) than traditional purchases of land for cash, thereby reducing the asset cycle risk for the developer between land acquisition and sale of developed property or FSI/TDRs.

The innovative subsidy mechanism of the SRS has spurred redevelopment activity in certain deprived areas of Mumbai which were previously unattractive to real estate developers. In addition to helping fulfil the social obligations of the government, which does not have the resources to undertake rehabilitation projects on a large scale, an on-going benefit of the SRS to the government of Mumbai includes the addition of individuals to the tax rolls when they occupy new housing who, as slum dwellers, were not previously part of the tax base.

The Commercial Segment

According to a presentation made to the Federation of Indian Chambers of Commerce and Industry by property valuers Cushman & Wakefield in November 2005, capital flow into commercial property in 2004 increased by more than 40% over the previous year, leading to record levels of new office development. In spite of this, higher demand has helped stabilise vacancy rates. In particular, rapidly growing sectors such as IT/ITES and related sectors were estimated to account for over 70% of net demand in 2004. In cities with diverse economic sectors such as Mumbai, demand has been driven by other industries such as banking, finance and insurance institutions, consulting firms, pharmaceutical companies, shipping firms and other service businesses.

Commercial locations in India**:** Over the past five years, locations such as Bangalore, Gurgaon, Hyderabad, Chennai, Kolkata and Pune have established themselves as emerging business destinations that are competing with traditional business destinations such as Mumbai and Delhi, especially with respect to their commercial real estate sector. These emerging destinations have succeeded in matching their human resources base with necessary skill sets, competitive business environments, operating cost advantages and improved urban infrastructure. The current relative position of the urban growth centers in India can be summarized as follows:

Competitive positioning of growth centres in India**:** Various geographic areas in India can be classified either as (i) mature, (ii) in transition, (iii) emerging, or (iv) tier III destinations. These classifications are described below:

Mature Destinations: Locations such as Mumbai and Delhi have a metropolitan character and have consistently been traditional business destinations with a favourable record in attracting investment opportunities. However, factors such as increasing operating costs and constraints on the availability of land may impede such areas from sustaining a high rate of growth in their respective business districts. Therefore, commercial real estate growth is expected to be focused in the suburbs and other peripheral locations of these cities. For example, with respect to Mumbai, commercial real estate growth is expected to be focused in areas north of central Mumbai and Navi Mumbai and to the east of the city center.

Destinations in Transition: Locations such as Bangalore and Gurgaon have human resource potential, quality real estate and operating cost advantages. As such, these locations are best positioned to attract investment in the near future. Lack of infrastructure is currently the main inhibiting factor precluding robust growth in these areas.

Emerging Destinations: Locations such as Pune, Chennai, Hyderabad and Kolkata offer cost advantages, well-developed infrastructure, supportive city governments and minimal restraints on the supply of real estate. While the number of large occupiers in these locations has yet to reach optimum levels, these locations attract a large amount of real estate investment. Growth in these emerging destinations is predominantly led by the expansion and consolidation plans of corporations in the IT and ITES sectors.

Tier III Cities: Locations such as Jaipur, Coimbatore, Ahmedabad, and Lucknow have a large talent pool combined with low cost real estate. As such, businesses in the technology sector have demonstrated a growing interest in these locations as they seek to expand their operations. These markets are expected to see significant real estate growth over the next three to five years.

The Retail Segment

While real estate development in the retail sector is a relatively new phenomenon in India, the retail sector has been growing rapidly. A.T. Kearney's 2005 Global Retail Development Index suggests that the Indian retail market has the largest growth potential of worldwide retail markets. The following factors contribute to the emergence and growth of the organized retail segment in India:

- Increase in per capita income and household consumption;
- Changing demographics and improved standards of living;
- Changing consumption patterns and access to low-cost consumer credit; and
- Infrastructure improvements and increased availability of retail space.

Historically, the Indian retail sector has been dominated by small independent local retailers such as traditional neighbourhood grocery stores. However, during the 1990s, organised retail outlets gained increased acceptance due to changing demographic factors such as an increase in the number of women working, changes in the perception of branded products, the entry of international retailers into the market and the growing number of retail malls.

According to CRIS INFAC estimates, retail spending in India in financial year 2005 was approximately Rs. 9,990 billion, of which the organised retail segment accounted for approximately Rs. 349 billion, or 3.5%. The size of the organised retail segment is expected to grow by 25% to 30% per year, reaching approximately Rs. 1,095 billion of sales in 2010. Although operators in the organised retail segment have concentrated on larger cities, retailers also have announced expansion plans into towns and rural areas. Major Indian business groups such as Reliance, Bennett & Coleman, Hindustan Lever, Hero Group and Bharti as well as international retailers such as Metro, Shoprite, Lifestyle and Dairy Farm International Wal-Mart, Carrefour and Tesco have already commenced or are considering commencing operations in India. CRIS INFAC estimates that investment in this sector through 2010 will total approximately Rs. 31 billion per year (CRIS INFAC Annual Review on Retailing Industry – September 2005). The growth of the retail sector is expected to increase the level of investments in construction to approximately Rs. 112 billion over the next five years (Source: CRIS INFAC Construction Annual Review, February 2006).

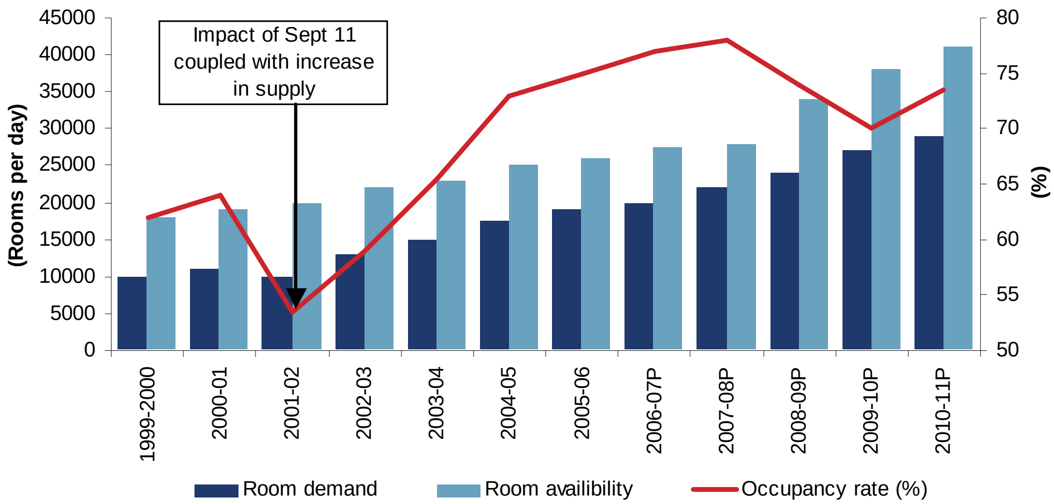
The growth rate for retail space also has led to high demand for shopping mall space. There are 219 operational shopping malls in the six largest cities of India, spread over 66 million square feet of land at an average size of 0.3 million square feet per mall (CRIS INFAC Annual Review on Retailing Industry – September 2005). It is expected that the number of shopping malls will double in the next three to five years. Currently, development of shopping malls is underway in India's smaller as well as it's larger cities. A significant number of specialized malls, such as automobile, jewellery, furniture and electronic malls also are being developed.

The Hospitality Segment

The hospitality industry in India is witnessing robust growth, supported by India's growing economy as well as increased business travel and tourism. The cost of travel has decreased following the Government's liberalisation of the airline industry in the 1990s. Also, the increase in disposable income among Indian workers has increased demand for quality hotels and resorts across the country. According to the World Travel and Tourism Council (**"**WTTC**"**), India's travel and tourism sector is expected to grow 8.6% in 2006 and 8% per annum, in real terms, between 2007 and 2016. The travel and tourism sector is expected to contribute 2.1% to GDP in 2006 (US$16.3 bn), increasing in nominal terms to US$ 29.6 bn (1.7% of total GDP) by 2016.

According to CRIS INFAC room demand will grow at a CAGR of 10% over the next five years (CRIS INFAC Hotels Annual Review, July 2006). This is expected to be accompanied by increases in average room rates of 20% and 10% in fiscal 2007 and 2008, respectively. It is expected that the growth in occupancy rates will be assisted by factors such as 10% CAGR in the number of incoming travellers to India over the next five years.

The following chart shows changes in room demand and availability as well as occupation rates since fiscal 2000 and projections through to fiscal 2010:



Source: CRIS INFAC "Hotels Annual Review" (July 2006).

According to its publication "Hotels Annual Review (July 2006)," CRIS INFAC estimates that investments in the hotel industry will total approximately Rs. 90 billion over the next five years.

Special Economic Zones ("SEZ")

The Government introduced SEZs in 2000 to provide an internationally competitive environment for exports free of bureaucratic barriers. SEZs are specifically designated duty-free zones deemed to be foreign territories for purposes of Indian customs controls, duties and tariffs. The introduction of SEZs is aimed at attracting foreign investment and increasing exports in order to promote economic development and employment. There are three main types of SEZs: integrated SEZs, which may consist of a number of industries; services SEZs, which may operate across a range of defined services; and sector-specific SEZs, which focus on one particular industry. Minimum sizes for SEZs are 2,500 acres for a multi-product SEZ, 250 acres for a sector-specific SEZ, and 25 acres for SEZs in certain specific industries, such as biotech, IT services, gems, and jewellery. Under current legislation, SEZ developers and tenants are granted various income tax benefits, which are expected to attract software companies in particular, given that certain tax breaks in existing software technology parks expire in 2009.

Entertainment

India's entertainment industry is currently estimated at approximately Rs. 234 billion with cinema accounting for a significant amount (28%) of the industry (The Indian Entertainment and Media Industry (FICCI – PwC Report (2006)). While the entertainment industry is expected to grow approximately 21% annually and reach approximately Rs. 617 billion by 2010, the Indian cinema industry is expected to reach approximately Rs. 153 billion in 2010, contributing approximately 25% to India's entertainment industry. According to PricewaterhouseCoopers, the Indian cinema industry had revenues of Rs. 53 million in 2005 (The Indian Entertainment and Media Industry (FICCI – PwC Report (2006)).

The key economic advantages of multiplex cinemas over single-screen cinemas include better occupancy ratios and the ability for cinema operators to choose to show moves in a larger or a smaller theatre based on expected audience size. Multiplex cinema operators are therefore able to maintain higher capacity utilization compared to single-screen cinemas and can provide a greater number of film showings. As each movie has a different screening duration, a multiplex cinema operator has the flexibility to decide on the screening schedule so as to maximize the number of shows in the multiplexes, thus generating a greater number of patrons. Multiplexes also allow for better exploitation of the revenue potential of the movie.

The key drivers of growth responsible for the expected increase in the number of multiplex cinemas include an increase in disposable income across an expanding Indian middle class, favourable demographic changes, strong growth in organized retail and the availability of entertainment tax benefits for multiplex cinema developers.

RECENT REFORMS IN THE INDIAN REAL ESTATE SECTOR

Foreign direct investment in real estate: In 2005, the government modified the foreign direct investment (FDI) rules applicable to the real estate sector by permitting 100% FDI with respect to certain real estate projects such as townships, housing, built-up infrastructure and construction development projects, subject to a number of guidelines. The new FDI rules mainly relate to the minimum area required to be developed by such a project, minimum amounts to be invested and time limits within which such a project must be completed.

Housing regulations: The Indian Government enacted the Urban Land (Ceiling and Regulation) Act (**"ULCRA"**) in 1976 to prevent speculation and profiteering in land and to ensure equitable distribution of land in urban areas in order to serve the common good. Pursuant to ULCRA, urban cities were classified into A, B and C categories. The act imposed a ceiling on the amount of vacant land that any individual can possess in a particular urban area, based on the classification of the city in question. In 'A' class cities, such as Delhi and Mumbai, this amounts to no more than 500 square metres. The excess land identified was acquired by the government after compensating the owners thereof and used to provide housing to various sections of the public. However, it is widely acknowledged that ULCRA has failed to have achieve its objective and has resulted in inflated prices and exacerbated housing shortages. The Government therefore suggested the repeal of ULCA by way of the Urban Land (Ceiling and Regulation) Repeal Act 1999 (**"Repeal Act"**), which has so far been adopted by the state governments of Haryana, Punjab, Uttar Pradesh, Gujarat, Karnataka, Madhya Pradesh, Rajasthan and Orissa, but has not been repealed in a number of states, including Maharashtra where Mumbai is located.

Real estate development is subject to a wide variety of laws and regulations. For a detailed overview of the regulatory environment governing the Indian real estate sector, please see the section entitled "Regulations and Policies in India" on page 84 of this DRHP.

OUR BUSINESS

Overview

We are a real estate development company in India, with our significant operations in the Mumbai Metropolitan Region. Our business focuses on Real Estate Development, including construction and development of residential projects and, more recently, commercial and retail projects, Slum Rehabilitation and Development, including clearing slum land and rehousing slum dwellers, and Land Development, including development of infrastructure on land which we then sell to other property developers. We have an integrated in-house development team which covers all aspects of property development from project identification and inception through construction to completion and sale.

Since our incorporation in 1996, we have developed 24 projects covering approximately 11.3 million square feet of saleable area, including approximately 5.7 million square feet of land sold to other builders after Land Development, primarily in the Mumbai Metropolitan Region. We also have constructed an additional 2.0 million square feet of rehabilitation housing area under slum rehabilitation schemes.

Our residential projects generally are comprised of groups of apartments, towers or larger multi-purpose "township" projects in which individual housing units are sold to customers. Our commercial projects are a mix of office space and multiplex cinemas. Our retail projects focus on shopping malls. We usually follow a "build and sell" model for the properties we develop.

We also undertake slum rehabilitation projects under a Government scheme administered by the Slum Rehabilitation Authority (SRA), whereby developers are granted development rights in exchange for clearing and redeveloping slum lands, including providing replacement housing for the dislocated slum dwellers.

Although historically we have focused on real estate development in the Mumbai Metropolitan Region, as part of our growth strategy we are considering projects in other locations, including Kochi and Hyderabad. We also are considering expanding into hotel projects, special economic zone developments and "mega-structure" complexes, which are large-scale mixed-use retail, commercial and residential developments.

Our total land reserves are comprised of approximately 112.1 million square feet of saleable area to be developed through 32 Ongoing or Planned projects. We have 21 Ongoing Projects, which are projects under construction and development, aggregating to approximately 45.5 million square feet of saleable area, and we have an additional 11 Planned Projects, which are projects planned for construction and development in the future, aggregating approximately 66.6 million square feet of saleable area.

We are part of the Wadhawan Group (formerly known as the Dheeraj Group), which has been involved in real estate development in the Mumbai Metropolitan Region for almost three decades. As of May 31, 2007, the Wadhawan Group has developed (including our developments) approximately 73.2 million square feet of saleable area, which includes 13.7 million square feet of residential saleable area, 15.3 million square feet of commercial saleable area, 0.7 million square feet of retail, 35.6 million square feet of land development and 7.9 million square feet of saleable area under slum rehabilitation schemes, and, additionally, has constructed approximately 5.5 million square feet of rehabilitation housing area under slum rehabilitation schemes. Our promoters are Rakesh Kumar Wadhawan, Sarang Wadhawan, Kapil Wadhawan, and Dheeraj Wadhawan, who, together with the rest of the Promoter Group, held 73.2% of our outstanding share capital as of May 31, 2007.

Our turnover from sales of projects, developed land and land development rights for the financial years ended March 31, 2007, 2006, 2005 and 2004 were Rs. 12,041.9 million, Rs. 4,348.6 million, Rs. 649.3 million and Rs. 58.2 million, respectively, and our restated profit after tax for financial years ended March 31, 2007, 2006 and 2005 were Rs. 5,481.7 million, Rs. 1,172.9 million and Rs. 145.8 million, respectively. In financial year 2004, we incurred a loss of Rs. 4.0 million.

Competitive Strengths

We believe that the following are our primary competitive strengths:

Land Reserves in the Mumbai Metropolitan Region

We continually identify and acquire land or land development rights. Our Land Reserves consist of saleable areas of land to which we have, or are in the process of acquiring, title or development rights either directly, or through acquisition agreements or letters of intent, or through memoranda of understanding. As of May 31, 2007, we had approximately 112.1 million square feet of Land Reserves, which included approximately 45.5 million square feet of saleable area for our Ongoing Projects and approximately 66.6 million square feet of saleable area for our Planned Projects.

Approximately 92.8 million square feet, or 82.8% of our Land Reserves are in the Mumbai Metropolitan Region, which is the commercial capital of India and an important real estate market. We believe that our experience in building up our Land Reserves at a competitive cost is a significant advantage to us as we seek to expand our business.

In-House Development Capabilities and Project Execution Skills

We have established a detailed internal system for project development, implementation and monitoring to ensure proper identification and acquisition of potential project sites, effective and organized design and planning procedures, and efficient procurement, construction and other execution processes in order to complete projects on time and within budget. We believe these systems facilitate efficient operations and ensure consistent quality across all of our projects, thereby shortening project timelines and allowing us to successfully execute complex projects. Our teams have developed relationships with, and have experience in working with regulatory authorities, as well as managing our external suppliers and third party contractors. We believe these systems also facilitate our ability to anticipate project requirements and to develop new types of structures.

Experienced and Established Participant in Slum Rehabilitation Schemes

We are an established developer in the market for slum rehabilitation, which primarily involves construction of residential buildings for slum dwellers and clearing public and private land for development of residential, commercial, retail and infrastructure purposes. Our team has extensive experience in identifying appropriate slum rehabilitation projects as well as working with the government authorities who regulate these projects, issue necessary permits and approvals and monitor the quality of replacement housing we build for slum dwellers. We believe we have established a reputation with slum dwellers for fair and efficient execution of such projects that has enhanced our ability to obtain their consent to our rehabilitation projects and successfully execute such projects, thereby facilitating our growth in this segment of the real estate market in the Mumbai Metropolitan Region.

Established Reputation for Quality Projects and Construction

Since our incorporation in 1996, we have successfully completed 24 projects comprised of approximately 11.3 million square feet of saleable area. We have never experienced any significant quality issues nor have we ever been cited for any material deficiencies in construction of our projects. We believe customers identify our projects with quality construction and, as a result, we enjoy customer confidence, enhancing our ability to sell our projects. In addition, we believe being part of the Wadhawan Group, which has been involved in property development in the Mumbai Metropolitan Region for almost three decades, enhances buyers' positive perceptions of our projects. As a result, we believe our projects appeal to a large cross section of the Indian population, including the growing middle class market for residential properties.

Experienced Management and Employees

Our management team has significant experience in the real estate sector and our staff of professionals cover a variety of disciplines, including architecture, engineering, project supervision, accounting, marketing and sales. Our management and professional personnel have extensive experience in anticipating market trends, identifying new markets and potential sites for development and acquiring land and development rights, as well as in the design, engineering, construction, supervision and marketing of projects. Their experience includes relationships with the suppliers from whom we source construction materials and the contractors we engage for construction services, allowing us to better manage the quality, schedule and cost of the materials and construction in our projects.

We believe our record in constructing and developing projects in the Mumbai Metropolitan Region gives us special expertise with respect to developing projects in and around the region, particularly with respect to working with relevant regulatory authorities and managing legal and regulatory requirements and processes. We believe that this experience and expertise will enable us to replicate our business model in other geographic areas of India and for other types of projects.

Our Strategy

The key elements of our business strategy are as follows:

Continued Expansion of Land Reserves

We believe that continuing to acquire additional land and land development rights in strategic locations at a competitive cost is critical to our ability to develop successful projects. We focus our acquisition efforts on lands where we can develop large saleable areas and maximise our returns in relation to the cost and time required to develop and sell a project. We intend to enhance our Land Reserves through executing slum rehabilitation projects, entering into joint development agreements or partnerships for the development of properties and through the acquisition of land, not only in the Mumbai Metropolitan Region, but also in other geographic areas of India, such as Palghar, Kochi and Hyderabad.

Portfolio Diversification

In addition to our core strengths in developing residential, commercial and retail projects, and projects under slum rehabilitation schemes and in land development, we intend to expand the types of projects we undertake to include hotels, special economic zone developments and "mega-structure" complexes, which are large-scale mixed-use retail, commercial and residential developments like our "Dreams" development in Bhandup, north of the central Mumbai Metropolitan Region. We believe that such diversification will allow us to take advantage of new trends and opportunities in the Indian market whilst simultaneously helping to mitigate the risks of being too concentrated in certain segments of the real estate sector.

Geographic Expansion

Although we are primarily focused on the real estate market in the Mumbai Metropolitan Region, India's growing economy and population present real estate development opportunities throughout the country. We are developing multi-use residential/retail projects in Palghar, Kochi and Hyderabad. We will continue to seek strategic development opportunities either on our own or jointly with third parties as they arise and believe that our experience in the Mumbai Metropolitan Region will translate well in other parts of the country. Geographic expansion also will enable us to grow the overall size of our operations.

Enhance Our Slum Rehabilitation Business

We engage, and have established a market presence, in slum rehabilitation projects that involve clearing slum lands owned by the Government or private parties, rehousing affected slum dwellers and redeveloping the cleared land for projects or for other infrastructure purposes such as roadway expansions. Land occupied by slum dwellers constitutes a significant portion of developable land in the Mumbai Metropolitan Region and rehabilitation projects therefore provide significant opportunities for real estate development in attractive locations. Rehabilitation projects give developers access to these areas for, in effect, the cost of clearing the slum and providing replacement housing for the affected slum dwellers.

The developer is compensated with land development rights that can be used for construction and development of projects either at the cleared area or otherwise anywhere in the Mumbai Metropolitan Region north of the area being rehabilitated. These transferable development rights (TDRs) can represent significant value to a developer because they permit construction of additional amounts of square footage of saleable area in areas of the Mumbai Metropolitan Region where the developer otherwise would not be permitted to build beyond a certain amount of saleable area. Alternatively, the developer can sell TDRs in the real estate market, which can improve the liquidity position of the developer.

Our Business Lines

Our business can be divided into three general categories as follows:

- Real Estate Development, including construction and development of residential, commercial and retail projects;
- Slum Rehabilitation and Development, including clearing slum land, owned by the Government or private parties and rehousing affected slum dwellers; and
- Land Development, including development of infrastructure on land and sale to other developers.

Completed Projects

We have developed properties predominantly in the Mumbai Metropolitan Region and traditionally have focused on development of residential projects, slum rehabilitation and land development activities. As of May 31, 2007, we had completed a total of 24 projects, aggregating approximately 11.3 million square feet of saleable area, including approximately 5.7 million square feet of land developed and sold to other real estate developers. Additionally, we also constructed approximately 2.0 million square feet of rehabilitation area for slum dwellers under slum rehabilitation schemes. A summary of these projects by type is included in the following table:

Project Type	Saleable Area	% of Total
Residential	2,071,881	18.4
Commercial	667,368	5.9
Retail	533,625	4.7
Slum Rehabilitation	2,286,912	20.3
Land Development	5,728,109	50.7
Total	**11,287,895**	**100.0%**

The following table summarises each of these projects:

Project	Location	Project Type	Saleable Area (Sq. Ft.)	Rehabilitation Area (Sq. Ft.)	Year of Completion#
Agashi	Virar	Land Development	5,046,835	–	2007
Capri* +	Bandra	Commercial	60,590	–	2007
Dheeraj Savera II	Borivali	Residential	19,000	–	2001
Dheeraj Apartments	Jogeshwari	Residential	27,986	–	1997
Dheeraj Arcade*	Bandra	Commercial	37,313	61,732	2004
Dheeraj Arma*	Bandra	Commercial	336,560	134,045	2005
Dheeraj Savera Row House	Borivali	Residential	8,750	–	2005
Dheeraj Sneh	Bandra	Residential	16,380	–	2003
Dheeraj Swapna	Bandra	Residential	18,645	–	2003
Dongre	Virar	Land Development	651,351	–	2005
Dreams	Bhandup	Residential	1,973,755	–	2007
Dreams Retail Market	Bhandup	Retail	47,362	–	2006
Dreams Mall	Bhandup	Retail	486,263	–	2006/2007
Kokan Nagar*	Andheri	Residential	205,450	205,450	2006
Bandra (E) SRS Scheme No-2 - Phase I*	Bandra-Kurla Complex	Residential	1,174,979	565,551	2007
Bandra (E) SRS Scheme No -1*	Bandra Kurla Complex	Commercial	232,244	-	2007
Natwar Nagar*	Jogeshwari	Residential	221,997	221,997	2002
Mulund	Mulund	Commercial	667,368	–	2006
Palghar	Palghar	Land Development	29,923	–	2002
Pali Arcade	Bandra	Residential	7,365	–	2004
Pathar Nagar*	Bandra-Kurla Complex	Residential	–	169,400	2007
Preirawadi*	Bandra	Residential	17,779	13,078	2003
Bandra (W) SRS Scheme*	Bandra	Residential	–	148,369	2007
Kaledonia*	Andheri	Residential	–	454,269	2007
Total			**11,287,895**	**1,973,891**	

* Refers to slum rehabilitation projects including both SRA projects and other rehabilitation projects for slum dwellers displaced by land development projects.

\# Refers to the financial year ended March 31.

\+ Capri slum rehabilitation area included in adjacent Dheeraj Arma rehabilitation area.

We built and sold all of these properties, except in a few cases such as our head office building, Dheeraj Arma, which we continue to own.

Type of contracts through which we acquire Land

Memorandum of Understanding

A Memorandum of Understanding (MOU) describes a bilateral arrangement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action, rather than a legal commitment. It generally lacks the binding power of a contract.

An MOU may be defined as "a written statement detailing the preliminary understanding of parties who plan to enter into a contract or some other agreement". An MOU is not meant to be binding except in cases where it is considered to be a concluded contract and does not hinder the parties from bargaining with a third party. Parties entering into an MOU typically do not intend to be bound by it, and the courts ordinarily do not enforce an MOU but the courts may sometimes conclude from the language in an MOU that a commitment has been made.

Agreement for Sale

An agreement for sale is a contract that a sale of the property mentioned therein shall take place on the terms agreed by the parties. It is an executory contract whereby the title to the property continues to be vested with the vendor thereof. An agreement for sale need not be registered.

Letter of Intent (LOI)

It is a letter expressing an intention to take (or not take) an action, sometimes subject to other action being taken and is primarily concerned with delineating only the major terms of the transaction including but not limited to payment of an earnest money deposit, description of the property and termination details, etc.

With respect to Slum Rehabilitation Act, the LOI is a document which is issued in the second stage of the Slum Rehabilitation Project after the Annexure II has been certified by the Slum Rehabillitation Authority. It is only after the issue of the LOI that the Developer can proceed to arrange for interim accomodation, demolish structures on the land and proceed with construction.

Development Rights

A development right is a right to carry out development or to develop the land or building or both and shall include the transferable development right in the form of a right to utilize the FSI of land utilized either on the remainder of the land or partially reserved for a public purpose or elsewhere.

Ownership Rights

Ownership rights relate to the legal title of the property coupled with exclusive legal rights to possession. Co-ownership means that more than one person has a legal interest in the same property.

Title Certificate

A title certificate certifies whether a title is marketable or not. It is issued subsequent to investigation and examination of the title by an advocate/solicitor.

There are generally two types of title certificates:

(i) a clean certificate which certifies that the title has been examined and is marketable and free from encumbrances, claims or reasonable doubts;

(ii) qualified certificate that sets out conditions and reservations, whereby the title is not marketable.

Joint Development Agreement

A joint development agreement is an agreement whereby a developer or builder enters into an agreement with the owner for purchase and development of the land. The immovable property for development may be either vacant land or land with structures already built thereon.

Such agreements contain obligations and rights of land owners and builders such as obtaining statutory permissions, ratio of sharing the developed property between owner and developer, process of finding prospective purchasers and funding the project, time duration of completion and penalties for violation.

Joint Venture Agreement

A joint venture is a legal organisation or a partnership or cooperative agreement drafted to provide for sharing of risks and rewards in an enterprise or project co-owned and operated for mutual benefit by two or more business partners.

Deed of Assignment

Assignment of rights under a contract is the transfer of the rights held by the Transferor under the contract to the Transferee. Such an assignment may be *donative* (essentially given as a gift), or it may be contractually exchanged for consideration.

Land Reserves

We believe that having an adequate supply of land and land development rights in strategic locations is critical to our ability to continue developing successful projects. We focus our acquisition efforts on lands where we can develop large saleable areas and maximise our returns in relation to the cost and time required to develop and sell a project.

Our Land Reserves consist of saleable areas of land to which we have, or are in the process of acquiring, title or development rights either directly, or through acquisition agreements or letters of intent, or through memoranda of understanding. Our Land Reserves currently total approximately 112.1 million square feet of saleable area. We have provided details of our Ongoing and Planned Projects which include projects being undertaken on portions of our Land Reserves.

We subdivide our Land Reserves into the following categories:

S. No.	Land Bank/ Land Reserves	Acreage (sq. ft. million)	% of Total Acreage	Estimated developable area# (square feet million)	% of developable area
(i)	Land Owned By the company				
	1. By itself	1,665.8 (72.6)	64.70%	78.3	69.9%
	2. Through its subsidiaries	-	-	-	-
	3. Through entities other than (1) and (2) above	-	-	-	-
(ii)	Land Over which the company has sole Development rights*:				
	1. Directly by the company	92.6 (4.0)	3.6%	3.9	3.5%
	2. Through its subsidiaries	-	-	-	-
	3. Through entities other than (1) and	-	-	-	-

S. No.	Land Bank/ Land Reserves	Acreage (sq. ft. million)	% of Total Acreage	Estimated developable area# (square feet million)	% of developable area
	(2) above				
(iii)	Memorandum of Understanding/ Agreements to acquire/ letters of acceptance to which company and/or its subsidiaries and/or its group companies are parties, of which**:				
	1. Land subject to government allocation	37.7 (1.6)	1.5%	2.7	2.4%
	2. Land subject to private acquisition	455.7 (19.9)	17.7%	14.9	13.3%
(A)	**Sub Total of (i)+(ii)+(iii):**	**2,251.8 (98.1)**	**87.5%**	**99.8**	**89.1%**
Joint Developers With Partners					
(iv)	Land for which Joint Development agreements have been entered into by:				
	1. By the Company	322.4 (14.0)	12.5%	12.3	10.9%
	2. Through the subsidiaries	-	-	-	-
	3. Through entities other than (1) and (2) above	-	-	-	-
(v)	Proportions interest in lands owned indirectly by the company through joint ventures	-	-	-	-
(B)	**Sub-total (iv)+(v)**	**322.4 (14.0)**	**12.5%**	**12.3**	**10.9%**
(C)	**Total (i)+(ii)+(iii)+(iv)+(v):**	**2,574.2 (112.1)**	**100%**	**112.1**	**100%**

 # For the purposes of this document, developable area should be read as saleable area.

** This includes the Affaire project in respect of which, we hold title to a portion of the saleable land and have development rights for the balance. Some of the lands to which these arrangements relate are subject to litigation. For further details, please see "Outstanding Litigation – Litigation involving lands forming part of Ongoing and Planned Projects in which neither the Company nor the Directors are parties" on page 245 of this Red Herring Prospectus.*

***Some of the lands to which these MoUs or agreements for sale relate are subject to litigation. For further details please see "Outstanding Litigation – Litigation involving lands forming part of Ongoing and Planned Projects in which neither the Company nor the Directors are parties" on page 245 of this Red Herring Prospectus.*
Conversion factor from acres to square foot is 1 acre = 43,560 square feet.

Material Agreements under (ii), (iii), (iv) and (v)

The following section describes material agreements into which we have entered for lands in categories (ii), (iii), (iv) and (v) above, to the extent the value of such agreement is 10% or more of the aggregate agreement value of lands falling under such category. Slum rehabilitation land has not been included for the purposes of this calculation.

Category (ii)

Land over which the company has sole development rights

1. Dreams

We have entered into a development agreement (which has been registered) with API (owner) and SICAL (confirming party) dated March 22, 2004 and the agreement has no date of termination mentioned in such agreement. The total plot area as per the agreement is 1.28 million sq. ft. The agreement value is Rs. 830 million, the full amount of which has been paid by the Company. The payment was funded through internal accruals. The agreement does not contain a revocation clause.

2. Versova

We have entered into two purchase agreements (which have been registered): (i) dated February 9, 2005 with Mulraj Purshottam Kabali (the vendor), Lok Holdings & Construction Limited (successor of Lok Holdings and the confirming party) and shareholders of Lok Holdings & Construction Limited (also the confirming parties) for an amount of Rs. 117.8 million and (ii) dated August 16, 2005 with heirs of Chandrasinh Kabali namely being Champabai Dilipkumar Kabali, Gayatri Kabali, Jayshri Kabali, Kamla Kabali (the vendors), Lok Holdings & Construction Limited (successor of Lok Holdings and the confirming party) and shareholders of Lok Holdings & Construction Limited (as confirming parties) for an amount of Rs. 20.0 million. We have also entered into assignment agreements (which have been registered) (i) dated August 12, 2005 with Lok Holdings & Construction Limited as the assignor (being successor of erstwhile partnership firm known as Lok Holdings) for Rs. 540.0 million and (ii) dated May 11, 2006 with Pranav Kabali (as the manager and karta of Vijaykumar alias Vishnu Kabali (HUF) for Rs. 39.2 million. The total plot area as per the agreement is 0.75 million sq. ft. The combined value of these above agreements is Rs. 717.0 million, of which Rs. 644.0 million or 89.8% of agreement value has been paid. The payments were funded through internal accruals. The agreement does not contain a revocation clause.

3. Harmony

We have entered into a development agreement (which has been registered) with M/s. Awas Developers & Construction Pvt. Ltd. dated December 28, 2006. The total plot area as per the agreement is 0.11 million sq. ft. The agreement value is Rs. 275 million and the amount paid by the Company is Rs. 155 million, which is 78.2% of the agreement value. The sources of funds are from internal accruals of the Company. There is no revocation clause in the agreement.

Category (iii)

Memorandum of Understanding/ Agreements to acquire/ Letters of Acceptance to which company and/ or its subsidiaries and/or its group companies are parties

1. Carmichael Property

We have entered into a Memorandum of Understanding (MOU) dated July 14, 2006 with M/s. S.P. Building Corporation and Mr. Samratmal Phoolchand Seth (Owners) for development/purchase of the property. The total plot area as per the agreement is 0.05 million sq. ft. The agreement value of this MOU is Rs. 690 million out of which we have paid Rs. 33 million representing 4.8% of the agreement value. This payment was funded through internal accruals and their is no revocation or validity clause in the agreement. The balance amount shall be paid by us only on disposition of upon the Special Leave Petition pending with the Supreme Court.

The termination clause of this MOU provides that in case the Company, regardless of the results and/or outcome of the Special Leave Petition, defaults in payment of any of the amounts payable under the MOU, then the Owners shall give 30 days written notice to the Company to rectify such default and make the said payment, failing which this agreement will be terminated and revoked and the Owners shall be entitled to retain 10% of the total consideration and refund the balance to the Company, which shall not have any other right, title, interest or demand in such property or any claim against the owners.

2. Hyderabad Property

We have entered into an agreement for sale dated December 19, 2006 with M/s. Anish Construction Co. and M/s My Palace Mutually Aided Cooperative Housing Society (Vendors). The total plot area as per the agreement is 11.85 million sq. ft. The agreement value is Rs. 410 million, of which Rs. 390 million or 95.1% of the agreement value has been paid. We have also entered into a Joint Development Agreement dated December 19, 2006 with M/s Anish Construction Co. and M/s My Palace Mutually Aided Cooperative Housing Society on a profit sharing basis. This payment was funded through internal accruals and there is no revocation clause in the agreement.

3. Panvel Property

We have entered into an agreement dated June 15, 2005 with Mr. Satishbhai Babubhai Shah and Mr. Harsh Satishbhai Shah (Vendors). The total plot area as per the agreement is 11.09 million sq. ft. The agreement value is Rs. 371 million, of which Rs. 143 million or 61.5% of the agreement value has been paid. This payment was funded through internal accruals and the agreement does not contain a revocation clause.

4. Kochi Property

We have entered into a Memorandum of Understanding (MOU) dated January 16, 2007. The total plot area as per the agreement is 8.71 million sq. ft. The agreement value of the MOU is Rs. 1,300 million, of which Rs. 928 million, or 71.4% of agreement value has been paid. This payment was funded through internal accruals and the agreement does not contain a revocation clause.

Non - material Agreements under (ii), (iii), (iv) and (v)

The aggregate agreement value is Rs. 268.0 million, out of which the aggregate amount paid is Rs. 178.0 million, which constitutes 66.4% of the aggregate agreement value of the non-material agreements.

Description of our Land Reserves

We classify our Land Reserves as either lands upon which construction and development currently is in progress (our Ongoing Projects) or lands upon which projects are planned for future development (our Planned Projects). As of May 31, 2007, approximately 45.5 million square feet of saleable area, or 40.6%, of our Land Reserves related to 21 Ongoing Projects and approximately 66.6 million square feet of saleable area, or 59.4%, of our Land Reserves related to 11 Planned Projects. These projects are in a variety of locations and include residential, commercial, retail and rehabilitation developments. The Land Reserves mentioned above do not include certain land and land development rights, which we may additionally own or may be in the process of acquiring at various locations including the Mumbai Metropolitan Region and other areas in India.

A certain portion of our land and land development rights in the Vasai and Virar area was originally acquired by our Chairman, Mr. R. K. Wadhawan. Rights in relation to this land and land development rights have been transferred to the Company's name through a Declaration of Undertaking.

We need to obtain certain approvals and consents from various governmental organisations before developing our projects. Our Versova Property has been reserved by the Government of Maharashtra for construction of a mass rapid transit system, a car depot workshop, allied activities and commercial usage. We have proposed to transfer the land to the Mumbai Metropolitan Region Development Authority ("MMRDA") in exchange for all of the FSI related to the project, additional FSI and the right to develop the remaining balance land. The

MMRDA has indicated that it will enter into a consent agreement with us only upon fulfilment of certain conditions including, the withdrawal of all pending suits.

The lands forming part of our Worli Commercial Property have been reserved for an asphalt plant. One of the counterparties to our development agreement, has applied to the MCGM to develop the property for commercial usage. In relation to our Dadar Property, we have not yet obtained consent from the owner of one of the flats on the property. Additionally, the lands forming part of our Panvel Property are subject to certain encroachments, tenancy claims and requirements to obtain certain governmental clearances. Further, we have not yet obtained letters of intent from the SRA for the Malad (West) SRS Scheme, Andheri (West) SRS Scheme No.-2 and some of the lands forming part of the Bandra (East) SRS Scheme No.-1.

Certain of our projects are subject to litigations to which we are not a party. For example, the counterparty to our agreement for sale of our Carmichael Road property, S.P. Building Corporation, has filed a special leave petition before the Supreme Court contending that acquisition proceedings as initiated by the MCGM have lapsed. Further, a suit has been filed by a third party in the High Court, Bombay claiming ownership of such property.

There also are two litigations pending with respect to our Versova Property. One of these litigations is in relation to specific performance of an agreement for the sale of a portion of the property. The other litigation relates to possession of this property. For further details in relation to these litigations, please see the section titled "Outstanding Litigation and Material Developments - Litigation in relation to lands forming part of Ongoing and Planned Projects" on page 245 of this Red Herring Prospectus.

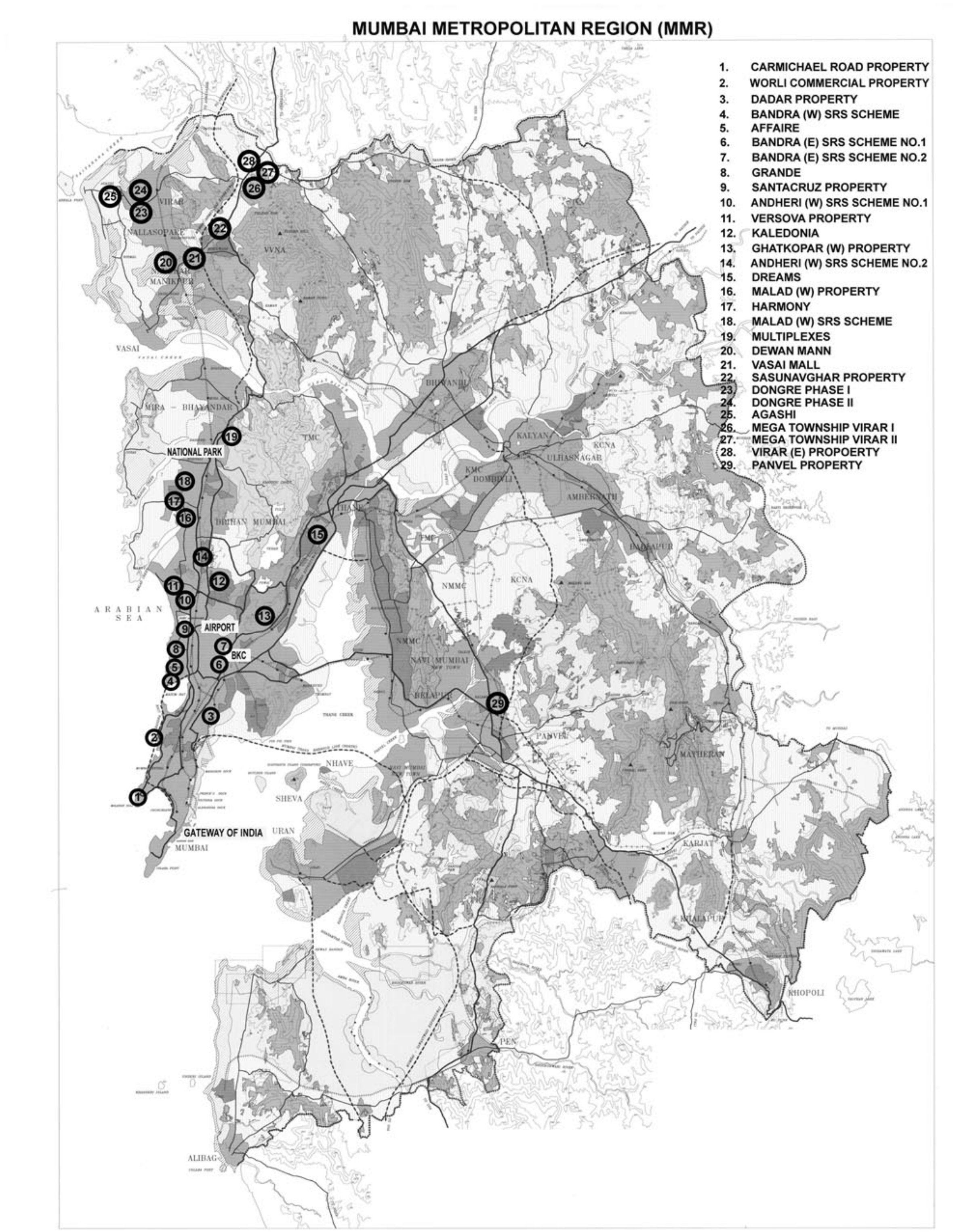
The saleable area of our Ongoing and Planned Projects is summarised in the table below:

Project Type	Ongoing Saleable Area (Sq. Ft.)	% of Total	Planned Saleable Area (Sq. Ft.)	% of Total	Total Saleable Area (Sq. Ft.)	% of Total
Residential	31,207,045	27.8	55,348,079	49.4	86,555,124	77.2
Commercial	130,000	0.1	–	0.0	130,000	0.1
Retail	7,762,997	6.9	11,231,905	10.0	18,994,902	16.9
Slum Rehabilitation	6,426,222	5.7	–	0.0	6,426,222	5.7
Total	**45,526,624**	**40.6**	**66,579,984**	**59.4**	**112,106,248**	**100.0**

The following table summarises the geographical distribution of our Ongoing and Planned Projects:

Location	State	Saleable Area (Sq. ft.)	% of Total
Mumbai Metropolitan Region	Maharashtra	92,777,433	82.8
Palghar	Maharashtra	2,484,655	2.2
Kochi	Kerala	6,999,600	6.2
Hyderabad	Andhra Pradesh	9,844,560	8.8
Total		**112,106,248**	**100.0**

The following map shows the location of our Ongoing and Planned Projects in the Mumbai Metropolitan Region.



Real Estate Development

Our experience in acquiring and selling land and land development rights, combined with our focus on residential, commercial and retail projects, allows us to take advantage of the growth in multiple sectors of the Indian market. Our real estate projects include several types of residential developments, such as apartment complexes and multi-purpose townships, as well as a variety of commercial space such as office space, multiplexes and retail space, including shops and malls, predominantly in the Mumbai Metropolitan Region.

Residential Projects

Most of our residential projects involve the construction of apartment complexes with multiple story apartment buildings. We also develop and construct township projects, which are self-contained planned communities with mixed-use residential and commercial or retail space. These projects require us to work closely with regulatory bodies and community leaders to ensure appropriate development of necessary infrastructure and public amenities, including roads, sewage, parks, schools and hospitals. We generally market our residential projects to middle and high income consumers as well as to corporate customers. We begin sales of apartment units upon commencement of construction and a substantial number of the residential units are pre-sold prior to the completion of construction of a project. After sales are completed, we do not retain any ownership rights or management obligations.

The following table summarises our residential projects. Certain of these projects have commercial, retail and slum rehabilitation components, which are reflected in other tables below. Consequently, information related to payments made towards the cost of land for a project may be duplicated in the case of land used for more than one type of project.

Project	Location	Saleable Area Sq. Ft.	Estimated Completion#	Payments Made for Land and Land Development Rights @ (Rs. millions)	Balance Outstanding @ (Rs. millions)	% of Payments Made Towards Land and Land Development Rights
Ongoing Projects:						
Affaire	Bandra	35,235	2009	12	-	100.0
Dreams*	Bhandup	221,566	2009	830	-	100.0
Kochi	Kochi	6,299,640	2011	928	372	71.4
Kukatpally I	Hyderabad	1,019,304	2011	390+	20+	95.1+
Kukatpally II	Hyderabad	6,969,600	2012			
Sasunavghar Property	Vasai	16,661,700	2011	485	143	77.2
Planned Projects:						
Agashi	Virar	3,400,000	2011	240	27	89.9
Carmichael Road Property	Malabar Hill	63,615	2010	33	657	4.8
Virar (East) Property	Virar	3,666,666	2011	235	115	67.1
Dewan Mann	Vasai	3,745,958	2012	191	45	80.9
Dongre (Phase I)	Virar	2,597,402	2011	116	153	43.1
Dongre (Phase II)	Virar	4,961,484	2011	269	229	54.0
Panvel Property	Navi Mumbai	6,664,689	2012	228	143	61.5

Project	Location	Saleable Area Sq. Ft.	Estimated Completion#	Payments Made for Land and Land Development Rights @ (Rs. millions)	Balance Outstanding @ (Rs. millions)	% of Payments Made Towards Land and Land Development Rights
Mega Township Virar I	Virar	12,874,662	2012	268	82	76.6
Mega Township Virar II	Virar	15,882,810	2012	328	118	73.5
Palghar	Palghar	1,490,793	2012	106	61	63.5
Total		**86,555,124**		**4,659**	**2,165**	

Refers to the financial year ending March 31.

* *Expansion of existing Dreams project.*

\+ *Combined payments for Kukatpally I and II.*

@ *As on May 31, 2007*

The locations of these residential projects reflects the spread of our business across various developing areas of the Mumbai Metropolitan Region, where most of these projects are located. Bandra, Andheri, Kurla and Ghatkopar are north of the traditional central business district of the Mumbai Metropolitan Region and in or adjacent to the commercial area known as the Bandra-Kurla Complex (BKC). Malad and Bhandup are in the north of the Mumbai Metropolitan Region, while Virar and Vasai are approximately 50 kilometres north of the central business district of the Mumbai Metropolitan Region. Palghar is approximately 20 kilometres north of the Mumbai Metropolitan Region.

Although size can be one indication of the relative value of each of our projects, certain smaller projects in more expensive locations targeted at a wealthier demographic of buyers can represent higher profit margins for us. Below are descriptions of some of our current residential projects.

Some of our residential Ongoing Projects are described in more detail below.

Affaire: The Affaire project is located on Turner Road near other high-end residential properties in Bandra West. The Affaire project is comprised of approximately 35,235 square feet of saleable area. When completed, the project will be comprised of eight apartments targeted at high income customers. In respect of this project we hold title to a portion of the saleable land and have development rights for the balance.

Dreams: The Dreams project, when development is complete, will consist of a retail mall and residential apartments. The Dreams project is located on L.B.S. Marg in Bhandup, approximately 10 kilometres from the Mumbai Metropolitan Region's international airport and close to the Eastern Express Highway. We have already developed approximately 2.5 million square feet of saleable area at this project through May 31, 2007. The ongoing part of the project includes approximately 221,566 square feet of residential saleable area and 330,374 square feet of retail saleable area. When completed, the project will be comprised of 16 buildings. We have granted the development rights to approximately 384,625 square feet of saleable area of this land to a third party.

Sasunavghar Property: Sasunavghar Property, next to Royal Garden is currently undeveloped land located in Vasai, on the outskirts of the Mumbai Metropolitan Region. Sasunavghar Property is comprised of approximately 19,602,000 square feet, of which approximately 16,661,700 square feet will be used for residential purposes and approximately 2,940,300 square feet will be used for retail purposes. Sasunavghar Property is situated on the National Highway, which makes it easily accessible to the residential areas of Virar and Vasai.

Commercial Projects

We have developed several commercial office projects in the Mumbai Metropolitan Region. These projects are medium-sized and mostly are targeted at established financial and service sector companies. We also build multiplexes, either as standalone structures or within malls. After construction of a commercial project, we generally sell the commercial space to individual buyers and retain no ownership or management responsibilities.

The following table summarises our commercial projects, all of which are Ongoing Projects. Certain of these projects have residential, retail and slum rehabilitation components, which are reflected in other tables in this section. Consequently, information related to payments made towards the cost of land for a project may be duplicated in the case of land used for more than one type of project.

Project	Location	Saleable Area Sq. Ft.	Estimated Completion#	Payments Made for Land and Land Development Rights @ (Rs. millions)	Balance Outstanding @ (Rs. millions)	% of Payments Made Towards Land and Land Development Rights
Ongoing Projects:						
Kandivali Multiplex	Kandivali	20,000	2008	45	-	100.0
Worli Commercial Property	Worli	110,000	2009	181	6	96.8
Total		**130,000**		**226**	**6**	

Refers to the financial year ending March 31.

@ *As on May 31, 2007*

Some of our commercial Ongoing Projects are described in more detail below.

Kandivali: The Multiplex Kandivali is located in Kandivali, north of the Mumbai Metropolitan Region's central business district, on the Western Express Highway and is comprised of approximately 20,000 square feet of saleable area. Kandivali is a densely populated residential areas in the north of the Mumbai Metropolitan Region and is near the Mumbai Metropolitan Region's domestic airport.

Worli Commercial Property: Worli Commercial Property is a commercial building located in Worli and is comprised of 110,000 square feet of saleable area. Worli Commercial Property is situated near the commercial business districts of Nariman Point and the Bandra-Kurla Complex. We have obtained development rights from the lessor and the original developer, subject to certain approvals for use of the property from the Municipal Corporation of Greater Mumbai.

Retail Projects

We currently sell retail space to the retail store operators, rather than retaining ownership and leasing the space. We usually target a primary "anchor" retail operator during the development stage of our retail malls and then market the remaining saleable retail space to other retailers based on the location and demographic profile of the target consumers for the mall. We regularly evaluate the option of sale versus lease, and make our decision based on prevailing market conditions and other business considerations.

The following table summarises our retail projects. Certain of these projects have residential, commercial and slum rehabilitation components, which are reflected in other tables in this section. Consequently, information related to payments made towards the cost of land for a project may be duplicated in the case of land used for more than one type of project.

Project	Location	Saleable Area (Sq. Ft.)	Estimated Completion#	Payments Made for Land and Land Development Rights @ (Rs. millions)	Balance Outstanding @ (Rs. millions)	% of Payments Made Towards Land and Land Development Rights
Ongoing Projects:						
Kochi	Kochi	699,960	2011	928	372	71.4
Dreams	Bhandup	330,374	2009	830	0	100.0
Harmony	Oshiwara	349,456	2009	215	60	78.2
Versova Property	Andheri	1,542,691	2010	644	73	89.8
Kukatpally I	Hyderabad	113,256	2011			
Kukatpally II	Hyderabad	1,742,400	2012	390+	20+	95.1+
Sasunavghar Property	Vasai	2,940,300	2011	485	143	77.2
Vasai Mall	Vasai	44,560	2008	6	0	100.0
Planned Projects:						
Agashi	Virar	600,000	2011	240	27	89.9
Virar (East) Property	Virar	916,667	2011	235	115	67.1
Dewan Mann	Vasai	936,490	2012	191	45	80.9
Dongre (Phase I)	Virar	649,351	2011	116	153	43.1
Dongre (Phase II)	Virar	875,556	2011	269	229	54.0
Panvel Property	Navi Mumbai	1,176,122	2012	228	143	61.5
Mega Township Virar I	Virar	2,271,999	2012	268	82	76.6
Mega Township Virar II	Virar	2,802,849	2012	328	118	73.5
Palghar	Palghar	993,862	2012	106	61	63.5
Dadar Property	Dadar	9,009	2009	24	-	100
Total		**18,994,902**		**5,503**	**1,641**	

\# *Refers to the financial year ending March 31.*

\+ *Combined payments for Kukatpally I and II*

@ *As on May 31, 2007*

Many of our retail development locations are in areas where we also have residential and commercial projects. Oshiwara is north of the central business district of the Mumbai Metropolitan Region. Panvel Property is an area in Navi Mumbai, an area developed as a sister city to the Mumbai Metropolitan Region, designed to help relieve the congestion in the Mumbai Metropolitan Region. Dadar is in just north of the Mumbai Metropolitan Region's central business district.

Some of our retail Ongoing Projects are described in more detail below.

Dreams: The Dreams Bhandup project, when complete, will consist of a retail mall and residential apartments. Dreams is located on L.B.S. Marg in Bhandup, approximately 10 kilometres from the Mumbai Metropolitan Region's international airport and in near the Eastern Express Highway. We have already developed approximately 2.5 million square feet of saleable area at this project through March 31, 2007. The ongoing part of the project includes approximately 221,566 square feet of residential saleable area and approximately 330,374 square feet of retail saleable area. When completed, the project will be comprised of 16 buildings. We have granted the development rights to approximately 384,625 square feet of saleable area of this land to a third party.

Versova Property: Versova Property is located in Andheri on a plot of land purchased from vendors located north of the Mumbai Metropolitan Region's domestic airport. . Versova Property is comprised of approximately 1,542,691 square feet of saleable area to be used for development of a retail mall. There are certain litigations pending in relation to this property and the property is currently in the possession of a court receiver. For further details please see "Outstanding Litigation – Litigation involving lands forming part of Ongoing and Planned Projects in which neither the Company nor the Directors are parties" on page 245 of this Red Herring Prospectus.

Dadar Property: Dadar Property is located in near the Dadar Railway Station and is approximately 12 kilometres from the Mumbai Metropolitan Region's domestic airport. When development is complete, this project will consist of a stand-alone retail outlet. Dadar Property is comprised of approximately 9,000 square feet of saleable area.

Slum Rehabilitation and Development

We engage in slum rehabilitation projects, on both government and private land that include new housing for slum dwellers under a Government plan administered by the Slum Rehabilitation Authority (SRA). We also build new housing for slum dwellers displaced by government infrastructure projects such as roadway expansions undertaken by the Government and other municipal bodies. Our activities also include redevelopment of certain areas or certain buildings. Land occupied by slum dwellers constitutes a significant portion of developable land in the Mumbai Metropolitan Region and rehabilitation projects therefore provide significant opportunities for real estate development.

For each slum rehabilitation project administered by the SRA, the developer, before proceeding, must obtain the consent of at least 70% of the affected slum dwellers, must provide temporary housing for the affected slum dwellers during the rehabilitation process and must provide them, in the rehabilitated project, new permanent apartments of 225 square feet each that meet specific Government standards, along with a small maintenance fund. A slum rehabilitation project also requires the consent of the relevant regulatory authorities including a letter of intent and, in the case of slums on private land, the consent of the land owner.

In exchange for rehabilitating a slum area on government land and re-housing its former inhabitants, the developer is granted by the relevant authority rights to develop an amount of saleable area equal to or greater than the surface area of rehabilitation housing built for the slum dwellers. Many of the slums being rehabilitated are located in the Mumbai Metropolitan Region's business district and other areas in the central part of the Mumbai Metropolitan Region that are attractive locations for redevelopment. Rehabilitation projects give developers access to these areas for, in effect, the cost of clearing the slum and providing replacement housing in apartments for the affected slum dwellers.

The development rights can be used by the developer in the construction and development of projects within the cleared area not used for rehabilitation housing for slum dwellers. However, in certain cases, this may not be possible due to the location, size, topography or other anomalous feature of the developable area. In these cases, the developer is compensated with land development rights that may be transferred to projects anywhere in the Mumbai Metropolitan Region north of the area being rehabilitated.

These transferable development rights (TDRs), which are evidenced by certificates from the relevant regulatory authorities, can represent significant value to a developer because they permit construction of additional amounts of square footage of saleable area in areas of the Mumbai Metropolitan Region where the developer otherwise would not be permitted to build beyond a certain amount of saleable area.

The growing real estate market in the Mumbai Metropolitan Region has created significant demand for TDRs. If we do not use the land development rights generated by a slum rehabilitation project, we sell them to other developers after evaluating market conditions and other business considerations. Sales of TDRs can improve our liquidity position and provide funding for our other projects. The slum rehabilitation schemes qualify for income tax exemptions for profits earned from sales of housing projects approved before March 31, 2007, subject to minimum alternative tax rules. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview – Factors Affecting Results of Operations – Indian Tax Policies and Benefits in Connection with Real Estate Development" on page 220.

Given the complexity of the various aspects of a slum rehabilitation project, including the relevant regulations, dealing with regulators and slum dwellers, and the accounting and tax aspects of these projects, we believe our extensive experience in the slum rehabilitation sector enhances our ability to maximise our returns on these projects. Our experience in this sector also has allowed us to earn the trust of slum dwellers, which helps us to successfully execute such projects.

The following table summarises our slum rehabilitation projects, all of which are Ongoing Projects. Certain of these projects have residential, commercial and retail components, which are reflected in other tables in this section. Information related to payments made towards the cost of land may overlap for such projects.

Project	Location	Saleable Area (Sq. Ft.)	Rehabilitation (Sq. Ft.)	Estimated Completion[#]	Type of Development
Ongoing Projects:					
Bandra (E) SRS Scheme No-1	Bandra Kurla Complex	2,595,756	2,828,000	2008-10	Commercial
Andheri (W) SRS Scheme No-1	Andheri	279,390	279,390	2009	Residential
Grande[1]	Bandra	30,041	26,210	2008	Residential
Santacruz Property	Santacruz	200,000	200,000	2009	Commercial
Santacruz Property	Santacruz	100,000	100,000	2009	Retail
Malad (W) Property	Malad	117,205	117,205	2010	Retail
Malad (W) SRS Scheme	Malad	868,106	868,106	2010	Residential
Malad (W) SRS Scheme	Malad	578,737	578,737	2010	Retail
Bandra (E) SRS Scheme No-2	Bandra Kurla Complex	159,074	159,074	2009	Commercial
Ghatkopar (E) Property	Ghatkopar	509,457	509,457	2008	Residential
Andheri (W) SRS Scheme No-2	Jogeshwari	385,825	385,825	2009	Residential
Bandra (W) SRS Scheme	Bandra	148,369	–	2008	Residential
Kaledonia	Andheri (East)	454,269	–	2009	Commercial
Total		**6,426,222**	**6,052,004**		

[#] *Refers to the financial year ending March 31.*

Some of our Ongoing Projects relating to Slum Rehabilitation and Development are described in more detail below.

Bandra (E) SRS Scheme No-1: Bandra (E) SRS Scheme No-1 is a slum rehabilitation project located in the Bandra-Kurla Complex which is being developed as a commercial location in the Mumbai Metropolitan Region. This area benefits from quality infrastructure, availability of land and easy accessibility. Bandra (E) SRS Scheme No-1 is comprised of approximately 2,595,756 square feet of saleable area and is about five kilometres from the Mumbai Metropolitan Region's domestic airport. We have received letters of intent for a part of the area, but have not yet received letters of intent for the balance of the area. We have already assigned our rights to a third party in respect of the project.

Santacruz Property: Santacruz Property is a slum rehabilitation project located in the Santacruz district of the Mumbai Metropolitan Region. Santacruz Property is comprised of approximately 300,000 square feet of saleable area and is near a large amount of residential infrastructure. The Mumbai Metropolitan Region's domestic airport is located approximately five kilometres from Santacruz Property. We have received letters of intent for a part of the area, but have not yet received letters of intent for the balance of the area. Approximately 200,000 square feet of the saleable area will relate to commercial space. Approximately 100,000 square feet of the saleable area will relate to retail development.

Bandra (E) SRS Scheme No-2: Bandra (E) SRS Scheme No-2 is a slum rehabilitation project located in the Bandra-Kurla Complex. Bandra (E) SRS Scheme No-2 is comprised of approximately 159,074 square feet of saleable area. Bandra (E) SRS Scheme No-2 is accessible by most major roads from the south of and the central parts of the Mumbai Metropolitan Region and is approximately two kilometres from the Mumbai Metropolitan Region's domestic airport.

Kaledonia: Kaledonia is located in Andheri and is comprised of approximately 454,262 square feet of saleable area. Kaledonia is near the Andheri Railway Station and the Western Express Highway. The area surrounding Kaledonia is a mix of commercial offices, shopping outlets and residential buildings.

Land Development

We have in the past acquired parcels of land and built basic infrastructure on the land, such as roads, power connections and sewage, thereby converting it into developable land. We also have worked to acquire contiguous parcels of land in some cases to create a larger area more economically viable for development. We have in the past sold land prepared in this manner, depending upon our cost/benefit analysis of the return on investment from such sales as compared to the return from developing the land ourselves and then selling the resulting developed project.

Proposed Expansion Opportunities

- **Hotel**

  We believe that the hotel sector in India presents opportunities for growth and we are evaluating potential sites for hotel projects. We believe that the hotel business is complimentary to our existing business model. For any hotel we build, our plan is to construct, develop and own the hotel but arrange for its operation and marketing under a management agreement with a major hotel operator.

- **Mega Structures**

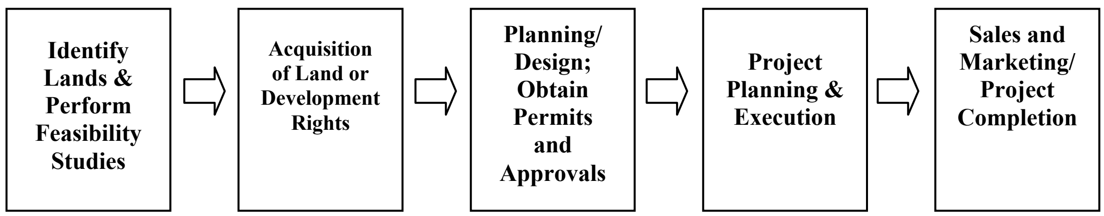
  We are also evaluating opportunities for further development of "mega-structure" projects, which are large-scale mixed-used retail, commercial and residential buildings like our "Dreams" project.

- **Special Economic Zones**

  We are considering developing Special Economic Zones (SEZs). A SEZ is a specially designated area deemed to be foreign territory for the purposes of Indian customs controls, duties and tariffs. The legislation providing for SEZs was adopted in 2005 and has attracted strong interest from a variety of business sectors, due to the tax and infrastructure benefits of operating within a SEZ, including significant tax holidays with respect to corporate income tax. We have received in-principle approval from the Ministry of Commerce & Industry to develop, operate and maintain a "multi-services" SEZ in our name. However, uncertainty exists as to how the SEZ regulations and approval process will be implemented. As a result, we have not yet determined when we would proceed with SEZ projects, if Government policies and regulations become clearer, or whether we would execute such a project on our own or in collaboration with others.

Our Project Execution Process

The following flowchart summarizes the general process we undertake from commencement to completion of a project:



Although this flowchart reflects the general sequence of project execution, a number of functions overlap in the process to ensure seamless implementation of the development and construction of a project. Depending on its size, it generally takes from nine to thirty months to complete a project, from identification of a site to finishing construction and unit sales.

Identification of Lands

We have a team dedicated to continuously seeking developable lands in desirable locations on which to construct suitable projects. This multi-disciplinary team of approximately 12 professionals uses internally-generated demographic data, third party reports, discussions with regulatory authorities and customer feedback to identify potential sites both in the Mumbai Metropolitan Region and, more recently, other cities in India.

Once potential lands are identified, we undertake site visits and extensive feasibility studies, which include detailed analyses of the following factors, among others:

- Regional demographics, including per capita disposable incomes and area growth prospects;
- Suitability of the site for the proposed project;
- Feasibility of construction and quality of area infrastructure;
- Financial viability of the project;
- Regulatory issues;
- Title searches and related legal due diligence;
- Environmental issues;
- Market trends; and
- The costs for land improvements and construction and potential pricing of units once developed.

As part of such a feasibility study, we also consider the effect that certain factors may have in restricting our ability to develop the land including:

- Restrictions on saleable square footage, or FSI, that we may build;
- Land coverage limitations; and
- Structure height restrictions.

After conducting our analysis, we consider the type of project that would be most suited for development on the land being evaluated. For example, based on the factors described above, we determine whether the proposed site is better suited for developing a township, commercial complex or residential tower. Our senior management team then makes a final decision with respect to the financial feasibility and scope of each project to be undertaken by us on the proposed site.

Acquisition of Land or Development Rights

After a decision has been made to proceed with an acquisition of land or land development rights, we take the necessary steps to acquire the land. We enter into negotiations with a seller of land or land development rights in order to reach a preliminary acquisition agreement, usually memorialized in a memorandum of understanding. However, we generally do not finalize the acquisition until all required approvals and permits have been received from the relevant regulatory authorities and we have completed our due diligence on the land. Our land acquisitions generally are financed with internal cash resources.

We endeavour to obtain valid title to our lands and we will not acquire land until we are satisfied that all title defects have been rectified or are in the advanced stages of being removed. Whenever possible, we obtain legal opinions that confirm our title to the land or development rights purchased from third parties.

Project Planning/Design and Approval Process

Once we have identified a suitable site, decided upon the type of project to be developed with respect to that site and completed a preliminary agreement for the acquisition of land, our development team begins the process of designing the project and submitting the project plans for regulatory approval. The legal regimes governing land development vary across geographic regions in India. We must seek and obtain approval for our building plans as well as our plans relating to the project site's infrastructure facilities, such as power and water. We also must obtain regulatory approval if we are converting agricultural land into non-agricultural land or if we are proposing to construct a building which exceeds a certain height threshold. In addition, we must obtain approvals from various governmental authorities relating to certain environmental and fire regulations.

After we have submitted our initial plans for approval, we usually receive an information of disapproval from the relevant regulatory body which sets forth necessary changes to be made to our proposals before approval may be granted. Upon amending our proposals to reflect such changes, we receive a commencement certificate, which allows us to commence construction on the land in accordance with our proposals. When construction is complete, we receive an occupancy certificate from the relevant regulatory body and finally, if the projects have been completed in accordance with applicable law, a building completion certificate.
Our in-house planning and development team consults with independent project planners and architects, if necessary, with respect to larger scale projects or where special expertise is required.

Generally, depending upon the size and complexity of a project, it takes approximately one to two months to complete the planning and design phase and to obtain all necessary approvals and permits required to commence work.

Project Planning and Execution

We generally have been financing our projects with equity contributions from our shareholders, internally generated funds and, in some cases, bank borrowings secured by the particular project for which funds are being borrowed. Our planning and development team models the procurement process in conjunction with our finance and accounting teams in order to more precisely budget for the project and assist our sales and marketing team with pricing of the project.

During this stage, contractors will be selected, usually through an open tender process. Materials procurement contracts are entered into directly between us and the suppliers, while large scale equipment such as bulldozers are provided by third party building contractors. We generally engage suppliers and contractors with whom we have relationships. We use multiple suppliers and contractors and we believe we would have no difficulty replacing a particular supplier or contractor if necessary. Some of our suppliers are Rachna Iron and Steel, Asian Hardware and Tools, Ultratech Cements Limited, Larsen and Toubro Limited and Otis Elevators.

We typically staff each of our projects with an on-site project manager, a quality control officer and an inventory control officer. Our personnel retain all on-site project management and oversight roles, while construction labour is provided by a building contractor.

Currently, the construction of four of our 21 Ongoing Projects has been partially financed with bank loans secured by the land on which the applicable project is being developed, with the remainder financed from internal sources.

Joint Developments and Partnerships

We sometimes enter into joint development agreements or partnerships with third parties in order to develop a project. Often, the other parties are land owners that grant us land development rights in exchange for sharing the completed project with us. We retain control over managing the execution of the projects to which our joint development agreements relate.

We are currently party to five joint developments, four in the Mumbai Metropolitan Region and one in Hyderabad.

Details of these joint development projects are summarised in the following table:

Project	Location	Joint Developer	Our % Share
Malad (W) SRS Scheme	Malad	Reliance Construction Company	69.0
Andheri (W) SRS Scheme No-1	Andheri	Reliance Construction Company	69.0
Andheri (W) SRS Scheme No-2	Jogeshwari	Reliance Construction Company	69.0
Santacruz Property	Santacruz	Pioneer India Developers Private Limited	50.00
Kukatpally II	Hyderabad	Anish Builders My Palace Mutually Aided Co-operative Housing Society	75.0

We also are a member of four partnership firms that are in the business of real estate development. Details of these partnerships and our profit sharing ratio in such firms are summarised in the following table:

Name	Our Profit Sharing Ratio	Other Partners	Partners' Profit Sharing Ratio
Heritage Housing Development Corporation	44.0	Pioneer India Developers Private Limited	44.0
		Heritage Housing Development (I) Private Limited	12.0
Nahur Residence Developers	40.0	Sarang Wadhawan	30.0
		Dheeraj Wadhawan	30.0
D. S. Corporation	45.0	R.K. Wadhawan	15.0
		Prithvi Realtors and Hotel Private Limited	20.0
		Sarang Wadhawan	5.0
		Dheeraj Wadhawan	5.0
		Waryam Singh	5.0
		Sunpreet Singh	5.0
Agnel Developers	62.0	R.K. Wadhawan	16.0
		Waryam Singh	11.0
		Ines Kumar	11.0

For further details regarding our partnerships, please see "History and Corporate Structure – Partnerships of our Company" on page 98.

Sales and Marketing and Completion

Sales and Marketing

We have a marketing and sales team consisting of more than 50 professionals. Members of this team are involved from project commencement, assisting with the identification of lands to be acquired and analyzing the economic viability of a project. We believe this involvement from the beginning of the process ensures that we properly identify appropriate types of development opportunities and tailor our pricing to fit the relevant markets. Different projects are targeted at different consumer sectors and we are able to earn better margins on higher end projects. In new and rapidly evolving real estate markets, this ability to analyze project economics is critical to our business.

In the past, we have consistently followed our "build and sell" business model of developing land and selling it on to customers. Under this model we develop land and sell it to the customers as against leasing the properties to them. While we anticipate continuing our operations in this manner we will continue to evaluate other options, such as retaining ownership and leasing out property, based on prevailing market conditions.

We begin making sales upon commencement of a project and usually enter into agreements to sell a substantial portion of each project prior to completion. Sales generally are conducted by our sales staff on the project site and through our head office, as well as through third party brokers. Various leading financial institutions and banks regularly provide finance to our clients for their residential units.

Project Completion

We transfer title to the customer upon the closing of sale of the project, which takes place after completion of the project and our receipt of a building completion certificate from the relevant regulatory authorities. After all of the properties within a project are turned over to owners, the day-to-day management and control of the project is relinquished to the management board or society of the owners.

For details on specific procedures with respect to SRA projects, see "Regulations and Policies – State Laws – Slum Rehabilitation Scheme of the Government of Maharashtra on page 88.

Competition

The real estate development industry in India, while fragmented, is highly competitive. We face competition in the Mumbai Metropolitan Region (where currently our business activities are primarily focused) from various regional companies, including Hiranandani Developers, the Raheja Group, Kalpataru Developers, the Marathon Group, the Lokhandwala Group and Akruti Nirman Limited. Given our strategy of expanding our business activities to include real estate development in other regions of India, we may experience competition in the future from potential competitors with significant operations elsewhere in India, including the DLF Group, the Ansal Group, Parsvanath Developers and Unitech Limited. Certain of these Indian real estate development firms are also our joint venture partners in connection with specific projects, and may compete with us more directly in the future.

We may also in the future face competition from large foreign real estate developers now operating in, or who enter, the Indian market.

Competition is considered as part of the feasibility studies we undertake when considering whether to acquire lands for development or to proceed with further development of land we already own. In particular, we evaluate other projects in proximity to each potential site in order to determine the level of competition we would face from similar projects if we proceeded at that location. To the extent that we compete with other large developers, we believe that our reputation for quality construction is a critical competitive advantage that we need to maintain and develop.

Health and Safety

We are committed to complying with all relevant health and safety regulations applicable to our Company. We strive to minimize the risks inherent in the construction process by implementing standard safety precautions and eliminating hazards to people and the environment, to the extent possible. Our on-site project managers and engineers are responsible for ensuring that each project site meets required safety standards.

Information Technology

We use information technology systems to enhance our performance and efficiency. In particular, approximately two years ago we implemented a customised enterprise resource package software system provided by a third party vendor, which permits us to integrate systems among our departments, including engineering and accounting. This system has allowed us to streamline our processes while enhancing our monitoring and control functions. By integrating isolated systems, for example, we have been able to streamline the interface between procurement and accounting, so that inventory and billing are more quickly matched under systems which also facilitate better audit controls.

Intellectual Property

We have applied to register the "HDIL" brand name with the byline "Creating Value".

Employees

As of March 31, 2007, we employed 542 people, of whom approximately 153 hold university or more advanced degrees, including 24 architects and 67 engineers. Other professionals on our staff include accounting, legal, marketing and sales personnel. The balance of our employees are support staff. We anticipate that our number of employees will continue to grow commensurate with the expansion of our business.

In order to build our projects, we rely heavily upon contract construction workers supplied by third party contractors and who are not our employees nor included in our employee headcount. These workers operate under supervision by our employees, in particular our on-site project managers and engineers. For the year ended March 31, 2007, we had on average between 11,000 and 13,000 contract workers active on our projects. These workers' wages are paid by the third party contractors who engage them and we provide insurance coverage for these workers as part of insurance on our construction sites.

We believe our relations with our employees are good and we have never experienced any labour unrest or conflicts.

Insurance

Our operations are subject to hazards inherent in the construction and real estate industry, including accidents, collapsing structures, erosion, exposure to dangerous materials, such as certain solvents and risks related to machinery noise and manual handling activities.

We carry general insurance for our head office and for certain of our projects under development. These policies are with the New India Assurance Company. The insurance coverage we carry varies from project to project, but generally includes, among other things, losses related to earthquake, fire, acts of terrorism, flood, accident and general liability insurance. Under our "Contractors All Risk" liability policy, we are insured against legal liability to pay damages for third party civil claims arising from bodily injury or property damage caused by an accident during project construction. We use an outside broker to secure our insurance policies and believe that our coverage is adequate. We have not made any major claims under our insurance policies.

Registered Office

Our registered office is located at Dheeraj Arma, 9^{th} Floor, Anant Kanekar Marg, Station Road, Bandra (E), Mumbai 400 051. This building is a nine story office tower near Bandra train station, close to the Mumbai Metropolitan Region's international airport. We own the building and lease the six floors which we do not occupy ourselves.

REGULATIONS AND POLICIES

We are engaged in the business of real estate development, slum rehabilitation and land development. Since our business involves the acquisition of land and land development rights, we are governed by a number of central and state legislation regulating substantive and procedural aspects of the acquisition of, and transfer of land. For the purposes of executing our projects, we may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant state and/or local governing bodies such as the Municipal Corporation of Greater Mumbai, Slum Rehabilitation Authorities, the Fire Department, the Environmental Department, the City Survey Department, the Collector, MSD, etc. For details of such approvals please see "Government Approvals" on page 259 of this Red Herring Prospectus.

Additionally, our projects require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations 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 is an overview of the important laws and regulations, which are relevant to our business as a real estate developer.

CENTRAL LAWS

Laws relating to land acquisition

The Urban Land (Ceiling and Regulation) Act, 1976 prescribes the limits to urban areas that can be acquired by a single entity. It has however been repealed in some states and union territories under the Urban Land (Ceiling and Regulation) Repeal Act, 1999. The Act is still applicable in the State of Maharashtra, including Mumbai. Further, land holdings are subject to the Land Acquisition Act, 1894 which provides for the compulsory acquisition of land by the central government or appropriate state 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 to such compulsory acquisition 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 transfer of interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and 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. A 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

Stamp duty needs to be paid on all documents specified under the Stamp Act and at the rates specified in the Schedules thereunder. The rate of stamp duty varies from state to state. The stamp duty is payable on instruments at the rates specified 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 Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all.

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.

Special Economic Zones, Act, 2005

SEZ is regulated and governed by Special Economic Zone, Act, 2005 (the "SEZ Act"). The SEZ Act has been enacted for the establishment, development and management of the SEZs for the promotion of exports. An SEZ is a specifically delineated duty free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs.

Initially, India had introduced the concept of SEZ as a part of its Foreign Trade Policy, 2000. This concept embodied fiscal and regulatory concessions, which formed part of various laws, for example, Customs Act, Income-Tax Act and Excise Act. Since due to its relatively complex legal framework, it was unable to attract significant private investment, the SEZ Act was enacted.

A Board of Approval ("SEZ Board") has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. BOA has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, the foreign collaborations and foreign direct investments.

- ***Procedure for setting up an SEZ***

  SEZs may be established under the SEZ Act, either jointly or severally by the central government, state government or any other person. As per the provisions of the SEZ Act, any person, who intends to set up an SEZ may, after identifying the area, make an application in Form-A read with Rule 3 of the SEZ Rules, 2006 to the respective state government of the state where the land is located, giving details of the said proposal. State Government may approve the said proposal within a period of 45 days from the date of receipt of such an application in terms of Section 3 of the SEZ Act, 2005, read with sub-rule 1 of Rule 4 of the SEZ Rules, 2006. Alternatively, an application may also be made directly to the BOA and the NOC from the state government may be obtained subsequently.

  On receipt of such an application, the BOA may subject to certain conditions approve the proposal in terms of Section 9 of the SEZ Act, 2005 read with Rule 6 of the SEZ Rules, 2006 and communicate it to the central government. Upon receipt of the communication from the BOA, the central government under rule 6 of the SEZ Rules, within 30 days grants the letter of Approval. The central government may prescribe certain additional conditions.

  The approvals granted for setting up a SEZ under the erstwhile scheme were referred to as 'in-principle approvals'. Subsequent to the passing of the SEZ Act, However, currently, the central government initially grants the letter of approval to the proposals for setting up of SEZs which as per the old practice continues to be referred to as the 'in-principle approval'. The in-principle approval is valid for a period of one year or three years (as the case may be). The validity period may be extended by the central government, on a case to case basis. Normally, in-principle approval is granted when the Developer is yet to acquire land for the purpose of development of SEZ. In case the Developer already possesses required land for the development of SEZ, the BOA normally grants formal approval. Such formal approval shall be valid for a period of 3 years within which time effective steps shall be taken by the Developer to implement the SEZ project. The validity period may be extended by the central government, on a case to case basis.

The Developer is then required to furnish intimation to Department of Commerce, Ministry of Commerce and Industry, Government of India. giving details of the SEZ as required in terms of Rule 7 of the SEZ Rules 2006 and the Department of Commerce, Ministry of Commerce and Industry, Government of India on being satisfied with the proposal and compliance of the developer with the terms of the approval, issues a notification declaring the specified area as an SEZ under Rule 8 of the SEZ Rules, 2006.

Apart from the letter of approval from the central government for setting up of the SEZ, no other governmental license is required. Once an area is declared to be an SEZ, the central government appoints a Development Commissioner under Section 11 of the SEZ, Act who is responsible for monitoring and ensuring strict adherence to the legal framework and the day to day operations of the SEZ.

- ***The Special Economic Zone, Rules 2006 (the "SEZ Rules")***

  The SEZ Rules, 2006 have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from central and state governments for setting up of SEZs and a 'unit' in SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein with an emphasis on 'self certification' and the terms and conditions subject to which entrepreneur and Developer shall be entitled to exemptions, drawbacks and concessions etc. The SEZ Rules also provide for the minimum area requirement for various categories of SEZs.

  The Developer and/or a Co-developer as the case may be is required to have at least 26 percent of the equity in the entity proposing to create business, residential or recreational facilities in a SEZ in case such development is proposed to be carried out through a separate entity or special purpose vehicle being a company formed and registered under the Companies Act.

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.

STATE LAWS

State SEZ Policies

Various states including the states of Maharashtra, Tamil Nadu and Rajasthan have their own state SEZ policies. The state SEZ policies prescribe the rules in relation to the various environmental clearances, water and power supply arrangements, state taxes, duties, local taxes and levies etc. and we are required to follow the state policy, in addition to any central policies.

Laws specific to the state of Maharashtra

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

The Maharashtra Ownership of Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1963 ("**MOF Act**") applies throughout the State of Maharashtra. The provisions of the MOF Act apply to promoters / developers who intend to construct a block or building of flats on ownership basis. The MOF Act prescribes general liabilities of promoters and developers. Under the rules framed under the MOF Act, a model form of agreement to be entered into between promoters / developers and purchasers of flats has been prescribed. Under the MOF Act, the promoter / developer is required to enter into a written Agreement for sale of flat with each purchaser and the agreement contains prescribed particulars with relevant copies of documents and these agreements are compulsorily required to be registered.

Maharashtra Slum Areas (Improvement, Clearance and Redevelopment) Act, 1971

The Maharashtra Slum Areas (Improvement, Clearance and Redevelopment) Act, 1971 ("**MSA Act**") provides for and governs the making of better provisions for improvement and clearance of slum areas in the State and their redevelopment and for the protection of occupiers from eviction and distress warrants.

Maharashtra Rent Control Act, 1999

The Maharashtra Rent Control Act, 1999 ("MRC Act") has been enacted to unify, consolidate and amend the law relating to control of rent and repairs of certain premises and of eviction in Maharashtra and for encouraging the construction of new houses by assuring a fair return on the investment by landlords and to provide for the matters connected with the purposes aforesaid.

Maharashtra Tax on Buildings (with Larger Residential Premises) Act, 1979

The Maharashtra Tax on Buildings (with Larger Residential Premises) Act, 1979 has been enacted to provide for levy of tax on buildings in corporation areas in the State of Maharashtra, which contain larger residential premises.

The Bombay Stamp Act, 1958

As stated above, the applicable rates for stamp duty on various instruments, including those relating to conveyance, are prescribed by state legislation. The stamp duty rates as applicable in Maharashtra have been prescribed by the Bombay Stamp Act, 1958 ("**BSA**"). Set out below are some of the salient rates of stamp duty in the context of the Company's operations:

- Development Agreement: under the BSA, stamp duty of 1% on consideration/market value, whichever is more is payable.
- Power of Attorney: if stamp duty is paid, as above, on the development agreement, then stamp duty payable is Rs. 200/-.
- Agreement with flat owners: Concessional stamp duty is provided for residential units and stamp duty on commercial units at the rate of 5%.
- In case of investments executed for the rehabilitation of slum dwellers, the Government of Maharashtra has, in exercise of its powers under section 9 of the BSA, reduced the stamp duty to Rs. 100/- only.

The Maharashtra Value Added Tax Act, 2002

The Maharashtra Value Added Tax Act, 2002 prescribes certain requirements in relation to the payment of value added tax in Maharashtra.

Maharashtra Cooperative Societies Act, 1960

The Maharashtra Cooperative Societies Act, 1960 has been enacted with a view to providing for the orderly development of cooperative movement in the State of Maharashtra in accordance with the relevant Directive Principles of State Policy enunciated in the Constitution of India.

Bombay Municipal Corporation Act, 1888

The Bombay Municipal Corporation Act, 1888 has been enacted to regulate the municipal administration of the city of Bombay (now Mumbai) and to secure the due administration of municipal funds.

The Maharashtra Housing and Area Development Act, 1976

The Maharashtra Housing and Area Development Act, 1976 has been enacted for giving effect to the policy of the State towards securing the principle specified in the Constitution of India and the execution of the proposals, plans or projects therefore and acquisition therefore of the lands and buildings and transferring the lands, buildings or tenements therein to the needy persons and cooperative societies of occupiers of such lands or buildings.

The Maharashtra Apartment Ownership Act, 1970

The Maharashtra Apartment Ownership Act, 1970 has been enacted to provide for ownership of an individual apartment in a building and to make such apartment heritable and transferable property.

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

The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 has been enacted to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare measures and for other matters connected therewith or incidental thereto.

Slum Rehabilitation Scheme of the Government of Maharashtra

The Government of Maharashtra ("**GOM**") launched the Slum Rehabilitation Scheme in 1995 ("**Scheme**") by introducing amendments to the Development Control Regulations for Greater Bombay, 1991 ("**DCR**"). The Scheme was made effective from December 25, 1995. The provisions of the Scheme are contained in Regulation 33(10) and Appendix IV of the DCR. Under the Maharashtra Regional and Town Planning Act, 1966 ("**MRTPA**") the SRA, appointed under section 3A of the Maharashtra Slum Areas (Improvement and Redevelopment) Act, 1971, serves as a planning authority for all slum areas in Greater Mumbai except those located in the Maharashtra Industrial Development Corporation ("**MIDC**") area and to facilitate the slum rehabilitation scheme. The powers, duties and functions of the SRA are to survey and formulate schemes of rehabilitation of slum areas and to ensure the slum rehabilitation scheme.

In terms of section 40 of the MRTPA, in the case of slums located on land belonging to the MIDC, the MIDC is the Special Planning Authority which is empowered to discharge the duties of the SRA in so far as the slums located in MIDC Industrial belt are concerned.

Working of the Slum Rehabilitation Scheme

- All slum dwellers whose names appear in the electoral roll of January 1, 1995 or prior electoral roll and who are presently residing in huts are eligible to claim free tenement under the rehabilitation scheme.

- At least 70% of the eligible hutment dwellers in a slum or pavement in a viable stretch at one place must agree to join the rehabilitation scheme for it to be considered for approval by the SRA.

- An individual agreement must be entered into between the developer and the hutment dweller jointly with his/her spouse for every structure.

- After obtaining the requisite level of consent of the slum dwellers, the Developer submits a detailed slum rehabilitation proposal to the SRA along with various documents for approval.

- The SRA scrutinizes the proposal and sanctions the rehabilitation scheme.

- The SRA approves the scheme within a time limit of 30 days. In the event of a failure by the SRA to do so, the approval shall be deemed to have been given, provided the project is in accordance with the provisions of the Scheme. Further, in terms of the order dated June 30, 2006 of the Bombay High Court in Shiv Sai Bhagwati Co-operative Housing Society (Proposed) v. the SRA, so long as the SRA does not decide the scheme of one developer, it cannot consider the scheme of any other developer.

- The SRA issues a letter of intent to the Developer conveying the approval to the scheme, approval to the layout, building wise plan approval (I.O.A. or Intimation of Approval) and C.C. (Commencement Certificate) first in relation to the rehabilitation component and thereafter in relation to the proportionate free sale component of the proposed.

- The Developer proceeds with the implementation of the scheme.

- Eligible hutment dwellers are allotted in exchange for their structure, free of cost, a residential tenement having a carpet area of 20.90 square metres (225 Sq.ft). In respect of eligible commercial tenements, equivalent area is allotted to the dweller, as was occupied prior to the development.

- The Developer will re-house the slum dweller as per the list certified by SRA allotting tenements and shop area free of cost.

- The Developer should register the society of slum dwellers to be re-housed under the Slum Rehabilitation Scheme after completion of the project.

- The rehabilitation tenements cannot be sold/leased/assigned/transferred in any manner for 10 years from the date of taking over possession except to legal heirs without the prior permission of SPA.

- If necessary, temporary transit accommodation is to be provided to the slum dwellers by the Developers during the construction of rehabilitation and free sale structures.

- SRA leases part of the land on which the rehabilitation component of the scheme is constructed initially for 30 years to be renewed for a further period of 30 years at a nominal lease rent of Rs.1,001 for 4,000 square metres of land to the society of slum dwellers. The same conditions apply to land under the free sale component and the land shall be leased directly to the society/association of the purchasers on the free sale components pending which it shall be leased to the developer.

- In consideration of the Developer providing tenements to the slum dwellers free of cost, the Developer is permitted to construct and sell separate structures in the plot. The ratio between the rehabilitation component and the sale component varies from 1:1 to 1:1.33, depending upon the location of the project.

- Prior to applying for an occupation certificate for the rehabilitation building, the Developer has to deposit with the SRA / SPA, an amount of Rs. 20,000 per rehabilitation tenement for meeting the maintenance costs.

- The Developer is also required to pay infrastructure development charges of Rs.560/- to Rs. 840/- per square meter (depending upon the location of the project) for the Built-up area over and above the normally permissible FSI for the Rehabilitation and free Sale tenements.

- FSI to be sanctioned for a slum rehabilitation project may exceed 2.5, but the maximum FSI that can be utilized on any slum site for a project cannot exceed 2.5. The difference between the sanctioned higher FSI and 2.5, if any, is made available in the form of Transferable Development Rights ("**TDR**"). If the full amount of the relevant FSI cannot be used on the same site due to constraints such as height restrictions, uneconomical site conditions, etc., TDR may be allowed as necessary even without consuming FSI upto 2.5 on the same site.

- The SRA on being satisfied that it is necessary to do so, or when directed by the State government, shall denotify a slum rehabilitation area.

- The builder is free to construct and sell/lease/mortgage the sale building at any time during the implementation period of the scheme. However, the occupation certificate in the sale building will be given by the SRA / SPA to the extent of 90% of the area for which occupation certificates are given in the rehabilitation building. The balance 10% of the occupation certificate for the sale building will be given only on completion of the rehabilitation scheme. The free sale component of a project can be utilized for residential, commercial or retail purposes.

Development Control Regulations for Greater Mumbai, 1991 (Development Control Regulations)

The Development Control Regulations for Greater Mumbai, 1991 (Development Control Regulations) ("Development Control Regulations") were formulated under the Maharashtra Regional Town Planning Act, 1966. The Development Control Regulations apply to building activity and development work in areas under the entire jurisdiction of the Municipal Corporation of Greater Mumbai.

The Development Control Regulations provides for an alternative to acquisition under the Land Acquisition Act by way of Transfer of Development Rights (TDRs). The permissible floor space index (FSI) defines the development rights of every parcel of land in Mumbai. If a particular parcel of land is designated for a public purpose, the land owner has an option of accepting monetary compensation under the Land Acquisition Act, 1894 or accept TDRs which can be sold in the market for use elsewhere in Mumbai. Regulation 34 the Development Control Regulations states that in certain circumstances, the development potential of a plot of land may be separated from the land itself and may be made available to the owner of the land in the form of TDRs. Regulation 33 (10) of the Development Regulations provides that additional floor space index of up to 2.5 will be allowed to owners/developers of land on which slums are located where such owners/developers are prepared to provide 225 square feet dwelling units free of cost to the slum dwellers. The remainder of total development rights can be used as TDR. In case of land designated for resettlement of slum dwellers affected by infrastructure projects, the land owner has an option of offering dwelling units to the project implementation agency free of cost and get the benefit of TDR equivalent to floor area calculated at FSI of 3.5. The Development Control Regulations also set out standards for building design and construction, provision of services like water supply, sewerage site drainage, access roads, elevators, fire fighting etc.

Development Control Regulations for Mumbai Metropolitan Region, 1999

The Development Control Regulations for Mumbai Metropolitan Region, 1999 ("Development Control Regulations for MMR") apply to the development of any land situated within the Mumbai Metropolitan Region as defined in the Mumbai Metropolitan Region Development Authority Act, 1974. Regulation 15.3.1 states that no person can carry out any development (except those stated in proviso to section 43 of the Maharashtra Regional Town Planning Act, 1966.) without obtaining permission from the Planning Authority and other relevant authorities including Zilla Parishads and the Pollution Control Board.

The Development Control Regulations for MMR have demarcated the region into various zones for development purposes including urbanisable zones, industrial zone, recreation and tourism development zone, green zones and forest zone. Regulation 15.3.5 states that development of land in these zones (other land in specified urbanisable zone and industrial zone) shall not be permitted unless the owner undertakes to provide at his own cost physical and social infrastructural facilities including roads, water supply, sewage waste disposal systems, electricity, play grounds etc. as well as any other facilities that the Planning Authority will determine. Regulation 15.3.7 provides that all developments which are existing prior to the Development Control Regulations for MMR, which are authorised under the Maharashtra Regional Town Planning Act, 1966 and Maharashtra Land Revenue Code, 1966 but which are not in conformity with the use provisions of the Regional Plan or these Regulation will continue as though they are in the conforming zone and will be allowed reasonable expansion within existing land area and within FSI limits prescribed by these Regulations.

Laws specific to the state of Andhra Pradesh

Andhra Pradesh Urban Areas (Development) Act, 1975 ("APUDA")

The urban land development in Andhra Pradesh is regulated by the provisions of the APUDA. The act provides for the constitution of the Hyderabad Urban Development Authority ("**HUDA**") which consists of 10 municipalities and vast areas of gram panchayats. The HUDA has developed two master plans and 20 zonal plans for this area of which all are in force at the moment. The HUDA's jurisdiction extends over an area of 1,348 square kilometers covering the entire district of Hyderabad and parts of Ranga Reddy and the Medak district. The objects and powers of the HUDA are to promote and secure the development of all or any of the area comprised in the development area according to the plan.

No person is allowed to undertake or carry out development of any land in contravention with the master plan or zonal development plan or without permission or approval or sanction. An order of demolition of building can also be issued by HUDA where development has commenced or is being carried out or has been complete in contravention of the master plan or zonal plan.

The master plan defines the various zones into which development areas may be divided for the purposes of development and indicate the manner in which the land in each zone is proposed to be used. It provides the frame work for development within the zonal development plans.

The APUDA does not apply to certain development networks including as maintenance or improvement to buildings and inspecting and repairing any buildings. The APUDA empowers the government with the power to compulsorily acquire land. If the Government considers it necessary that land is required for the purposes of development, then the Government may acquire such land under the relevant provisions of the Land Acquisition Act, 1984.

Every person desiring to obtain the permission for carrying out any development activity is required to make an application in writing to HUDA. No person shall use any land or buildings other than in conformity with such plan. Copy of ownership documents and Urban Land Ceiling Clearance Certificate or Affidavit where applicable and one link document copy of ownership is to be submitted along with the application. All copies of documents are to be attested by a Gazetted Officer. Application for the change in land use are to be submitted in the prescribed format. For residential apartment complexes (upto stilt till five floors), multistoreyed buildings, commercial / shopping complexes and other buildings like educational, institutional and industrial buildings, all applications in relation to the change in land use are also to be made to the HUDA.

In relation to residential buildings, there are certain prescribed conditions to be followed. The same needs to be complied with prior to the construction of the building. There are various set back requirements that are prescribed which need to be complied with while the construction is to be carried out. There are separate building set back requirements for different kinds of buildings.

Andhra Pradesh Fire Services Act, 1999 ("Fire Services Act")

The maintenance of fire services in the state of Andhra Pradesh is regulated by the provisions of the Fire Services Act. The act provides for the establishment and maintenance of fire services by the Andhra Pradesh Fire Service ("APFS"). Any person proposing to construct a high raised building or a building proposed to be used for any other purpose other than residential purpose should apply to the director general to approve under the relevant law for a no objection certificate. The owner of property shall make an application for license to the APFS within 30 days from the date of notification of construction plans. The authorized officer so approached should within a period of 60 days decide whether to grant the license or not and if the license is denied, he must also record his reasons for rejecting the same. Every license granted shall be valid for a period of three years, or for such lesser period of three years as specified in the license and may be specified in the renewed license and may be cancelled for reasons to be recorded in writing.

Hyderabad Revised Building Rules, 2006 ("Building Rules")

The Hyderabad Revised Building Rules, 2006 ("Building Rules") (came into effect pursuant to a government order No. 86 dated March 3, 2006) prescribes the rules applicable to Municipal Corporation of Hyderabad and other areas covered by Urban Development Authorities, viz. Hyderabad Urban Development Authority, Hyderabad Airport Development Authority, Cyberabad Development Authority and Buddha Purnima Project Authority. These rules shall apply to all building activity. There shall be restriction on the minimum building plot size along the abutting roads in all new developments areas and layouts.

Under these rules no building / development activity shall be allowed in the bed of water bodies like river, or nala, and in the Full Tank Level (FTL) of any lake, pond, cheruvu or kunta / shikam lands. The above water bodies and courses shall be maintained as recreational/Green buffer zone, and no building activity other than recreational use shall be carried out within the areas specified in the Building Rules. The set back in relation to various construction are also specified in these rules.

In relation to high rise buildings located in vicinity of airports as given in the National Building Code, the maximum height of such building shall be decided in consultation with the Airport Authority and shall be regulated by their rules/requirements. Interstitial sites in the area which are away from the direction of the Airport Funnel zone and already permitted with heights cleared by the Airport Authority shall be permitted without referring such cases to the Airport Authority.

Every application to construct or reconstruct or alteration to existing high rise buildings shall be made in the prescribed form and accompanied by detailed plans floor plans of all floors, complete set of structural drawings and detail specifications duly certified by a qualified structural engineer. Necessary prior No Objection certificate shall be submitted from the Airport Authority (if applicable), Directorate of Fire services, along with the application

These rules also prescribe that an Occupancy Certificate shall be mandatory for all buildings. No person shall occupy or allow any other person to occupy any building or part of a building for any purpose unless such building has been granted an Occupancy Certificate by the Sanctioning Authority.

Andhra Pradesh Municipalities Act, 1965 ("Municipalities Act")

The state of Andhra Pradesh is divided into certain municipalities for better administration. The state of Andhra Pradesh may issue a notification specifying an area as a smaller urban area and constitute a municipality for such an area. Each municipality would be governed by a set of municipal authorities to be constituted/ elected as per the provisions of the Municipalities Act. The Municipalities Act provides that all vacant lands, belonging to or under the control of the state of Andhra Pradesh, situated within the local limits of a municipality would be deemed to be in the possession/ control of the municipal authorities governing such municipality. It is provided that the municipal authority shall not (i) construct or permit the construction of any building or other structure on such vacant land; (ii) use or permit the use of such vacant land for any permanent purpose; and (iii) alienate such vacant land to any third party; unless prior permission is obtained by the municipal authority from the state of Andhra Pradesh. The municipal authority is also authorised to levy property tax on all the buildings and lands within its municipal limits. The municipal authority is also responsible for water supply, public street lighting, maintenance of public and private drains, maintenance and repair of streets within its municipal limits.

The Municipalities Act provides that any person intending to construct or reconstruct a building shall make an application in writing for the approval of the site, together with the site plan. No such construction shall begun made unless the commissioner grants the permission for execution of the work. Within 60 days of making the application, the commissioner shall by a written order either approve or reject the site/ execution of any work. if the commissioner fails to do so within 60 days, such permission is deemed to have been granted and the applicant may proceed to execute the work.

The Municipalities Act provides that if the owner of any agricultural land intends to utilise or sell such land for building purposes, he shall pay to the municipal authority such conversion fee not being less than 25 paise and not more than one rupee per square meter. It is provided that the owner of any land shall, before he utilises, sells or otherwise disposes such land as site for construction of buildings, make a layout plan and construct roads giving access to the sites and connecting them with an existing public or private street. The owner is also required to set apart in the lay out adequate area for a play-ground, park, educational institution or for any other public purpose. If the owner fails to comply with the said conditions, he will not be entitled to utilise, sell or otherwise dispose such land for the construction of buildings. The Municipalities Act provides that no permission for the construction of the buildings on such land shall be granted unless the layouts are approved by the municipal authorities. Any person intending to make such a lay-out is required to make a written application to the municipal authorities with the particulars provided in the Municipalities Act. In addition to the particulars specified, such person is required to furnish a conversion certificate (in case of conversion of agricultural land) and pay such amount as security deposit in favour of the municipality. The commissioner shall, within 15 days of receipt of such an application, call for such additional particulars (if required) or forward the same to the Director of Town Planning. The Director of Town Planning is required to forward his recommendations to the Municipality within 60 days of receipt of the layout plan in his office. The Council, may, within 60 days of receipt of the recommendations from the Director of Town Planning, either sanction the lay out or refuse to do so by recording its reasons in writing.

Hyderabad Municipal Corporation Act, 1955 ("HMCA")

HMCA is applicable to the cities of Hyderabad and Secunderabad. The Municipal Corporation of Hyderabad ("MCH") has been set up under the HMCA. The MCH is responsible for the administration and maintenance of Hyderabad and Secunderabad including: (i) defining city limits; (ii) watering, scavenging and cleaning of all public streets and places; (iii) collection, removals, treatment, disposal of sewage; (iv) construction and maintenance of drains and drainage works; (v) lighting of public buildings and public streets; (vi) maintenance of public monuments and open spaces and other property vesting in MCH; (vii) naming and numbering of streets; (viii) public vaccination; (ix) registration of births and deaths; (x) construction and maintenance of streets , bridges; and (xi) improvement of the city.

The HMCA provides that any person intending to develop a land/ use it for building purposes, is required to give written notice of his intention to the commissioner and submit plans and sections, showing the situation and boundaries of such building, land, private street etc. The commissioner may call for further particulars within 30 days after receipt of such notice. All plans submitted to the commissioner must be prepared by or under the supervision of a surveyor. If the commissioner does not indicate his approval or disapproval within 60 days of receipt of the notice, then such proposal shall be deemed to have been approved. The HMCA provides that no person shall use or permit the use of any land whether undeveloped or partly developed for building or divide such land into building plots or make or layout any private street, unless such person gives a written notice as provided. In case of any contravention, the commissioner may give a show cause notice to such person as to why such building, layout should not be altered to the satisfaction of the commissioner or why such street or building should not be demolished.

The HMCA further provides that any person intending to erect or alter a building shall give notice to the commissioner of his intention in the specified form. At any time within 30 days after receipt of such notice, the commissioner may, by written notice, to furnish additional documents. If within 30 days, the commissioner fails to intimate his approval or disapproval in writing, the person may, any time within one year from the date of delivery of notice, proceed with the building in accordance with his intention as described in the notice. If the commissioner disapproves any building or work, he may give a notice of disapproval with reasons for the same and specified terms subject to which the building or work may be deemed to be approved by him. The person giving notice may proceed with the building or work, subject to the terms specified by the commissioner, any time within one year from the date of receiving the notice of disapproval from the commissioner. After the expiry of the one year, the person will need to give fresh notice of his intention to erect or re-erect a building to execute such work.

The HMCA further provides for specifications with respect to the foundation of the building, plinth area, ventilation, height of the rooms, material used for roofs and external walls, maximum height of the buildings etc.

Property Related Laws enacted by Kerala

Kerala has enacted land reforms legislations, restricting the extent of land that can be held by any one entity. Under Section 82 (1) of the Kerala Land Reforms Act, 1963, a ceiling of land area was fixed for individuals and joint families. Individuals were prevented from owning, holding or possessing land in excess of the ceiling area with effect from first January 1970. The leasing of land to any other individual or company in violation of these ceiling provisions was similarly prohibited.

REGULATIONS REGARDING FOREIGN INVESTMENT

Real estate sector

The GoI has permitted FDI of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects ("Real Estate Sector"), subject to certain conditions contained in Press Note No. 2 (2005 series) ("Press Note 2"). A short summary of the conditions is as follows:

(a) Minimum area to be developed is 10 hectares in the case of serviced housing plots and 50,000 square metres in the case of construction development projects. Where the development is a combination project, the minimum area can be either 10 hectares or 50,000 square metres.

(b) Minimum capitalization of US$10 million for 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 within three years of 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.

The DIPP has by its letter no. 5(6)2000-FC (Pt.File) dated January 22, 2007 clarified to us that 'guidelines notified vide Press Note 2 (2005 Series) are applicable to investment made only under the FDI route and not applicable to investment by FIIs under the Portfolio Investment Scheme under the FEMA Regulations.'

The RBI by its letter dated June 1, 2007 has confirmed that FIIs are permitted to subscribe to equity shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in this Issue.

Industrial parks

The GoI has permitted foreign direct investment of up to 100% FDI for setting up of Industrial Parks in India under the automatic route.

HISTORY AND CORPORATE STRUCTURE

We are part of the Wadhawan Group, which was founded by the late Mr. Dewan Kuldip Singh Wadhawan in 1973. The Wadhawan Group was founded for the purpose of land aggregation, land management, land development and construction of residential, commercial and retail units, townships and infrastructure. Initially, the Wadhawan Group was also involved in the marketing of residential, commercial and industrial plots. In 1973 the first residential building named “Kapil Kunj” at Vasai was completed by the Wadhawan Group. In 1978, all the projects of the Wadhawan Group came under the brand name of “Dheeraj.”

As of May 31, 2007, the Wadhawan Group has developed (including our developments) approximately 73.2 million square feet of saleable area, which includes 13.7 million square feet of residential saleable area, 15.3 million square feet of commercial saleable area, 0.7 million square feet of retail, 35.6 million square feet of land development and 7.9 million square feet of saleable area under slum rehabilitation schemes, and, additionally, has constructed approximately 5.5 million square feet of rehabilitation area under slum rehabilitation schemes.

Our Company was incorporated on July 25, 1996 as Housing Development and Improvement India Private Limited, with the objective of developing large-scale real estate projects including residential, commercial and retail projects such as shopping malls, multiplexes and integrated townships and partnering in development of public infrastructure.

Since our incorporation in 1996, we have developed and constructed 24 projects covering approximately 11.3 million square feet of saleable area, including approximately 5.7 million square feet of land sold to other builders after Land Development, all in the Mumbai Metropolitan Region. We also have constructed an additional 2.0 million square feet of rehabilitation area under slum rehabilitation schemes.

Key Events and Milestones

Year	Month	Key Events, Milestones and Achievements
2001	January	“The Mall” project in Malad, Mumbai built by our subsidiary, Privilege Power and Infrastructure Private Limited (earlier known as Dewan Investments Private Limited)
2004	March	Purchase of 30 acres of land from Automobile Products India Limited on LBS Marg, Near Bhandup Station, Mumbai for our “Dreams” Project.
2005	January	548 units in “Dreams” project on LBS Marg, Near Bhandup Station, Mumbai sold on the first day of opening of the booking
2005	March	Completion of “Dheeraj Arma” comprising commercial premises in Bandra (East), Mumbai
2005	May	Sale of FSI measuring 0.5 million sq. feet at Bandra Kurla Complex, Mumbai to Wadhwa Constructions.
2005	May	Sale of FSI measuring 0.7 million sq. feet at Mulund, Mumbai to Nirmal Lifestyles.
2005	August	Sale of FSI measuring 10.7 million sq. feet at Virar to Evershine Developers.
2006	May	MoU with the Adani Group for the sale of rights in land measuring 1.7 million sq. feet at Bandra Kurla Complex, Mumbai
2006	November	Receipt of in-principle approval by us from the Government of India for establishing a Special Economic Zone for the multi service sector at Vasai, District Thane, Maharashtra

Our Main Objects

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

1 (a) To carry on the business of constructions, estate brokers, agents and dealers in lands, flats, marionettes, dwelling house, shops, offices, industrial estates, lessees of lands, flats and other immovable properties and for these purposes to acquire purchase, take on lease or otherwise acquire

and hold any lands or building of any tenure or description wherever situated, or rights or interests therein or connected therewith, to prepare buildings sites, and to construct, reconstruct, pull down renovate, develop, alter, improve, decorate and furnish and maintain flats, marionettes, dwelling, industrial estates, godowns works and conveniences, and sell the same on ownership basis, installment basis or lease basis and rental basis and transfer such buildings to cooperative societies, or associations of persons or individual as the case may be, to lay out roads and pleasure gardens and recreation grounds, plants, drains or otherwise improve the land or any part thereof.

1 (b) To carry on business of developing, operating, maintaining infrastructure facilities, and to undertake development, maintenance, operating special economic zones and other industrial/IT parks, roads including toll roads, bridges, dams, rail system, highway projects, real estate development including constructions of housing, commercial, industrial buildings and sale/lease of units thereon, water supply projects including desalination projects, water treatment system, sanitation and sewerage system, solid waste management system, ports, airports, inland water way, inland ports, telecommunication services including cellular and to establish, operate, maintain power projects, generation, distribution and transmission of power.

1 (c) To render technical, commercial, management or any other type of consultancy services, provide and render partial or total guidance, complete services to persons and institutions working or engaged in any activity relating to the objects of the company and to prepare techno-economic feasibility and project reports and to take up projects on turn-key basis.

Amendments to the Memorandum of Association

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

Date	Particulars
April 23, 1998	The authorized share capital of the Company was increased from Rs. 2,500,000 to Rs. 20,000,000
April 16, 2003	The authorized share capital of the Company was increased from Rs. 20,000,000 to Rs. 100,000,000
January 12, 2005	Changes of the name of the Company pursuant to change in the status of the company from private to public. The approval was received from the Assistant Registrar of Companies for the change of name on February 3, 2005.
March 28, 2005	The authorized share capital of the Company was increased from Rs. 100,000,000 to Rs. 1,000,000,000
March 20, 2006	The authorized share capital of the Company was increased from Rs. 1,000,000,000 to Rs. 2,500,000,000
August 7, 2006	Changes in the object clause of the Company pursuant to Section 18(1) of the Companies Act 1956 by inserting clause 1 (b) & 1(c) which read as follows: 1 (b). To carry on business of developing, operating, maintaining infrastructure facilities, and to undertake development, maintenance, operating special economic zones and other industrial/IT parks, roads including toll roads, bridges, dams, rail system, highway projects, real estate development including constructions of housing, commercial, industrial buildings and sale/lease of units thereon, water supply projects including desalination projects, water treatment system, sanitation and sewerage system, solid waste management system, ports, airports, inland water way, inland ports, telecommunication services including cellular and to establish, operate, maintain power projects , generation, distribution and transmission of power. 1 (c). To render technical, commercial, management or any other type of consultancy services, provide and render partial or total guidance, complete services to persons and institutions working or engaged in any activity relating to the objects of the company and to prepare techno-economic feasibility and project reports and to take up projects on turn-key basis. and the existing clause 1 renumbered as 1(a).

Date	Particulars
	The approval was received from the Deputy RoC, Maharashtra, Mumbai for the change of object clause on 29th August 2006.
August 7, 2006	Change of the name of our Company from Housing Development and Improvement India Limited to Housing Development and Infrastructure Limited. The approval was received from Deputy RoC, Maharashtra, Mumbai for the change of name on 29th August 2006.

Changes in the Registered Office

Date	Particulars
June 16, 1997	Our registered office was shifted from Karim Mahal, St. Alexious Road, (Off. Perry Road), Bandra (West), Mumbai 400 050 to Ground Floor, Dheeraj Apartment, P P Dias Compound, Natwar Nagar, Road No. 1, Jogeshwari (East), Mumbai 400 060
March 27, 2006	Our registered office was shifted from Ground Floor, Dheeraj Apartment, P P Dias Compound, Natwar Nagar, Road No. 1, Jogeshwari (East), Mumbai 400 060 to 9-01, Dheeraj Arma, Anant Kanekar Marg, Bandra (E), Mumbai 400 051 with effect from April 1, 2006.

Share subscription agreement with Bennett, Coleman & Co. Limited

The Company and its Promoters have entered into a share subscription agreement with BCCL dated June 16, 2007 whereby our Company has agreed to issue and allot 300,000 Equity Shares to BCCL at Rs. 500 per Equity Share (including a share premium of Rs. 490) for an amount aggregating Rs. 150 million (including the share premium). The Equity Shares issued to BCCL shall be subject to the statutory lock-in. The share subscription agreement provides for several rights such as tag along rights and the right of first refusal. However, these rights shall terminate on the listing of equity shares of the Company.

Our Subsidiary

1. Privilege Power and Infrastructure Private Limited

Privilege Power and Infrastructure Private Limited (“PPIPL”) was incorporated under the Companies Act, 1956 as Dewan Investments Private Limited on September 4, 1984. Its name was subsequently changed to Privilege Power and Infrastructure Private Limited on June 7, 2006. The registered office of the company is located at 3rd Floor, Dheeraj Arma, Anant Kanekar Marg, Bandra (E), Mumbai 400 051.

PPIPL became a subsidiary of our Company, with effect from October 1, 2005 when 206,520 equity shares aggregating to 99.5% of the paid up capital of PPIPL was acquired by our Company from the Promoters, entities forming part of the Promoter Group and others.

PPIPL is engaged in the business of developing, operating and maintaining infrastructure facilities and to provide technical, management and other consultancy services.

- ***Shareholding Pattern***

The shareholding pattern of PPIPL as of May 31, 2007 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 100 each)	Percentage Shareholding
Mr. Rakesh Kumar Wadhawan (as a nominee of HDIL)	1,000	0.48
HDIL	206,520	99.52
Total	**207,520**	**100.00**

- ***Board of Directors***

The Board of Directors of PPIPL as of May 31, 2007 comprises:

1. Mr. Rakesh Kumar Wadhawan;
2. Mr. Sarang Wadhawan;
3. Mr. Joseph A. Pattathu; and
4. Mr. Waryam Singh.

- ***Financial Information***

(Figures in Million except per share data)

Particulars	Year ended March 31,		
	2005	2006	2007
Paid up Equity Share Capital	20.75	20.75	20.75
Reserve and surplus (excluding revaluation reserves)	7.44	42.67	104.56
Sales and other income	4,31	277.45	82.88
Profit/ (loss) after tax	2.01	35.22	61.89
Earning per share (EPS) Rs.	9.72	169.76	298.22
Net assets value (NAV) Rs.	135.91	305.64	603.88

The equity shares of PPIPL are not listed on any stock exchange. Further, PPIPL is not a sick company within the meaning of the SICA and is not under winding up.

Partnerships of Our Company

1. Heritage Housing Development Corporation ("HHDC")

The deed of partnership of HHDC was made on June 10, 2002. Its principal office is located at Dheeraj Apartments, P.P. Dias Compound, Natwar Nagar, Road No. 1, Jogeshwari(E), Mumbai 400 060, Maharashtra. HHDC carries on business as builders and real estate contractors.

- ***Profit and Loss Sharing Ratio (as of May 31, 2007)***

Name of Partners	Profit & Loss Sharing Ratio (%)
HDIL	44.00
Pioneer India Developers Private Limited	44.00
Heritage Housing Development India Private Limited	12.00
Total	**100.00**

The present partners of HHDC are HDIL, Pioneer India Developers Private Limited and Heritage Housing Development India Private Limited.

- ***Financial Information***

(In Rs. million)

Particulars	Year Ended March 31		
	2004	2005	2006
Capital	338.70	235.70	222.47
Sales and other Income	116.99	127.34	519.21
Profit	22.15	193.55	131.71

2. Nahur Residence Developers ("**NRD**")

The deed of partnership of NRD was made on May 21, 2003. Its principal office is located at Dheeraj Apartments, P.P. Dias Compound, Natwar Nagar, Road No. 1, Jogeshwari(E), Mumbai 400 060, Maharashtra.

NRD carries on business as builders, developers and contractors.

- ***Profit and Loss Sharing Ratio (as of May 31, 2007)***

Name of Partners	Profit & Loss Sharing Ratio (%)
HDIL	40.00
Dheeraj Wadhawan	30.00
Sarang Wadhawan	30.00
Total	**100.00**

The present partners of NRD are HDIL, Dheeraj Wadhawan and Sarang Wadhawan.

- ***Financial Information***

(In Rs. million)

Particulars	Year Ended March 31		
	2004	2005	2006
Capital	0.12	26.86	0.00
Sales and other Income	0.00	0.00	60.00
Profit	0.00	0.00	3.77

3. D.S Corporation ("DSC")

The deed of partnership of DSC was made on August 1, 2005. Its principal office is located at Dheeraj Apartments, P.P. Dias Compound, Natwar Nagar, Road No. 1, Jogeshwari(E), Mumbai 400 060, Maharashtra. DSC carries on business as builders and real estate contractors.

- ***Profit and Loss Sharing Ratio (as of May 31, 2007)***

Name of Partners	Profit & Loss Sharing Ratio (%)
HDIL	45.00
Prithvi Realtors and Hotel Private Limited	20.00
Rakesh Kumar Wadhawan	15.00
Sarang Wadhawan	5.00
Dheeraj Wadhawan	5.00
Waryam Singh	5.00
Sunpreet Singh	5.00
Total	**100.00**

The present partners of DSC are HDIL, Prithvi Realtors and Hotel Private Limited, Rakesh Kumar Wadhawan, Sarang Wadhawan, Dheeraj Wadhawan, Waryam Singh and Sunpreet Singh.

- ***Financial Information***

(In Rs. million)

Particulars	Year ended March 31, 2006
Capital	0.10
Sales and other Income	0.00
Profit	(0.10)

4. Agnel Developers

The deed of partnership of Agnel Developers was made on May 12, 2004. Its principal office is located at 4th Floor, Dheeraj Plaza, Opp. Bandra Police Station, Hill Road, Bandra (W), Mumbai 400 050, Maharashtra. Agnel Developers carries on business as builders, developers and contractors. The name of this partnership firm was changed from Euro Developers to Agnel Developers by way of a supplemental deed of partnership dated August 26, 2004.

- ***Profit and Loss Sharing Ratio (as of May 31, 2007)***

Name of Partners	Profit & Loss Sharing Ratio (%)
HDIL	62.00
Rakesh Kumar Wadhawan	16.00
Waryam Singh	11.00
Ines Kumar	11.00
Total	**100.00**

The present partners of Agnel Developers are HDIL, Rakesh Kumar Wadhawan, Waryam Singh and Ines Kumar.

- ***Financial Information***

(In Rs. million)

Particulars	For the year ending March 31,	
	2005	2006
Capital	0.05	0.05
Sales and other Income	0.00	0.00
Profit	0.00	0.00

Proprietorships of Our Company

1. Palghar Land Development Corporation

Palghar Land Development Corporation ("PLDC") was originally constituted vide a deed of partnership dated January 28, 1983. Our Company became a partner of PLDC on August 16, 2005. Subsequently, vide a deed of dissolution dated October 15, 2005, the other partners of PLDC, Mr. Rakesh Kumar Wadhawan, Mr. Waryam Singh and Mrs. Aruna Wadhawan retired from the partnership and assigned all rights and liabilities in PLDC to our Company and we took over all assets, liabilities and running business of PLDC.

Our Company is presently the sole proprietor of PLDC. Its principal office is located at Dewan Tower, Navghar, Vasai Road, Thane. PLDC carries on business as builders, developers and contractors.

- ***Financial Information***

No financial statements have been prepared for PLDC for the period after October 15, 2005 (upon our Company becoming its sole proprietor). The audited financial results for PLDC prior to October 15, 2005 are as follows:

(In Rs. million)

Particulars	Year Ended March 31,		For the period from April 1, 2005 to October 15, 2005
	2004	2005	
Capital	0.05	0.05	67.37
Sales and other Income	3.26	5.28	219.05
Profit	0.13	1.49	39.72

2. R T Construction

RT Construction ("RT") was originally constituted vide a deed of partnership dated June 26, 2001. Our Company became a partner of RT on July 27, 2001. Subsequently, vide a deed of dissolution dated February 20, 2003, the other partner of RT, Exim Trade Links India Private Limited retired from the partnership and assigned all rights and liabilities in RT to our Company and we took over all assets, liabilities and running business of RT.

Our Company is presently the sole proprietor of RT. RT carries on business as builders, developers and contractors.

- ***Financial Information***

No financial statements have been prepared for RT during the last three years.

OUR MANAGEMENT

Board of Directors

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Age	Other Directorships
Mr. Rakesh Kumar Wadhawan **Chairman** S/o Late Mr. Kuldip Singh Wadhawan Address: 22-23, Sea View Palace, 48, Pali Hill, Bandra (West), Mumbai 400 050 Non Executive Non Independent Director *Business* Term: Liable to retire by rotation	Indian	54	1. Dewan Housing Finance Corporation Limited 2. DHFL Insurance Services Limited 3. DHFL Property Services Limited 4. Privilege Power and Infrastructure Private Limited 5. Wadhawan Holdings Private Limited. 6. Wadhawan Food Retail Private Limited 7. Prithvi Realtors and Hotels Private Limited 8. Dinshaw Trapinex Builders Private Limited 9. Privilege Industries Limited 10. Dewan Realtors Private Limited 11. Libra Realtors Private Limited 12. Heritage Housing Development India Private Limited 13. Privilege Airways Private Limited 14. Libra Hotels Private Limited 15. Guruashish Construction Private Limited
Mr. Sarang Wadhawan **Managing Director** S/o Mr. Rakesh Kumar Wadhawan Address: 22-23, Sea View Palace, 48, Pali Hill, Bandra (West), Mumbai 400 050 Executive Director *Business* Term: Up to March 31, 2011	Indian	30	1. Dewan Housing Finance Corporation Limited 2. DHFL Vysya Housing Finance Limited 3. DHFL Property Services Limited 4. DHFL Insurance Services Limited 5. Privilege Power And Infrastructure Private Limited 6. Dinshaw Trapinex Builders Private Limited 7. Privilege Industries Limited 8. Prithvi Realtors and Hotels Private Limited 9. Privilege Airways Private Limited 10. Privilege Distilleries Private Limited 11. Dinshaw Trapinex Limited 12. Dinshaw Trapinex Commercial Broker (L.L.C)

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Age	Other Directorships
Mr. Kapil Wadhawan S/o Late Mr. Rajesh Kumar Wadhawan Address: 22-23, Sea View Palace, 48, Pali Hill, Bandra (West), Mumbai 400 050 Non Executive Non Independent Director *Business* Term: Liable to retire by rotation	Indian	33	1. Dewan Housing Finance Corporation Limited 2. DHFL Vysya Housing Finance Limited 3. DHFL Property Services Limited 4. DHFL Insurance Services Limited 5. DHFL Venture Capital India Private Limited 6. DHFL Venture Trustee Private Limited 7. Wadhawan Holdings Private Limited 8. Wadhawan Food-Retail Private Limited 9. Wadhawan Infrastructure and Developers Private Limited 10. Dish Hospitality Private Limited 11. Dheeraj Township Developers Private Limited 12. RK Wadhawan Institute of Universal Learning Private Limited 13. Global Resorts and Hotels Private Limited 14. Pinnacle Merchandising Private Limited
Mr. Dheeraj Wadhawan S/o Late Mr. Rajesh Kumar Wadhawan Address: 22-23, Sea View Palace, 48, Pali Hill, Bandra (West), Mumbai 400 050 Non Executive Non Independent Director *Business* Term: Liable to retire by rotation	Indian	28	1. Dheeraj Consultancy Private Limited 2. Interactive Multimedia Technologies Private Limited 3. Prithvi Realtors and Hotels Private Limited 4. Dish Hospitality Private Limited 5. Wadhawan Food-Retail Private Limited 6. Wadhawan Retails Venture Private Limited 7. Wadhawan Consolidated Holdings Private Limited 8. Wadhawan Realtors Private Limited 9. Wadhawan Infrastructure Developers Private Limited 10. Blue Star Realtors Private Limited 11. Dheeraj Township Developers India Private Limited 12. Dinshaw Trapinex Limited 13. Dinshaw Trapinex Commercial Broker (L.L.C). 14. Dinshaw Trapinex Builders Private Limited 15. RK Wadhawan Institute of Universal Learning Private Limited 16. Global Resorts and Hotels Private Limited

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Age	Other Directorships
			17. Pinnacle Merchandising Private Limited
Mr. Waryam Singh S/o Mr. Kartar Singh Address: 1401, Stellar Tower, Lokhandwala Complex, Andheri (W), Mumbai 400053 Non Executive Non Independent Director *Business (Former Chairman Punjab and Maharashtra Cooperative Bank Limited)* Term: Liable to retire by rotation	Indian	55	1. Dewan Housing Finance Corporation Limited 2. DHFL Property Services Limited 3. Prithvi Realtors & Hotels Private Limited. 4. Heritage Housing Development India Private Limited 5. Punjab and Maharashtra Co-operative Bank Limited 6. Privilege Power And Infrastructure Private Limited 7. Guruashish Construction Private Limited
Mr. Ashok Kumar Gupta S/o Mr. Jagdishrai Aggarwal Address: 401, Dheeraj Dhan, St. Alexious Road, Bandra (W), Mumbai 400050 Independent Director *Professional* Term: Liable to retire by rotation	Indian	57	1. Dewan Housing Finance Corporation Limited 2. DHFL Vysya Housing Finance Limited 3. DHFL Insurance Services Limited 4. JST Realty Private Limited. 5. Blue Star Realtors Private Limited 6. Prithvi Realtors & Hotels Private Limited 7. Midcity Bhoomi Developers Private Limited
Mr. Satya Pal Talwar S/o Mr. Tek Chand Talwar Address: 162, Kshitij, 16^{th} Floor, 47 Napeansea Road, Mumbai 400036 Independent Director *Former Deputy Governor, Reserve Bank of India* Term: Liable to retire by rotation	Indian	67	1. Vemagiri Power Generation Limited 2. Reliance Life Insurance Co. Limited 3. Reliance General Insurance Co. Limited 4. Reliance Capital Trustee Co. Limited 5. Crompton Greaves Limited 6. Videocon Industries Limited 7. Reliance Communications Limited 8. Reliance Asset Reconstruction Company Limited 9. Reliance Communications Infrastructure Limited
Mr. Shyam Sunder Dawra S/o Mr. Bhoj Raj Dawra Address: D-5/13, Second Floor, Vasant Vihar, New Delhi 110 057	Indian	63	1. Food Corporation of India 2. GTL Infrastructure Limited

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Age	Other Directorships
Independent Director *Retired IAS Officer* Term: Liable to retire by rotation			
Mr. Lalit Mohan Mehta S/o Mr. Sadanand Mehta Address: 1551 (G.F.), Sector-38–B, Chandigarh Independent Director *Retired IAS Officer* Term: Liable to retire by rotation	Indian	63	1. National Standard (India) Limited 2. Narmada Cement Limited
Mr. Sunil Behari Mathur S/o Mr. Kailash Behari Mathur Address: A-20, Geetanjali Enclave, New Delhi 110 017 Independent Director *Former Chairman, Life Insurance Corporation of India* Term: Liable to retire by rotation	Indian	62	1. Havell's India Limited 2. ITC Limited 3. Grasim Industries Limited 4. EID Parry (I) Limited 5. UTI Bank Limited 6. IL & FS Limited 7. Indian Railway Catering and Tourism Corporation Limited 8. UTI Technology Services Limited 9. UTI Infrastructure and Services Limited 10. National Stock Exchange Limited 11. National Collateral Management Services Limited 12. Munich Re India Services Private Limited 13. EMD Locomotive Technologies Private Limited 14. IDFC Trustee Co. Limited 15. AIG Trustee Company (India) Private Limited 16. Universal Sompo General Insurance Company Limited 17. Subhiksha Trading Services Limited
Mr. Surinder Kumar Soni	Indian	70	1. Centurion Bank of Punjab

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Age	Other Directorships
S/o Mr. Achint Ram Soni Address: D-15, Enclave-II, Greater Kailash- II, New Delhi 110048 Independent Director *Former Chairman, Oriental Bank of Commerce* Term: Liable to retire by rotation			2. Wisec Global Limited 3. PNB Gilts 4. Cashpor Financial Services Limited 5. ASP Research Service Private Limited 6. Bharmputra Consolidated Limited
Mr. Joseph Pattathu S/o Mr. Anthony Joseph Pattathu Address: Sunder Nagar Cooperative Housing Society, House No. 100, CST Road, Kalina, Santacruz (E), Mumbai 400029 Non Executive Non Independent Director *Business* Term: Liable to retire by rotation	Indian	35	1. Prithvi Realtors and Hotels Private Limited 2. Dinshaw Trapinex Builders Private Limited 3. Privilege Power and Infrastructure Private Limited 4. Pearl Tech Computer Private Limited

Brief Biographies of our Directors

Mr. Rakesh Kumar Wadhawan is one of the Promoters and non-executive Chairman. He is also one of our promoters and the founder of the Wadhawan Group. He has over 30 years of experience in the real estate and infrastructure industry. He is a member of various industry bodies and has actively participated in housing related seminars in various countries. He has been a guiding force behind our foray into building residential/commercial complexes and infrastructure projects. He is a commerce graduate from Mumbai University.

Mr. Sarang Wadhawan is one of our Promoters and the Managing Director of our Company. He has a MBA from Clarks University, Worcester, U.S.A. and is a commerce graduate from Mumbai University. Mr. Sarang Wadhawan has significant exposure to the real estate and housing finance industry and is currently leading the management of the Company with his plans for growth and expansion. Mr. Sarang Wadhawan is involved in implementation and review of strategic objectives of the Company as envisaged by the management of the Company.

Mr. Kapil Wadhawan is one of our Promoters and a non executive director of our Company. He is the Vice Chairman and Managing Director of Dewan Housing Finance Limited. He has initiated steps to transform DHFL into one of the leading housing finance institutions in India. He has also played a significant role in shaping policy guidelines on matters relating to the mortgage finance industry. As a result of his efforts, DHFL currently has an asset base of over Rs. 25,402.5 million as on March 31, 2006. Mr. Kapil Wadhawan has been a speaker at seminars on the mortgage finance industry. Mr. Wadhawan is a commerce graduate from Mumbai University and has a MBA in finance from Edith Cowan University, Perth, Australia.

Mr. Dheeraj Wadhawan is one of our Promoters and a non executive director of our Company. He has over five years of experience in the real estate industry. He is a graduate in construction management from the University of London.

Mr. Waryam Singh is a non executive director of our Company. He has 24 years of experience in banking, finance, civil construction and land development. He was the chairman of Punjab and Maharashtra Co-operative Bank Limited from 1999 to 2005 and was instrumental in achieving the "Scheduled Status" for the bank. Mr. Singh is a commerce graduate from the Mumbai University.

Mr. Ashok Kumar Gupta is an independent director of our Company. He has 30 years of experience in framing investment schemes, restructuring and other corporate law matters. He is currently serving on the board of directors of various companies and is highly regarded for his experience in legal and accountancy matters. He is a qualified Chartered Accountant. He also has a LL.B degree from the Government Law College, Mumbai.

Mr. Satya Pal Talwar is an independent director of our Company. He has 49 years of experience in fields such as banking, finance and planning. He was the Deputy Governor of the Reserve Bank of India from November 1994 to June 2001. Prior to that, he was also the Chairman and Managing Director of three public sector banks. Presently, he is on the board of directors of various companies. Mr. Talwar has a B.A. LL.B degree. He is also a Certified Associate Member from the Indian Institute of Bankers ("CAIIB").

Mr. Shyam Sunder Dawra is an independent director of our Company. He is a retired Indian Administrative Service officer and has served the Government of India and the Government of Punjab in various capacities. He retired as the Secretary (Department of Personnel and Training), Government of India. He is presently Chairman of the Punjab Revenue Commission and a Director of the Food Corporation of India. Mr. Dawra has a Masters in English from the Punjab University and a Masters in Business Administration from the University of Leeds, England.

Mr. Lalit Mohan Mehta is an independent director of our Company. He is a retired Indian Administrative Service officer. In the past, he has served the Government of India and state governments in various capacities in matters concerning urban affairs, planning, fiscal matters, public and personnel relations. He retired as the Secretary (Urban Development), Government of India. He is a 1st class arts graduate from Punjab University and has a post graduate degree in development studies, a course comprising aspects of economics, political science and sociology, from the University of Bath in the United Kingdom.

Mr. Sunil Behari Mathur is an independent director of our Company. He has 40 years of experience in the fields of insurance and housing finance. He was the chairman of Life Insurance Corporation of India from August 2002 to October 2004. He is currently on the board of directors of various companies and is also chairman of the National Stock Exchange. He is a qualified chartered accountant. He has also been sponsored by the United States Agency for International Development ("USAID") for a training program on housing finance at the Wharton Business School of the University of Pennsylvania.

Mr. Surinder Kumar Soni is an independent director of our Company and has 48 years of experience in the banking and finance industry. He was Chairman of the Oriental Bank of Commerce and upon his retirement, was appointed as the ombudsman for the banking industry by the Reserve Bank of India. He is presently serving on the board of directors of various companies. He has a Bachelors degree in science and a LL.B from Delhi University. He is also a Certified Associate from the Indian Institute of Bankers ("CAIIB").

Mr. Joseph Pattathu is a non executive director of our Company. He has 14 years of experience in the real estate, construction and housing finance industry. He was mainly responsible for our Company's finance and administrative affairs. Prior to joining our Company in 2004, he was employed with Wadhawan Group. He has a Bachelors degree in Engineering (Construction) and a MMS in finance from Mumbai University.

Borrowing powers of the Board

Our Articles, subject to the provisions of the Act authorise our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Our Members, have pursuant to a resolution passed on January 27, 2007 authorised our Board to borrow monies not exceeding Rs. 50,000 million at any time.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We have complied with the corporate governance code in accordance with Clause 49 (as applicable), especially in relation to broad basing of our board, constitution of committees. Our Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently our board has 12 Directors, of which the Chairman of the Board is a non-executive director, and in compliance with the requirements of Clause 49 of the Listing Agreement, we have one executive Director, 11 non-executive directors of which 6 are independent directors on our Board.

Audit Committee

The purpose of the audit committee is to ensure the objectivity, credibility and correctness of the company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

The audit committee consists of the following:

1. Mr. Satya Pal Talwar; Chairman
2. Mr. Ashok Kumar Gupta; and
3. Mr. Shyam Sunder Dawra

The terms of reference of the audit committee are as follows:

1. To oversee the financial reporting process and disclosures of financial information;
2. To review the quarterly/ half yearly and annual financial statements before submission to the Board of

Directors with special emphasis on accounting policies, compliance of accounting standards and other legal requirements relating to financial statements;
3. To review the findings of the internal investigation and periodic audit reports;
4. To hold discussions with the external auditors about the scope of audit;
5. To recommend appointment/removal of statutory auditors and fixing their remuneration;
6. To review all issues which are required to be reviewed by the audit committee pursuant to the listing agreement with the stock exchanges and the Companies Act, 1956 with the management and the internal and external auditors;
7. To review with the management the financial statements with reference to any related party transactions;
8. To review the observations of internal and statutory auditors in relation to all areas of operation of the Company, including internal control systems;
9. To examine all taxation matters, including related legal cases.;
10. To review with the management the financial statements of the Subsidiary Companies; and
11. Any other terms of reference as may be included from time to time in Clause 49 of Listing Agreement.

The Audit Committee has met four times in this financial year.

Remuneration Committee

The Remuneration Committee is responsible for determining the Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policies of our Company, the Remuneration Committee *inter alia* determines the remuneration payable to our Directors and other key management personnel in our Company.

Apart from discharging the above -mentioned functions, the Remuneration Committee also discharges the following functions:

1. Framing policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of the top executives;
2. Remuneration of directors; and
3. Strategies for attracting and retaining employees and employee development programme.

This Committee consists of the following:

1. Mr. Kapil Wadhawan;
2. Mr. Ashok Kumar Gupta; and
3. Mr. Satya Pal Talwar.

Investor Grievance and Share Transfer Committee

This Committee is responsible for the redressal of shareholder grievances and for giving effect of share transfer. This Committee consists of:

1. Mr. Waryam Singh; Chairman
2. Mr. Sarang Wadhawan;
3. Mr. Kapil Wadhawan; and
4. Mr. Lalit Mohan Mehta.

The terms of reference of the Investor Grievance and Share Transfer Committee are as follows:

- Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non-receipt of balance sheet etc in particular;

- Review of the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Transfer Agent; and

- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

This Committee is also responsible for approval of transfer of Equity and preference shares including power to delegate the same to registrar and transfer agents

The committee has met once in this financial year.

Shareholding of Directors in our Company

Except as provided below, our Directors do not hold any Equity Shares in our Company as of May 31, 2007

Name of the Director	Number of Equity Shares	Pre-Issue percentage shareholding	Post-Issue percentage shareholding (assuming GSO exercised in full)	Post-Issue percentage shareholding (assuming GSO not exercised)
Mr. Rakesh Kumar Wadhawan	29,700,000	16.50	13.85	14.14
Mr. Sarang Wadhawan	9,000,000	5.00	4.20	4.29
Mr. Kapil Wadhawan	9,000,000	5.00	4.20	4.29
Mr. Dheeraj Wadhawan	9,000,000	5.00	4.20	4.29
Mr. Waryam Singh	6,220,200	3.46	2.90	2.96
Mr. Ashok Kumar Gupta	2,298,800	1.28	1.07*	1.09*

** Assuming he does not apply under the Issue.*

Interests of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares held by them, or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. Our Directors may also be regarded as interested to the extent of their interests in entities controlled by us or forming part of our Promoter Group. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in the section titled "Related Party Transactions" on page 152 of this Red Herring Prospectus, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Red Herring Prospectus or proposed to be acquired by us except as stated in this Red Herring Prospectus.

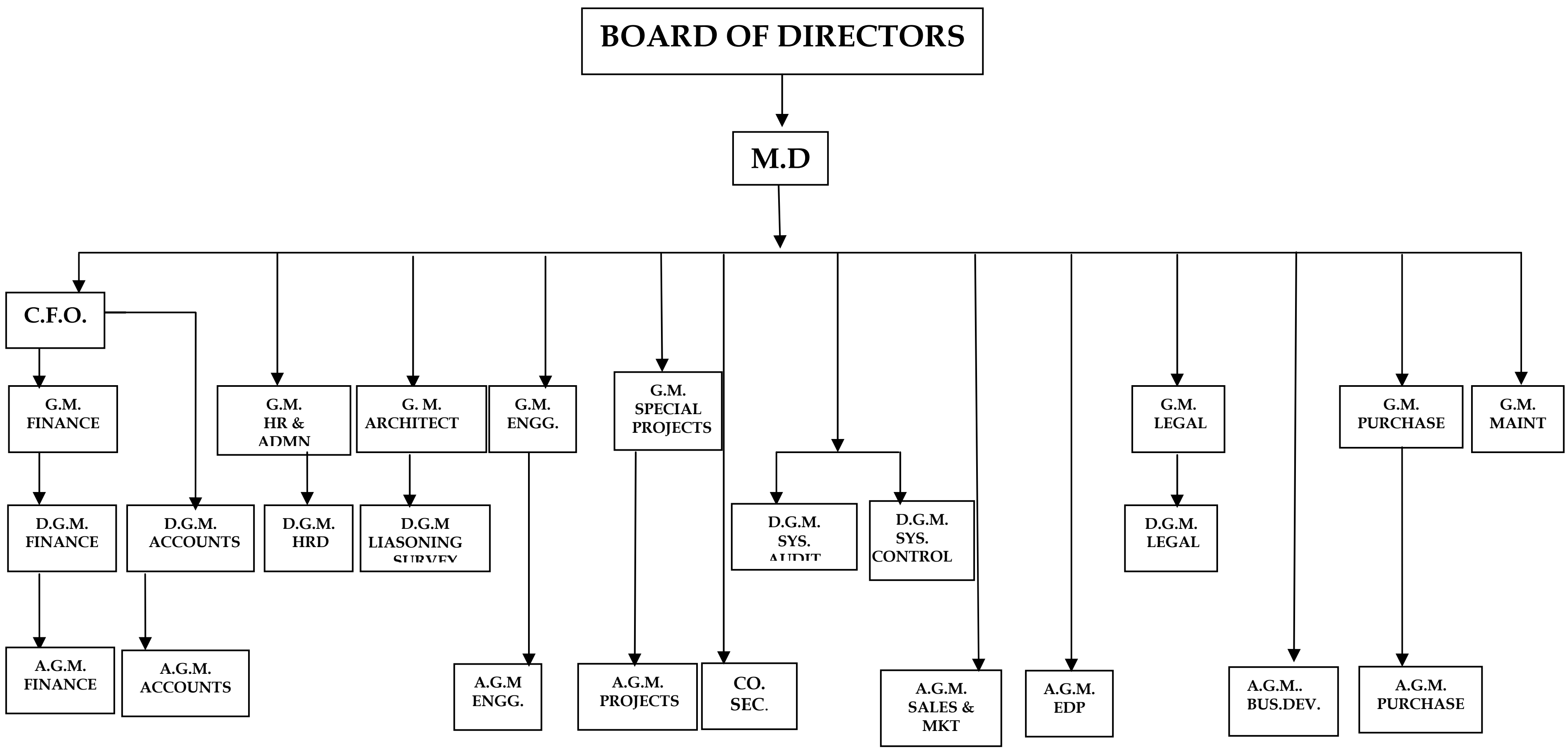
Terms of Employment of Mr. Sarang Wadhawan, our Managing Director

Mr. Sarang Wadhawan has been appointed as our Managing Director for a period of five years from April 1, 2006 pursuant to a resolution of our members at the extra-ordinary general meeting on March 20, 2006. In terms of the said resolution, Mr. Sarang Wadhawan receives a salary of Rs. 75,000 per month and a personal pay of Rs. 50,000 per month. He does not receive any other perquisites or benefits from us.

Changes in Our Board of Directors during the last three years

Name	Date of Change	Reason
Mr. Rakesh Kumar Wadhawan	January 27, 2004	Appointed
Mr. Waryam Singh	May 21, 2004	Resigned
Mr. Vasant Gavade	May 21, 2004	Appointed
Mr. Joseph Pattathu	October 1, 2004	Appointed
Mr. Vasant Gavade	March 24, 2005	Resigned
Mr. Sarang Wadhawan	March 4, 2005	Appointed
Mrs. Anjana Sakhuja	February 20, 2006	Resigned
Mr. Ashok Kumar Gupta	April 27, 2006	Appointed
Mr. Waryam Singh	April 27, 2006	Appointed
Mr. Satyapal Talwar	June 14, 2006	Appointed
Mr. Sunil Behari Mathur	June 14, 2006	Appointed
Mr. Shyam Sunder Dawra	June 14, 2006	Appointed
Mr. Lalit Mohan Mehta	June 14, 2006	Appointed
Mr. Dheeraj Wadhawan	September 8, 2006	Appointed
Mr. Kapil Wadhawan	December 1, 2006	Appointed
Mr. Suriender Kumar Soni	January 15, 2007	Appointed

ORGANISATIONAL STRUCTURE



Key Management Personnel

Except for Mr. Sarang Wadhawan, the details regarding our Key Management Personnel are as follows:

Mr. K. P. Devassy, Chief Financial Officer, age 57 years, has over 26 years of experience in the fields of accountancy, audit, payroll and salary administration, income tax, company affairs, labour law and general administration. He joined the Wadhawan Group in August 1981 and our Company in April 2005. Prior to joining our Company, he has worked with different entities belonging to the Wadhawan Group. Mr. Devassy has Bachelor of Commerce degree from the University of Nagpur. The gross compensation paid to him during fiscal 2007 was Rs. 1.37 million.

Mr. Pramod Purandare, General Manager (Projects), age 43 years, has more than 25 years of diversified experience in the fields of construction and projects. He joined our Company in April 2006. He is responsible for the construction and execution of our various projects. Prior to joining our Company, he has worked with different entities belonging to the Wadhawan Group. Mr. Purandare has a diploma in architecture from the Mumbai University. The gross compensation paid to him during fiscal 2007 was Rs. 1.28 million.

Mr. Shashikant S. Shinde, General Manager (Architect), age 50 years, has more than 25 years of experience in the development of land and big layouts of residential and industrial complexes at Vasai, Virar, Palghar and Mumbai. He is primarily responsible for conceptualization and finalization of various building layouts and planning and designing of projects. He joined the Wadhawan Group in 1981 and our Company in April 2006. Prior to joining our Company, he has worked with different entities belonging to the Wadhawan Group. Mr. Shinde has Bachelor of Engineering degree from the Mumbai University. The gross compensation paid to him during fiscal 2007 was Rs. 1.33 million.

Mr. Balraj Dubey, General Manager (Engineering), age 40 years, has more than 15 years of experience in the field of civil engineering. He has been associated with the design and development of various diverse projects including shopping malls, residential complex, interiors and exteriors of commercial projects. He joined our Company in October 2005. Prior to joining our Company, he has worked with different entities belonging to the Wadhawan Group. Mr. Dubey has a B.Sc. Engineering (Civil) degree and a MBA (Marketing and Finance) from Sagar University. The gross compensation paid to him during fiscal 2007 was Rs. 1.31 million.

Mr. Devdutta B. Gangawanwale, General Manager (Legal), age 40 years, has more than 18 years of experience in the legal field. He has been associated with and is involved in getting clearance for our slum rehabilitation projects. He joined our Company in April 2006. Prior to joining our Company, he has worked with different entities belonging to the Wadhawan Group. Mr. Gangawanwale has a Bachelor of Commerce degree and a LLM from the Mumbai University. The gross compensation paid to him during fiscal 2007 was Rs. 1.31 million.

Mr. John D. Sequeira, General Manager (Purchase), age 40 years, has more than 22 years of experience in field of purchase, procurement and quality. He joined our Company in April 2006 and has been dealing with the procurement of materials from various vendors & suppliers. He is dealing with brand management, vendor development and quality assurance. Prior to joining our Company, he has worked with different entities belonging to the Wadhawan Group. Mr. Sequeira has a Bachelor of Commerce degree from the Mumbai University. The gross compensation paid to him during fiscal 2007 was Rs. 1.27 million.

Mr. Makarand Todankar, General Manager (Finance), age 35 years, has more than 11 years of experience in the field of finance and accounting. He joined our Company in April 2006 and has been dealing mainly with financial management. Prior to joining our Company, he has worked with different entities belonging to the Wadhawan Group. Mr. Todankar has a Bachelor of Engineering (Electronics) and a MMS in finance from the Mumbai University. The gross compensation paid to him during fiscal 2007 was Rs. 1.34 million.

Mr. Krishna D. Lad, General Manager (Human Resource and Administration), age 56 years, has more than 34 years of experience in the field of human resources, employee relations and administration. He joined our company in November 2006 and is handling the human resource, personnel and administration department. He has also been the Chairman of the Human Resource Development committee of the Kalyan Ambarnath Manufacturing Association for the past 3 years and a member of the Governing Council of Birla College, Kalyan.

Prior to joining our Company, he has worked with Century Rayon Limited, part of the B.K. Birla Group. Mr. Lad has a Bachelor of Science degree, a LLB and a Master of Labour Studies, all from the Mumbai University. The gross compensation paid to him during fiscal 2007 was Rs. 0.35 million.

Mr. Ved Prakash Sharma, General Manager (Maintenance), age 66 years, has more than 45 years of experience in the fields of co-operation, personnel management, accounts and audit. He joined our Company in July 2006. Prior to joining our Company, he worked with different entities belonging to the Wadhawan Group. He was also the Financial Officer (Administration and Audit) of Kurukshetra University, Haryana, for more than 20 years. He has also been a general manager with the District Cooperative Super Bazar in Punjab and Haryana. Mr. Sharma has a Bachelor of Arts degree and a LLB from the University of Kurukshetra. The gross compensation paid to him during fiscal 2007 was Rs. 0.72 million.

Mr. Amitabh Verma, Company Secretary, age 33 years, has more than 5 years of experience in the fields of company affairs and SEBI matters. He joined our Company in 2003. Prior to joining our Company, he was acting as an advisor to various companies. Mr. Verma is a qualified company secretary. He also has a Bachelor of Science degree and a LL.B degree. The gross compensation paid to him during fiscal 2007 was Rs. 0.65 million.

Mr. Manoj Bhojwani, Deputy General Manager (System Control), age 40 years, has more than 17 years of experience in the fields of systems control, audit and accounts. He joined our Company in April 2006. He is involved in maintaining internal audit systems within our Company. Prior to joining our Company, he has worked with different entities belonging to the Wadhawan Group. Mr. Bhojwani has a Bachelor of Commerce degree from the Mumbai University. The gross compensation paid to him during fiscal 2007 was Rs. 0.68 million.

Mr.Venkat Iyengar, Deputy General Manager (System Audit), age 37 years, has more than 18 years of experience in the fields of audit and accounting. He joined our Company in April 2006. He is engaged in maintaining internal audit systems within our Company. Prior to joining our Company, he has worked with different entities belonging to the Wadhawan Group. Mr. Iyengar has a Masters of Commerce degree and a diploma in computer science from the Mumbai University. The gross compensation paid to him during fiscal 2007 was Rs. 0.75 million.

Mrs. Lydia Luis, Assistant General Manager (Marketing), age 36 years, has more than 15 years of experience in the fields of sales and marketing. She joined our Company in April 2006 and has been actively involved with sales and business development. Presently, she is the head of our sales and marketing department. Prior to joining our Company, she has worked with different entities belonging to the Wadhawan Group. Ms. Luis has completed her education upto the second year of a Bachelor of Commerce degree from the Mumbai University. The gross compensation paid to her during fiscal 2007 was Rs. 0.51 million.

Mr. Bhavesh Shah, Assistant General Manager (Electronic Data Processing), age 32 years, has more than 10 years of experience in the fields of accounts and taxation. He joined our Company in April 2006 and is the head of our EDP Department. Prior to joining our Company, he has worked with different entities belonging to the Wadhawan Group. Mr. Shah has a Bachelor of Commerce degree and a post graduate diploma in computer science from the Mumbai University. The gross compensation paid to him during fiscal 2007 was Rs. 0.61 million.

All our Key Managerial Personnel as disclosed above are permanent employees of the Company and none of our Directors and our Key Managerial Personnel are related to each other.

Shareholding of the Key Management Personnel

Except as provided below, our key management personnel do not hold any Equity Shares in our Company as of May 31, 2007

Name	No. of Shares	Pre Issue percentage shareholding
Mr. K.P. Devassy	189,000	0.11
Mr. Pramod Purandare	189,000	0.11
Mr. Shashikant S. Shinde	180,000	0.10
Mr. Balraj Dubey	90,000	0.05

Name	No. of Shares	Pre Issue percentage shareholding
Mr. Manoj Bhojwani	90,000	0.05
Mr.Venkat Iyengar	90,000	0.05
Mr. John D. Sequeria	90,000	0.05
Mr. Bhavesh Shah	54,000	0.03
Mrs. Lydia Luis	54,000	0.03
Mr. Devdutta B. Gangawanwale	50,000	0.03
Mr. Ved Prakash Sharma	20,000	0.03
Mr. Amitabh Verma	9,000	0.005
Mr. Makarand Todankar	2,500	0.001

Bonus or profit sharing plan of the Key Management Personnel

Our Company does not have a performance linked bonus or a profit sharing plan for the Key Management Personnel.

Interests of Key Management Personnel

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of their shareholding in the Company, the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of our Key Management Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Date	Reason for change
Mr. K.P. Devassy	April 1, 2005	Appointed
Mr. Balraj Dubey	October 1, 2005	Appointed
Mr. Pramod Purandare	April 1, 2006	Appointed
Mr. Shashikant Shinde	April 1, 2006	Appointed
Mr. Devdutta B. Gangawanwale	April 1, 2006	Appointed
Mr. John D. Sequeira	April 1, 2006	Appointed
Mr. Makarand Todankar	April 1, 2006	Appointed
Mr. Manoj Bhojwani	April 1, 2006	Appointed
Mr. Venkat Iyengar	April 1, 2006	Appointed
Mr. Bhavesh Shah	April 1, 2006	Appointed
Ms. Lydia Luis	April 1, 2006	Appointed
Mr. Ved Prakash Sharma	July 1, 2006	Appointed
Mr. R.S. Moorthy	October 2, 2006	Resigned
Mr. Krishna D. Lad	November 17, 2006	Appointed

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Our Promoters are Mr. Rakesh Kumar Wadhawan, Mr. Sarang Wadhawan, Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan.

The details of our Promoters are as follows:

	**Mr. Rakesh Kumar Wadhawan** is the Chairman of our Company. He is a resident Indian national. For further details, see the section titled "Our Management" on page 102 of this Red Herring Prospectus. His driving license number is 450652. He does not hold a voter identification card.
	**Mr. Sarang Wadhawan** is the Managing Director of our Company. He is a resident Indian national. For further details, see the section titled "Our Management" on page 102 of this Red Herring Prospectus. His driving license number is MH029521294. He does not hold a voter identifcation card.
	**Mr. Kapil Wadhawan** is a non-executive director of our Company. He is a resident Indian national. For further details, see the section titled "Our Management" on page 102 of this Red Herring Prospectus. His driving license number is MH029320749. He does not hold a voter indentification card.
	**Mr. Dheeraj Wadhawan** is a non-executive director of our Company. He is a resident Indian national. For further details, see the section titled "Our Management" on page 102 of this Red Herring Prospectus. He does not hold a driving licence. He does not hold a voter identification card.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of our Promoters, namely, Mr. Rakesh Kumar Wadhawan, Mr. Sarang Wadhawan, Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan has been submitted to the BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Interests of Promoters and Common Pursuits

The aforementioned Promoters of our Company are interested to the extent of their shareholding in us. Further, our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them.

Further, our individual Promoters are also directors on the boards of or members of certain Promoter Group entities and they may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For further details, please refer to the section "Our Promoters and Promoter Group" on page 116 of this Red Herring Prospectus. For the payments that are made by our Company to certain Promoter Group entities, please refer to the section "Related Party Transactions" on page 152 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Further, except as disclosed in the sections titled "Our Promoters and Promoter Group" on page 116 of this Red Herring Prospectus, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Confirmations

Further, none of our Promoters has been declared as a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them.

Payment of benefits to our Promoters

Except as stated in the chapter "Related Party Transactions" on page 152 of this Red Herring Prospectus, there has been no payment of benefits to our Promoters during the two years prior to the filing of this Red Herring Prospectus.

Promoter Group

In addition to the Promoters named above, the following natural persons and companies are part of our Promoter group.

Relatives of Promoters

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:-

Name of the Person	Relationship
Mrs. Damyantirani Wadhawan	Mother of Mr. Rakesh Kumar Wadhawan
Mrs. Malti Wadhawan	Wife of Mr. Rakesh Kumar Wadhawan
Mrs. Nikita Trehan	Daughter of Mr. Rakesh Kumar Wadhawan
Mrs. Anjana Sakhuja	Sister of Mr. Rakesh Kumar Wadhawan
Mrs. Romi Mehra	Sister of Mr. Rakesh Kumar Wadhawan
Mrs. Aruna Wadhawan	Mother of Mr. Kapil Wadhawan
Mrs. Vanita Wadhawan	Wife of Mr. Kapil Wadhawan
Master Karthik Wadhawan	Son of Mr. Kapil Wadhawan
Ms. Tiana Wadhawan	Daughter of Mr. Kapil Wadhawan
Mrs. Anu Wadhawan	Wife of Mr. Sarang Wadhawan
Ms. Sara Wadhawan	Daughter of Mr. Sarang Wadhawan
Mrs. Puja Wadhawan	Wife of Mr. Dheeraj Wadhawan
Ms. Yuvika Wadhawan	Daughter of Mr. Dheeraj Wadhawan

Other individuals forming part of the Promoter Group

1. Mr. Waryam Singh

Companies/Partnership Firms forming part of the Promoter Group

1. Dewan Housing Finance Corporation Limited
2. Dinshaw Trapinex Builders Private Limited
3. Prithvi Realtors & Hotels Private Limited
4. Dewan Realtors Private Limited
5. Libra Realtors Private Limited
6. Interactive Multimedia Technologies Private Limited
7. Privilege Distilleries Private Limited
8. Privilege Industries Limited
9. Privilege Airways Private Limited
10. Heritage Housing Development (India) Private Limited
11. Libra Hotels Private Limited
12. Dheeraj Consultancy Private Limited
13. Dinshaw Trapinex Limited
14. Dinshaw Trapinex Commercial Broker (L.L.C)
15. DHFL Vysya Housing Finance Limited
16. DHFL Venture Capital (I) Private Limited
17. DHFL Venture Trustee Company Private Limited
18. DHFL Properties Services Limited
19. DHFL Insurance Services Limited
20. Wadhawan Holdings Private Limited
21. Township Developers India Private Limited
22. Dish Hospitality Private Limited
23. Wadhawan Food Retail Private Limited
24. Matrix Highland Private Limited
25. Wadhawan Consolidated Holdings Private Limited
26. Wadhawan Realtors Private Limited
27. Wadhawan Retail Ventures Private Limited
28. Wadhawan Hospitality & Investments Private Limited
29. Guruashish Construction Private Limited
30. Bassein Industrial Development Corporation
31. Bassein Housing Development Corporation
32. Housing Development And Improvement Corporation
33. Tungwa Developers
34. Mahul Construction
35. East End Construction
36. Heritage Housing Development Corporation
37. Nahur Residence Developers
38. D.S. Corporation
39. Agnel Developers

Companies forming part of the Promoter Group

1. Dewan Housing Finance Corporation Limited

Dewan Housing Finance Corporation Limited ("DHFL") was incorporated as Dewan Housing and Leasing Company Limited under the Companies Act on April 11, 1984. Its name was subsequently changed to Dewan Housing Development Finance Limited on September 26, 1984 and to Dewan Housing Finance Corporation Limited on August 25, 1992. The registered office of DHFL is at Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai 400 001. DHFL is engaged in the business of providing housing finance and loans and has a network of 54 branches and 108 service locations in India, three zonal Offices and a representative office in Dubai.

DHFL is registered as a Housing Finance Company under Section 29A of the National Housing Bank Act, 1987. The equity shares of the Company are listed on the BSE and the NSE.

- ***Share Holding Pattern***

The share holding pattern of DHFL as on March 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage Shareholding
	Promoters		
1.	Mr. Rakesh Kumar Wadhawan	5,098,744	10.17
2.	Mr. Kapil Wadhawan	5,929,339	11.83
3.	Mr. Sarang Wadhawan	1,835,572	3.66
	Sub-Total (A)	**12,863,655**	**25.66**
	Persons Acting in Concert		
1.	Mr. Dheeraj Wadhawan	5,302,250	10.58
2.	Ms. Aruna Wadhawan	4,932,737	9.84
3.	Ms. Damyanti Rani Wadhawan	2,340,769	4.67
4.	Ms. Malti Wadhawan	1,827,710	3.65
5.	Ms. Anu S. Wadhawan	1,000,000	2.00
6.	Ms. Pooja D. Wadhawan	1,000,000	2.00
7.	Wadhawan Holding Private Limited	41,768	0.08
	Sub-Total(B)	**16,445,234**	**32.81**
	Sub-Total (C=A+B)	**29,308,889**	**58.47**
	Institutional Investors		
1.	Mutual Funds/UTI	19,500	0.04
2.	Banks, Financial Institutions	149,133	0.30
3.	Foreign Institutional Investors	3,246,862	6.48
	Sub-Total (D)	**3,415,495**	**6.82**
	Others		
1.	Private Corporate Bodies	9,414,850	18.78
2.	Indian Public	7,906,587	15.78
3.	NRIs/OCBs	76,698	0.15
	Sub-Total (E)	**17,398,135**	**34.71**
	Total (F=C+D+E)	**50,122,519**	**100.00**

- ***Board of Directors***

The Board of Directors of DHFL (as of May 31, 2007) is as follows:

1. Mr. Rakesh Kumar Wadhawan;
2. Mr. Kapil Wadhawan;
3. Mr. Sarang Wadhawan;
4. Mr. R.P. Khosla;
5. Mr. Waryam Singh;
6. Mr. R.S. Hugar;
7. Mr. G.P. Kohli; and
8. Mr. Ashok Kumar Gupta

- ***Financial Performance***

Rs. in millions, except share data

Particulars	For the year ending March 31,		
	2005	**2006**	**2007**
Paid up Equity Share Capital	501.13	501.22	501.22
Reserve and surplus (excluding Revaluation Reserve)	1,394.75	2,003.71	2,884.85
Sales and other income	1,638.24	2,267.99	3,322.95
Profit/ (loss) after tax	271.04	417.12	484.02
Earning per share (EPS) Rs.	7.05	8.32	9.22
Net assets value (NAV) Rs.	37.72	49.98	55.88

- ***Details of the public/rights issue***

DHFL had made its initial public offering of 2,498,300 equity shares having a face value of Rs. 10 each for cash at par. Of the said equity shares, 998,300 equity shares were reserved for firm allotment to the promoters, directors and their relatives and the balance 1,500,000 equity shares were offered to the public through a prospectus dated November 8, 1984. The issue opened on December 10, 1984 and closed on December 20, 1984. No financial projections were made in the Issue.

The details of the public/rights issue made by DHFL in the last five years are as follows:

Rights Issue – 2004

DHFL issued and allotted 14,318,063 equity shares of face value Rs. 10 each for cash at a premium of Rs. 25 per equity share on rights basis to its existing equity shareholders in the ratio of 4 (four) equity shares for every 10 (ten) equity shares held as on the record date, i.e. December 3, 2004, aggregating to Rs. 501.13 million.

The issue was fully subscribed and the equity shares under the rights issue were allotted on February, 8, 2005. The listing approvals for the new equity shares were received vide letters dated February 14, 2005 and February 16, 2005 from the BSE and the NSE, respectively. No projections were made in the said rights issue.

The details of changes in the capital structure pursuant to the above rights issue:

Preferential Allotment of Optionally Convertible Preference Shares (OCPS) - 2006

DHFL issued and allotted 7,065,456 OCPS (with a right to preferential dividend of 12% p.a.) of face value of Rs. 25 each with a premium of Rs. 50 aggregating to Rs. 529.91 million to Caledonia Investments Plc, on March 27, 2006. Each OCPS is convertible into one equity share of DHFL and the conversion has to be completed by September 26, 2007.

Allotment of Convertible Warrants

DHFL issued and allotted 3,335,000 convertible warrants of face value of Rs. 10 each with a premium of Rs. 65 aggregating to Rs. 250.13 million to a promoter group company on March 27, 2006. Each convertible warrant is convertible into one equity share of DHFL and the conversion has to be completed by September 26, 2007. As per the SEBI Guidelines, the promoter group company has paid 10% of the value of such convertible warrants each convertible into 1 equity share.

The main objects of the issue were as follows:

1. To augment the long-term resources
2. To enhance and strengthen the equity base so as to maintain the debt equity ratio and capital adequacy ratio as per prudential norms issued by National Housing Bank (NHB).
3. To increase the net owned funds, thereby increasing the eligibility for refinance/ borrowing from National Housing Bank/ Banks and other financial institutions.
4. To redeem 9% cumulative redeemable preference shares
5. To list the equity shares being issued in terms of the rights issue

DHFL has utilized the net proceeds arising out of the Issue for the stated objects.

- ***Share Price Information***

The equity shares of DHFL are listed in the BSE and the NSE.

The monthly high and low of the market price of the equity shares of DHFL on BSE for the last six months are as follows:

Months	High (Rs)	Low (Rs)
December 2006	80.90	71.10
January 2007	88.50	75.30
February 2007	88.95	63.00
March 2007	73.50	59.00
April 2007	69.00	57.05
May 2007	67.90	67.50

The closing price on BSE as of May 31, 2007 was Rs. 67.90.

The market capitalization of DHFL as of May 31, 2007 (as per the closing share price on BSE) was Rs. 3,403.32 million

The monthly high and low of the market price of the equity shares of DHFL on NSE for the last six months are as follows:

Months	High (Rs)	Low (Rs)
December 2006	80.75	71.50
January 2007	88.40	75.30
February-2007	89.00	66.35
March-2007	73.60	59.00
April-2007	69.00	57.00
May-2007	73.90	60.70

The closing price on NSE as of May 31, 2007 was Rs. 67.90.

The market capitalization of DHFL as of May 31, 2007 (as per the closing share price on NSE) was Rs. 3,403.32million.

- ***Dividend paid during the last three years***

DHFL has paid dividend of 25%, 20% and 25% for fiscals 2004, 2005 and 2006, respectively. DHFL has paid an interim dividend of 10% for fiscal 2007. The board of directors of DHFL has recommended a final dividend of 15% at its meeting held on May 15, 2007 which is subject to final shareholder approval.

- ***Mechanism for Redressal of Investors' Grievances***

DHFL has constituted an investor grievances committee, in accordance with Clause 49 of the Listing Agreement, to look into shareholders and investor grievance.

To ensure that investor grievances are handled expeditiously and satisfactory, DHFL has entered into an agreement with Intime Spectrum Registry Limited (the Registrar and Share Transfer Agents) under the overall supervision of the Compliance Officer to handle all investor grievances. Investor grievances are usually resolved within an average period of 10 to 15 days from the date of its receipt.

During the quarter ended March 31, 2007, DHFL received 29 complaints from the shareholders regarding change of address, non receipt of dividend warrants, non receipts of balance sheet, etc. All the complaints were resolved during the said quarter.

DHFL is not a sick company within the meaning of the SICA and is not under winding up.

There has been no change in the capital structure of DHFL in the six months prior to the filing of this Red Herring Prospectus.

2. Dinshaw Trapinex Builders Private Limited

Dinshaw Trapinex Builders Private Limited ("DTBPL") was incorporated under the Companies Act, 1956 on March 16, 1982. Its registered office is at 9/02, Dheeraj Arma, Anant Kanekar Marg, Bandra (East) Mumbai 400051. DTBPL is engaged in the business of construction activities.

- ***Shareholding Pattern***

The shareholding pattern of DTBPL as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage Shareholding
1	Mr. Rakesh Kumar Wadhawan	1,321,700	26.43%
2	Mr. Sarang Wadhawan	1,089,500	21.79%
3	Ms. Malti Wadhawan	572,575	11.45%
4	Ms. Anu Wadhawan	190,000	3.80%
5	Ms. Aruna Wadhawan	150,000	3.00%
6	Mr. Dheeraj Wadhawan	1,087,100	21.74%
7	Ms. Puja Wadhawan	196,100	3.92%
8	Ms. Anjana Shakuja	80,900	1.62%
9	Mr. Hetin Shakuja	80,900	1.62%
10	Mr. Vasant Gavde	1,225	0.02%
11	Prithvi Realtors & Hotels Pvt Ltd	70,000	1.40%
12	Libra Realtors Pvt Ltd	80,000	1.60%
13	Interactive Multimedia Technologies Pvt Ltd	80,000	1.60%
	Total	**5,000,000**	**100.00%**

- ***Board of Directors***

The Board of Directors of DTBPL as of May 31, 2007 comprises of:

1. Mr. Rakesh Kumar Wadhawan;
2. Mr. Sarang Wadhawan;
3. Mr. Dheeraj Wadhawan; and
4. Mr. Joseph A Pattathu.

- ***Financial Performance***

(Rs. in million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	20.00	20.00	500.00
Reserve and surplus (excluding Revaluation Reserve)	130.13	165.36	171.74
Sales and other income	291.69	89.22	19.97
Profit/ (loss) after tax	133.35	35.22	3.86
Earning per share (EPS) Rs.	666.82	176.14	0.77
Net assets value (NAV) Rs.	750.65	926.79	133.73

The equity shares of DTBPL are not listed on any stock exchange. Further, DTBPL is not a sick company within the meaning of the SICA and is not under winding up.

3. Prithvi Realtors & Hotels Private Limited

Prithvi Realtors & Hotels Private Limited ("PRHPL") was initially incorporated as Prithvi Realtors and Capital Private Limited under the Companies Act, 1956 on September 27, 1995. The name of the company was changed to Prithvi Realtors & Hotels Private Limited on March 3, 2006. Its registered office is at Dheeraj Apartment- II, P.P.Dias Compound, Natwar Nagar, Jogeshwari (East) Mumbai 400060. PRHPL is engaged in the business of building and erection of pre-fabricated concrete buildings and construction related works.

- ***Shareholding Pattern***

The shareholding pattern of PRHPL as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	15,000	1.14%
2	Ms. Aruna Wadhawan	125,000	9.50%
3	Dinshaw Trapinex Builders Pvt. Ltd.	250,000	19.01%
4	Dewan Realtors Pvt. Ltd.	250,000	19.01%
5	Libra Realtors Pvt. Ltd.	225,040	17.11%
6	Interactive Multimedia Technologies Pvt. Ltd.	205,130	15.60%
7	Privilege Distilleries Pvt. Ltd.	245,000	18.63%
	Total	**1,315,170**	**100.00%**

- ***Board of Directors***

The Board of Directors of PRHPL as of May 31, 2007 comprised of:

1. Mr. Rakesh Kumar Wadhawan;
2. Mr. Sarang Wadhawan;

3. Mr. Dheeraj Wadhawan;
4. Mr. Waryam Singh;
5. Mr. Ashok Kumar Gupta; and
6. Mr. Joseph Pattathu.

- ***Financial Performance***

(Rs. in million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	13.15	13.15	13.15
Reserve and surplus (excluding Revaluation Reserve)	1.95	2.01	2.03
Sales and other income	0.13	0.13	0.08
Profit/ (loss) after tax	0.00	0.06	0.02
Earning per share (EPS) Rs.	0.00	0.05	0.02
Net assets value (NAV) Rs.	11.44	11.50	9.08

The equity shares of PRHPL are not listed on any stock exchange. Further, PRHPL is not a sick company within the meaning of the SICA and is not under winding up.

4. Dewan Realtors Private Limited

Dewan Realtors Private Limited ("DRPL") was incorporated under the Companies Act, 1956 on December 12, 1994. Its registered office is at C-207, Greater Kailash – I, New Delhi 110 048. DRPL is engaged in the business of civil contractors and civil engineers for construction of roads and townships.

- ***Shareholding Pattern***

The shareholding pattern of the Company as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage Shareholding
1	Mr. Rakesh Kumar Wadhawan	4,000	8.00%
2	Ms. Romy Mehra	2,000	4.00%
3	Dinshaw Trapinex Builders Pvt Ltd	8,000	16.00%
4	Prithvi Realtors & Hotels Pvt Ltd	9,500	19.00%
5	Libra Realtors Pvt Ltd	8,000	16.00%
6	Interactive Multimedia Technologies Pvt Ltd	9,500	19.00%
7	Privilege Distilleries Pvt Ltd	9,000	18.00%
	Total	**50,000**	**100.00%**

- ***Board of Directors***

The board of directors of DRPL as of May 31, 2007 of DRPL comprises of:

1. Mr. Rakesh Kumar Wadhawan; and
2. Mrs. Romy Mehra.

- ***Financial Performance***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	0.50	0.50	0.50

Particulars	For the year ending March 31,		
	2004	2005	2006
Reserve and surplus (excluding Revaluation Reserve)	10.16	11.36	13.30
Sales and other income	6.54	4.63	6.42
Profit/ (loss) after tax	2.01	1.20	1.94
Earning per share (EPS) Rs.	40.16	24.06	38.85
Net assets value (NAV) Rs.	213.08	237.17	276.01

The equity shares of DRPL are not listed on any stock exchange. Further, DRPL is not a sick company within the meaning of the SICA and is not under winding up.

5. Libra Realtors Private Limited

Libra Realtors Private Limited ("LRPL") was incorporated under the Companies Act, 1956 on December 12, 1994. Its registered office is at C-207, Greater Kailash – I, New Delhi 110 048. LRPL is engaged in the business of real estate.

- ***Shareholding Pattern***

The shareholding pattern of LRPL as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	4,000	8.00%
2	Ms. Romy Mehra	2,000	4.00%
3	Mr. Vasant Gavde	100	0.20%
4	Dinshaw Trapinex Builders Pvt. Ltd.	5,900	11.80%
5	Prithvi Realtors & Hotels Pvt. Ltd.	9,500	19.00%
6	Dewan Realtors Pvt. Ltd.	9,500	19.00%
7	Interactive Multimedia Technologies Pvt. Ltd.	9,500	19.00%
8	Privilege Distilleries Pvt. Ltd.	9,500	19.00%
	Total	**50,000**	**100.00%**

- ***Board of Directors***

The Board of Directors of LRPL as of May 31, 2007 comprises of:

1. Mr. Rakesh Kumar Wadhawan; and
2. Mrs. Romy Mehra.

- ***Financial Performance***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	0.50	0.50	0.50
Reserve and surplus (excluding Revaluation Reserve)	10.72	14.41	72.28
Sales and other income	7.40	7.57	63.19
Profit/ (loss) after tax	2.57	3.69	57.87
Earning per share (EPS) Rs.	51.44	73.88	1157.25
Net assets value (NAV) Rs.	224.38	298.29	1455.54

The equity shares of LRPL are not listed on any stock exchange. Further, LRPL is not a sick company within the meaning of the SICA and is not under winding up.

6. Interactive Multimedia Technologies Private Limited

Interactive Multimedia Technologies Private Limited ("IMTPL") was incorporated under the Companies Act, 1956 on July 3, 1998. Its registered office is at Capri 1st Floor, Opp. Dheeraj Arma, Station Road, Anant Kanekar Marg, Bandra (East), Mumbai 400051. IMTPL is engaged in the business of computer programming, consultancy, advising and engineering.

- ***Shareholding Pattern***

The shareholding pattern of IMTPL as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	5,880	11.76
2	Mr. Hetin Sakhuja	31,20	6.24
3	Dinshaw Trapinex Builders Pvt. Ltd.	9,500	19.00
4	Prithvi Realtors & Hotels Pvt. Ltd.	9,500	19.00
5	Dewan Realtors Pvt. Ltd.	3,880	7.76
6	Libra Realtors Private Limited	8,130	16.26
7	Privilege Distilleries Private Limited	9,990	19.98
	Total	**50,000**	**100.00%**

- ***Board of Directors***

The Board of Directors of IMTPL as of May 31, 2007 comprises of:

1. Mr. Dheeraj Wadhawan;
2. Mr. Hetin Sakhuja;
3. Mr. Ramesh Chander Sakhuja; and
4. Mr. Venkatavarathan Iyenger.

- ***Financial Performance***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	**2005**	**2006**
Paid up Equity Share Capital	0.50	0.50	0.50
Reserve and surplus (excluding Revaluation Reserve)	2.85	3.28	3.29
Sales and other income	3.36	3.17	2.14
Profit/ (loss) after tax	1.64	0.53	0.01
Earning per share (EPS) Rs.	32.87	10.62	0.25
Net assets value (NAV) Rs.	67.08	75.55	75.80

The equity shares of IMTPL are not listed on any stock exchange. Further, IMTPL is not a sick company within the meaning of the SICA and is not under winding up.

7. Privilege Distilleries Private Limited

Privilege Distilleries Private Limited ("**PDPL**") was incorporated under the Companies Act, 1956 as Bidco Engineering Industries Private Limited on March 19, 1983. Its name was changed to Privilege Distilleries Private Limited on September 15, 2006. Its registered office is at 9-12, Dheeraj Arma, Anant Kanekar Marg, Bandra

(East), Mumbai 400051. PDPL is engaged in the business of manufacturing, dealing and importing, distilling and distributing gin, rum, wine, liquors etc.

- ***Shareholding Pattern***

The shareholding pattern of PDPL as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	370	37.00
2	Mr. Dheeraj Wadhawan	30	3.00
3.	Dewan Realtors Private Limited	200	20.00
4.	Libra Realtors Private Limited	200	20.00
5.	Interactive Multimedia Technologies Private Limited	200	20.00
	Total	**1,000**	**100.00%**

- ***Board of Directors***

The Board of Directors of PDPL as of May 31, 2007 comprises of:

1. Mr. Sarang Wadhawan
2. Mrs. Malti Wadhawan
3. Mrs. Aruna Wadhawan
4. Mr. Balaraj Dube
5. Mr. L D Singh

- ***Financial Performance***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	**2005**	**2006**
Paid up Equity Share Capital	0.10	0.10	0.10
Reserve and surplus (excluding Revaluation Reserve)	(0.04)	(0.05)	(0.06)
Sales and other income	0.00	0.00	0.00
Profit/ (loss) after tax	(0.04)	(0.01)	(0.01)
Earning per share (EPS) Rs.	(37.10)	(5.51)	(9.62)
Net assets value (NAV) Rs.	56.84	51.33	41.71

The equity shares of PDPL are not listed on any stock exchange. Further, PDPL is not a sick company within the meaning of the SICA and is not under winding up.

8. Privilege Industries Limited

Privilege Industries Limited ("PIL") was incorporated under the Companies Act, 1956 as Sankhe Industries Limited on July 13, 1995. Its name changed to Privilege Industries Limited on October 31, 2005. Its registered office is at 9-09, Dheeraj Arma, Anant Kanekar Marg, Bandra (East), Mumbai 400051. PIL is engaged in the business of export and import of goods and running distilleries.

- ***Shareholding Pattern***

The shareholding pattern of PIL as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	33,900	6.99
2	Mr. Sarang Wadhawan	436,500	90.00
3.	Ms. Malti Wadhawan	4,850	1.00
4.	Ms. Anu Wadhawan	4,850	1.00
5.	Ms. Damyanti Rani	4,850	1.00
6.	Mr. K.P. Devassy	25	0.01
7.	Mr. Venkat Iyengar	25	0.01
	Total	**485,000**	**100.00%**

- ***Board of Directors***

The Board of Directors of PIL as of May 31, 2007 comprises of:

1. Mr. Rakesh Kumar Wadhawan
2. Mr. Sarang Wadhawan.
3. Mrs. Malti Wadhawan

- ***Financial Performance***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	**2005**	**2006**
Paid up Equity Share Capital	0.50	0.50	4.85
Reserve and surplus (excluding Revaluation Reserve)	(0.02)	(0.03)	169.55
Sales and other income	0.00	0.00	0.0
Profit/ (loss) after tax	(0.00)	(0.01)	(0.06)
Earning per share (EPS) Rs.	(0.00)	(0.27)	(0.12)
Net assets value (NAV) Rs.	7.74	7.47	352.53

The equity shares of PIL are not listed on any stock exchange. Further, PIL is not a sick company within the meaning of the SICA and is not under winding up.

9. Privilege Airways Private Limited

Privilege Airways Private Limited ("**PAPL**") was incorporated under the Companies Act, 1956 on February 14, 2006. Its registered office is at 3rd Floor, Dheeraj Arma, Anant Kanekar Marg, Bandra(E), Mumba-400051. PAPL is engaged in the business of maintaining and operating of air services, airlines and lines of aerial conveyances etc.

- ***Shareholding Pattern***

The shareholding pattern of PAPL as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	1,000,000	50.00
2	Mr. Sarang Wadhawan	1,000,000	50.00
	Total	2,000,000	**100.00%**

- ***Board of Directors***

The Board of Directors of PAPL as of May 31, 2007 comprises of:

1. Mr. Rakesh Kumar Wadhawan
2. Mr. Sarang Wadhawan.

- ***Financial Performance***

(Figures in Million except share data)

Particulars	For the year ending March 31, 2006
Paid up Equity Share Capital	0.10
Reserve and surplus (excluding Revaluation Reserve)	0.00
Sales and other income	0.00
Profit/ (loss) after tax	(0.00)
Earning per share (EPS) Rs.	(0.17)
Net assets value (NAV) Rs.	(211.62)

The equity shares of PAPL are not listed on any stock exchange. Further, PAPL is not a sick company within the meaning of the SICA and is not under winding up.

10. Heritage Housing Development (India) Private Limited

Heritage Housing Development (India) Private Limited ("HHDPL") was incorporated under the Companies Act, 1956 on May 10, 2002. Its registered office is at Dheeraj Apartments, P.P.Dias Compound, Natwar Nagar Road No 1, Jogeshwari (East), Mumbai-400060. HHDPL is engaged in the business of acting as land developers and construction agents.

- ***Shareholding Pattern***

The shareholding pattern of HHDPL as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	9,800	98.00
2.	Mr. Patel Amiroli Amin	100	1.00
3.	Mr. Mithiborwala N. Saleh	100	1.00
	Total	**10,000**	**100.00%**

- ***Board of Directors***

The Board of Directors of HHDPL as of May 31, 2007 comprises of:

1. Mr. Rakesh Kumar Wadhawan
2. Mr. Waryam Singh
3. Mr. Abdul Khalique Barudgar
4. Mr. Rafique Quereshi

- Financial Performance

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	0.10	0.10	0.10

Particulars	For the year ending March 31,		
	2004	2005	2006
Reserve and surplus (excluding Revaluation Reserve)	2.38	22.93	38.59
Sales and other income	2.66	20.71	15.81
Profit/ (loss) after tax	2.48	20.55	15.66
Earning per share (EPS) Rs.	247.56	2055.25	1565.64
Net assets value (NAV) Rs.	243.92	2300.17	3866.53

The equity shares of HHDPL are not listed on any stock exchange. Further, HHDPL is not a sick company within the meaning of the SICA and is not under winding up.

11. Libra Hotels Private Limited

Libra Hotels Private Limited ("LHPL") was incorporated under the Companies Act, 1956 on June 21, 1999. Its registered office is at C-207, Greater Kailash-I, New Delhi 110048. LHPL is engaged in the business of operating resorts, hotels, motels and holiday camp guest houses.

- ***Shareholding Pattern***

The shareholding pattern of LHPL as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	25,000	50.00
2	Ms. Romy Mehra	25,000	50.00
	Total	**50,000**	**100.00%**

- ***Board of Directors***

The Board of Directors of LHPL as of May 31, 2007 comprises of:

1. Mr. Rakesh Kumar Wadhawan
2. Ms. Romy Mehra

- ***Financial Performance***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	0.50	0.50	0.50
Reserve and surplus (excluding Revaluation Reserve)	(0.18)	0.24	0.72
Sales and other income	11.54	21.19	24.66
Profit/ (loss) after tax	(0.17)	0.24	0.48
Earning per share (EPS) Rs.	(0.17)	5.69	9.69
Net assets value (NAV) Rs.	6.28	14.57	21.77

The equity shares of LHPL are not listed on any stock exchange. Further, LHPL is not a sick company within the meaning of the SICA and is not under winding up.

12. Dheeraj Consultancy Private Limited

Dheeraj Consultancy Private Limited ("DCPL") was incorporated under the Companies Act, 1956 on April 7,

1998. Its registered office is at 1st floor, Capri, Anant Kanekar Marg, Bandra (East), Mumbai 400051. DCPL is engaged in the business of marketing of real estate and acting as consultants and agents.

- ***Shareholding Pattern***

The shareholding pattern of DCPL as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	2,000	4.00
2	Mr. Hetin Sakhuja	2,000	4.00
3.	Dinshaw Trapinex Builders Private Limited	7,000	14.00
4.	Prithvi Realtors And Hotels Private Limited	7,000	14.00
5.	Dewan Realtors Private Limited	9,000	18.00
6.	Libra Realtors Private Limited	8,000	16.00
7.	Interactive Multimedia Technologies Private Limited	8,000	16.00
8.	Privilege Distilleries Private Limited	7,000	14.00
	Total	**50,000**	**100.00%**

- ***Board of Directors***

The Board of Directors of DCPL as of May 31, 2007 comprises of:

1. Mr. Dheeraj Wadhawan
2. Mr. Hetin Sakhuja
3. Mr. V.D. Gavde

- ***Financial Performance***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	0.50	0.50	0.50
Reserve and surplus (excluding Revaluation Reserve)	0.47	0.83	2.78
Sales and other income	0.57	1.24	2.38
Profit/ (loss) after tax	0.12	0.41	1.95
Earning per share (EPS) Rs.	2.41	8.13	39.07
Net assets value (NAV) Rs.	19.47	26.63	65.70

The equity shares of DCPL are not listed on any stock exchange. Further, DCPL is not a sick company within the meaning of the SICA and is not under winding up.

13. Dinshaw Trapinex Limited

Dinshaw Trapinex Limited ("DTL") was incorporated under the laws of United Arab Emirates on March 12, 2005. Its registered office is at Emmar Business Park, Building No. 4, 308, Shaikh Zayyaid Road, P.O. Box No. 333876, Dubai, United Arab Emirates. DTL is engaged in the business of acquisition and development of real estate.

- ***Shareholding Pattern***

The shareholding pattern of DTL as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Dinshaw Trapinex Builders Private Limited	2,450	49.00
2	Mr. Sarang Wadhawan	1,275	25.50
3.	Mr. Dheeraj Wadhawan	1,275	25.50
	Total	**5,000**	**100.00**

- ***Board of Directors***

The Board of Directors of DTL as of May 31, 2007 comprises of:

1. Mr. Dheeraj Wadhawan; and
2. Mr. Sarang Wadhawan

- ***Financial Performance***

(Figures in United Arab Emirates Million except share data)

Particulars	For the period ended December 31, 2005	For the year ending December 31, 2006
Paid up Equity Share Capital	0.05	0.05
Reserve and surplus (excluding Revaluation Reserve)	(0.00)	(0.00)
Sales and other income	Nil	Nil
Profit/ (loss) after tax	(0.00)	Nil
Earning per share (EPS) (AED)	(0.50)	Nil
Net assets value (NAV) (AED)	9.40	9.40

The equity shares of DTL are not listed on any stock exchange.

14. Dinshaw Trapinex Commercial Broker LLC

Dinshaw Trapinex Commercial Broker LLC was incorporated under the laws of United Arab Emirates on April 13, 2005. Its registered office is at Emmar Business Park, Building No. 4, 308, Shaikh Zayyaid Road, P.O. Box No. 333876, Dubai, United Arab Emirates. Dinshaw Trapinex Commercial Broker LLC is engaged in the business of marketing of real estate.

- ***Shareholding Pattern***

The shareholding pattern of Dinshaw Trapinex Commercial Broker LLC as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1.	Mr. Marvan Mohamad Abdullh Mohamad Alsayyah	15,300	51.00
2.	Dinshaw Trapinex Builders Private Limited	14,700	49.00
	Total	**30,000**	**100.00**

- ***Board of Directors***

The Board of Directors of Dinshaw Trapinex Commercial Broker LLC as of May 31, 2007 comprises of:

1. Mr. Marvan Mohamad Abdullh Mohamad Alsayyah
2. Mr. Sarang Wadhawan
3. Mr. Dheeraj Wadhawan

- ***Financial Information***

(Figures in United Arab Emirates Dirham Million except share data)

Particulars	For the period ending December 31, 2005	For the year ending December 31, 2006
Paid up Equity Share Capital	0.30	0.30
Reserve and surplus (excluding Revaluation Reserve)	0.00	0.00
Sales and other income	0.00	0.00
Profit/ (loss) after tax	0.00	0.00
Earning per share (EPS) (AED)	0.00	0.00
Net assets value (NAV) (AED)	10.00	10.00

The equity shares of Dinshaw Trapinex Commercial Broker LLC are not listed on any stock exchange.

15. DHFL Vysya Housing Finance Limited

DHFL Vysya Housing Finance Limited ("**DVHFL**") was incorporated as Vysya Bank Housing Finance Limited under the Companies Act on November 26, 1990.Its registered office is at S 401, Brigade Plaza, Ananda Rao Circle, S.C. Road, Bangalore 560 009. On July 2, 2003, DHFL and its promoters acquired 91.21% shareholding in it. Subsequent to the acquisition, its name was changed to DVHFL on October 15, 2003. DVHFL is engaged in the business of providing housing finance and is a housing finance company registered with NHB.

- ***Shareholding Pattern***

The shareholding pattern of DVHFL as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	556,791	7.87
2.	Mr. Kapil Wadhawan	600,000	8.47
3.	Mr. Sarang Wadhawan	600,000	8.47
4.	Mr. Dheeraj Wadhawan	600,000	8.47
5.	Dewan Housing Finance Corporation Limited	4,120,989	58.20
6.	ICICI Bank Limited	390,000	5.51
7.	Others	2,12,925	3.01
	Total	**7,080,705**	**100.00%**

- ***Board of Directors***

The Board of Directors of DVHFL as of May 31, 2007 comprises of:

1. Mr. Kapil Wadhawan
2. Mr. Sarang Wadhawan
3. Mr. Ashok Kumar Gupta
4. Mr. R.S. Hugar
5. Mr. Bikrum Sen
6. Mr. R. Nambirajan

- ***Financial Information***

(Figures in Million except share data)

Particulars	For the year ending March 31, 2005	2006	2007
Paid up Equity Share Capital	70.81	70.81	70.81

Particulars	For the year ending March 31,		
	2005	2006	2007
Reserve and surplus (excluding Revaluation Reserve)	294.20	317.80	350.18
Sales and other income	178.08.	194.42	254.64
Profit/ (loss) after tax	44.39	46.87	55.03
Earning per share (EPS) Rs.	6.27	6.62	7.77
Net assets value (NAV) Rs.	51.55	54.88	59.46

The equity shares of DVHFL are not listed on any stock exchange. Further, DVHFL is not a sick company within the meaning of the SICA and is not under winding up.

16. DHFL Venture Capital (I) Private Limited

DHFL Venture Capital (I) Private Limited was incorporated under the Companies Act on May 12, 2005. Its registered office is at Dheeraj Arma, 6th floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051. DHFL Venture Capital (I) Private Limited is engaged in the business of acting as an asset management company.

- ***Shareholding Pattern***

The shareholding pattern of DHFL Venture Capital (I) Private Limited as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Kapil Wadhawan	5000	0.20
2.	Mr. Sarang Wadhawan	55,000	2.20
3.	Mr. Dheeraj Wadhawan	50,000	2.00
4.	Mr. Rakesh Kumar Wadhawan	50,000	2.00
5.	Ms. Aruna Wadhawan	50,000	2.00
6.	Ms. Malti Wadhawan	50,000	2.00
7.	Dewan Housing Finance Corporation Ltd.	900,000	36.00
8.	Wadhawan Holding Pvt. Ltd.	530,000	21.20
9.	Wadhawan Realtors Pvt. Ltd.	160,000	6.40
10.	Wadhawan Consolidated Holdings Pvt. Ltd.	150,000	6.00
11.	Caledonia Investments PLC	500,000	20.00
	Total	**2,500,000**	**100.00**

- ***Board of Directors***

The Board of Directors of DHFL Venture Capital (I) Private Limited as of May 31, 2007 comprises of:

1. Mr. Kapil Wadhawan
2. Mr. Anthony Hambro
3. Mr. Narayan Seshadri
4. Mr. Bikrum Sen

- ***Financial Information***

(Figures in Million except share data)

Particulars	For the year ending March 31, 2006
Paid up Equity Share Capital	20.00
Reserve and surplus (excluding Revaluation Reserve)	(14.95)

Particulars	For the year ending March 31, 2006
Sales and other income	-
Profit/ (loss) after tax	(14.95)
Earning per share (EPS) Rs.	(7.47)
Net assets value (NAV) Rs.	2.53

The equity shares of DHFL Venture Capital (I) Private Limited are not listed on any stock exchange. Further, DHFL Venture Capital (I) Private Limited is not a sick company within the meaning of the SICA and is not under winding up.

17. DHFL Venture Trustee Company Private Limited

DHFL Venture Trustee Company Private Limited was incorporated under the Companies Act on June 9, 2005. Its registered office is at Dheeraj Arma, 6th floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051. DHFL Venture Trustee Company Private Limited is engaged in the business of acting as a trustee.

- ***Shareholding Pattern***

The shareholding pattern of DHFL Venture Trustee Company Private Limited as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1.	Mr. Rakesh Kumar Wadhawan	2,000	4.00
2.	Mr. Kapil Wadhawan	9,000	18.00
3.	Mr. Sarang Wadhawan	2,000	4.00
4.	Mr. Dheeraj Wadhawan	1,500	3.00
5.	Ms. Anu Wadhawan	1,000	2.00
6.	Ms. Malti Wadhawan	1,000	2.00
7.	Dewan Housing Finance Corporation Ltd.	22,500	45.00
8.	Wadhawan Holding Pvt. Ltd.	10,000	20.00
9.	Bikrum Sen	1,000	2.00
	Total	**50,000**	**100.00**

- ***Board of Directors***

The Board of Directors of DHFL Venture Trustee Company Private Limited as of May 31, 2007 comprises of:

1. Mr. Kapil Wadhawan
2. Mr. Bhagwat S. Sharma
3. Mr. Shantaram Kamath

- ***Financial Information***

The financial results of DHFL Venture Trustee Company Private Limited for the last three financial years are as follows:

(Figures in Million except share data)

Particulars	For the year ending March 31, 2006
Paid up Equity Share Capital	0.50
Reserve and surplus (excluding Revaluation Reserve)	(0.43)
Sales and other income	-
Profit/ (loss) after tax	(0.43)

Particulars	For the year ending March 31, 2006
Earning per share (EPS) Rs.	(8.60)
Net assets value (NAV) Rs.	1.48

The equity shares of DHFL Venture Trustee Company Private Limited are not listed on any stock exchange. Further, DHFL Venture Trustee Company Private Limited is not a sick company within the meaning of the SICA and is not under winding up.

18. DHFL Property Services Limited

DHFL Property Services Limited was incorporated under the Companies Act as DHFL Developers Limited on January 17, 1997. Its name was changed to DHFL Property Services Limited on May 10, 2002. Its registered office is at Madhava C-4, E Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051. DHFL Property Services Limited is engaged in the business of providing property services.

- ***Shareholding Pattern***

The shareholding pattern of DHFL Property Services Limited as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1.	Mr. Rakesh Kumar Wadhawan	200	0.40
2.	Mr. Kapil Wadhawan	10,200	20.40
3.	Mr. Sarang Wadhawan	10,200	20.40
4.	Mr. Dheeraj Wadhawan	10,100	20.20
5.	Mrs. Aruna Wadhawan	200	0.40
6.	Mrs. Malti Wadhawan	18,700	37.40
7.	Mr. Ramesh Sakhuja	200	0.40
8.	Mr. Waryam Singh	200	0.40
	Total	**50,000**	**100.00**

- ***Board of Directors***

The Board of Directors of DHFL Property Services Limited as of May 31, 2007 comprises of:

1. Mr. Rakesh Kumar Wadhawan
2. Mr. Kapil Wadhawan
3. Mr. Sarang Wadhawan
4. Mr. Waryam Singh

- ***Financial Information***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	0.50	0.50	0.50
Reserve and surplus (excluding Revaluation Reserve)	0.12	0.26	0.34
Sales and other income	3.38	2.24	2.50
Profit/ (loss) after tax	0.53	0.14	0.08
Earning per share (EPS) Rs.	10.66	2.84	1.59
Net assets value (NAV) Rs.	10.48	13.93	16.13

The equity shares of DHFL Property Services Limited are not listed on any stock exchange. Further, DHFL

Property Services Limited is not a sick company within the meaning of the SICA and is not under winding up.

19. DHFL Insurance Services Limited

DHFL Insurance Services Limited was originally incorporated under the Companies Act on September 4, 1984 as Dewan Growth Funds Private Limited. The name of the Company was changed to Dewan Growth Funds Limited on July 10, 1992. The name was further changed to DHFL Insurance Services Limited on April 12, 2001. Its registered office is at 2nd Floor, Warden House, Sir P. M. Road, Fort, Mumbai. DHFL Insurance Services Limited is engaged in the business of providing insurance services.

- ***Shareholding Pattern***

The shareholding pattern of DHFL Insurance Services Limited as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1.	Mr. Rakesh Kumar Wadhawan	1,000	20.00
2.	Mr. Kapil Wadhawan	500	10.00
3.	Mr. Sarang Wadhawan	500	10.00
4.	Mr. Dheeraj Wadhawan	1,000	20.00
5.	Mrs. Aruna Wadhawan	500	10.00
6.	Mrs. Malti Wadhawan	250	5.00
7.	Mrs. Anjana Sakhuja	500	10.00
8.	Mr. Damyanti Rani Wadhawan	250	5.00
9.	Mrs. Romy Mehra	500	10.00
	Total	**5,000**	**100.00**

- ***Board of Directors***

The Board of Directors of DHFL Insurance Services Limited as of May 31, 2007

1. Mr. Rakesh Kumar Wadhawan
2. Mr. Kapil Wadhawan
3. Mr. Sarang Wadhawan
4. Mr. G.P. Kohli
5. Mr. Ashok Kumar Gupta

- ***Financial Information***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	0.50	0.50	0.50
Reserve and surplus (excluding Revaluation Reserve)	1.95	2.16	2.44
Sales and other income	0.81	0.35	0.38
Profit/ (loss) after tax	0.25	0.21	0.27
Earning per share (EPS) Rs. (of face value Rs. 100 each)	50.86	42.85	54.77
Net asset value (NAV) Rs. (of face value Rs. 100 each)	489.51	532.36	587.13

The equity shares of DHFL Insurance Services Limited are not listed on any stock exchange. Further, DHFL Insurance Services Limited is not a sick company within the meaning of the SICA and is not under winding up.

20. Wadhawan Holdings Private Limited

Wadhawan Holdings Private Limited was incorporated under the Companies Act on April 22, 2002. Its registered office is at Madhava, C-4, E Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. Wadhawan Holdings Private Limited is engaged in the business of investing in shares, stocks and debentures.

- ***Shareholding Pattern***

The shareholding pattern of Wadhawan Holdings Private Limited as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1.	Mr. Rakesh Kumar Wadhawan	45000	4.46
2.	Mr. Kapil Wadhawan	45000	4.46
3.	Mr. Sarang Wadhawan	30000	2.97
4.	Mrs. Aruna Wadhawan	25000	2.48
5.	Mr. Dheeraj Wadhawan	45000	4.46
6.	Wadhawan Consolidated Holding Private Limited	275,000	27.22
7.	Wadhawan Realtors Private Limited	270,000	26.73
8.	Wadhawan Retail Ventures Private Limited	275,000	27.22
	Total	**1,010,000**	**100.00**

- ***Board of Directors***

The Board of Directors of Wadhawan Holdings Private Limited as of May 31, 2007 comprises of:

1. Mr. Rakesh Kumar Wadhawan
2. Mr. Kapil Wadhawan
3. Mrs. Aruna Wadhawan
4. Mr. P.K. Kumar

- ***Financial Information***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	**2005**	**2006**
Paid up Equity Share Capital	0.10	0.10	10.10
Reserve and surplus (excluding Revaluation Reserve)	(0.01)	(0.02)	117.30
Sales and other income	-	-	68.08
Profit/ (loss) after tax	(0.01)	(0.01)	67.32
Earning per share (EPS) Rs.	(0.77)	(0.70)	66.66
Net assets value (NAV) Rs.	(3.47)	(4.17)	125.97

The equity shares of Wadhawan Holdings Private Limited are not listed on any stock exchange. Further, Wadhawan Holdings Private Limited is not a sick company within the meaning of the SICA and is not under winding up.

21. Township Developers India Private Limited

Township Developers India Private Limited was incorporated under the Companies Act on May 4, 2006. Its registered office is at Madhava C-4, E Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051. Township Developers India Private Limited is engaged in the business of real estate activities.

- ***Shareholding Pattern***

The shareholding pattern of Township Developers India Private Limited as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1.	Mr. Rakesh Kumar Wadhawan	5,000	4.00
2.	Mr. Kapil Wadhawan	5,000	4.00
3.	Mr. Sarang Wadhawan	5,000	4.00
4.	Mrs. Aruna Wadhawan	5,000	4.00
5.	Mr. Dheeraj Wadhawan	5,000	4.00
6.	Wadhawan Holding Private Limited	20,000	16.00
7.	Wadhawan Consolidated Holding Private Limited	20,000	16.00
8.	Wadhawan Realtors Private Limited	20,000	16.00
9.	Wadhawan Retail Ventures Private Limited	20,000	16.00
10.	Wadhawan Hospitality and Investment Private Limited	20,000	16.00
	Total	**125,000**	**100.00**

- ***Board of Directors***

The Board of Directors of Township Developers India Private Limited as of May 31, 2007 comprises of:

1. Mr. Bala Krishna Madhur
2. Mr. P. K. Kumar
3. Mr. Prashant Kamat

- ***Financial Information***

The financial results of Township Developers India Private Limited have not been prepared yet as it has been incorporated only in May 2006.

The equity shares of Township Developers India Private Limited are not listed on any stock exchange. Further, Township Developers India Private Limited is not a sick company within the meaning of the SICA and is not under winding up.

22. Dish Hospitality Private Limited

Dish Hospitality Private Limited was incorporated under the Companies Act as Bigeasy Concept Private Limited on September 7, 2001. Its name was changed to Dish Hospitality Private Limited on December 14, 2005. Its registered office is at Madhava C-4, E Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051. Dish Hospitality Private Limited is engaged in the business of hospitality activities.

- ***Shareholding Pattern***

The shareholding pattern of Dish Hospitality Private Limited as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1.	Mr. Rakesh Kumar Wadhawan	20,000	2.00
2.	Mr. Kapil Wadhawan	20,000	2.00
3.	Mr. Sarang Wadhawan	20,000	2.00
4.	Mrs. Aruna Wadhawan	20,000	2.00
5.	Mr. Dheeraj Wadhawan	20,000	2.00
6.	Wadhawan Consolidated Holding Private Limited	150,000	15.00

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
7.	Wadhawan Realtors Private Limited	150,000	15.00
8.	Wadhawan Retail Ventures Private Limited	150,000	15.00
9.	Wadhawan Hospitality and Investment Private Limited	250,000	25.00
10.	Wadhawan Holding Private Limited	190,000	19.00
11.	Mr. Gaurav S. Batra	3333	0.33
12.	Mr. Amandeep J. Singh	3333	0.33
13.	Mr. Raman P. Macker	3334	0.34
	Total	**1,000,000**	**100.00**

- ***Board of Directors***

The Board of Directors of Dish Hospitality Private Limited as of May 31, 2007 comprises of:

1. Mr. Kapil Wadhawan
2. Mr. Dheeraj Wadhawan
3. Mr. P.K. Kumar
4. Mr. Gaurav Modwel
5. Mr. Gaurav S. Batra
6. Mr. Amandeep J. Singh
7. Mr. Raman P. Macker

- ***Financial Information***

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	0.10	0.10	10.00
Reserve and surplus (excluding Revaluation Reserve)	-	0.04	(0.24)
Sales and other income	-	-	0.28
Profit/ (loss) after tax	(0.02)	(0.01)	(0.19)
Earning per share (EPS) Rs.	-	(1.32)	(0.19)
Net assets value (NAV) Rs.	3.79	2.47	9.73

The equity shares of Dish Hospitality Private Limited are not listed on any stock exchange. Further, Dish Hospitality Private Limited is not a sick company within the meaning of the SICA and is not under winding up.

23. Wadhawan Food Retail Private Limited

Wadhawan Food Retail Private Limited was originally incorporated as Wadhawan Super Markets (India) Private Limited under the Companies Act on August 17, 2005. Its name was changed to its present name on November 8, 2005. Its registered office is at Madhava C-4, E Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051. Wadhawan Food Retail Private Limited is engaged in the business of retail activities.

- ***Shareholding Pattern***

The shareholding pattern of Wadhawan Food Retail Private Limited as of May 31, 2007, is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1.	Mr. Rakesh Kumar Wadhawan	500,000	5.00
2.	Mr. Kapil Wadhawan	200,000	2.00

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
3.	Mr. Sarang Wadhawan	200,000	2.00
4.	Mrs. Aruna Wadhawan	205,000	2.05
5.	Mr. Dheeraj Wadhawan	300,000	3.00
6.	Mrs. Malti Wadhawan	205,000	2.05
7.	Wadhawan Holding Private Limited	1,900,000	19.00
8.	Wadhawan Consolidated Holding Private Limited	2,500,000	25.00
9.	Wadhawan Realtors Private Limited	1,590,000	15.90
10.	Wadhawan Retail Ventures Private Limited	2,400,000	24.00
	Total	**10,000,000**	**100.00**

- ***Board of Directors***

The Board of Directors of Wadhawan Food Retail Private Limited as of May 31, 2007 comprises of:

1. Mr. Rakesh Kumar Wadhawan
2. Mr. Kapil Wadhawan
3. Mrs. Aruna Wadhawan
4. Mr. Dheeraj Wadhawan
5. Mrs. Malti Wadhawan
6. Mr. Gaurav Modwel

- ***Financial Information***

(Figures in Rs. Million except share data)

Particulars	For the year ending March 31, 2006
Paid up Equity Share Capital	100.00
Reserve and surplus (excluding Revaluation Reserve)	(3.36)
Sales and other income	11.69
Profit/ (loss) after tax	(3.36)
Earning per share (EPS) Rs.	(0.34)
Net assets value (NAV) Rs.	9.65

The equity shares of Wadhawan Food Retail Private Limited are not listed on any stock exchange. Further, Wadhawan Food Retail Private Limited is not a sick company within the meaning of the SICA and is not under winding up.

24. Matrix Highlands Private Limited

Matrix Highlands Private Limited ("MHPL") was incorporated under the Companies Act on December 21, 2005. Its registered office is at 209, Om Chambers, 123, August Kranti Marg, Kemps Corner, Mumbai- 400 036. MHPL is engaged in the business of real estate activities.

- ***Shareholding Pattern***

The shareholding pattern of MHPL as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Everyday Investments Leasing and Services Private Limited.	79000	7.90
2	Mr. Ajay Khemka	80000	8.00
3	Mrs. Rekha Khemka	80000	8.00

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
4	Mr. D. B Chokhani	1000	0.10
5	Wadhawan Holding Private Limited.	350000	35.00
6	Wadhawan Realtors Private Limited.	260000	26.00
7	Frontier Worldwide Industrial Private. Limited.	150000	15.00
	Total	**1,000,000**	**100.00**

- ***Board of Directors***

The Board of Directors of MHPL as of May 31, 2007 comprised:

1. Mr. P. K. Kumar
2. Mrs. Rekha Khemka
3. Mr. Ajay Khemka
4. Mr. Amit Singh Trehan
5. Mr. S Y Sankhe
6. Mr. Prashant Kamat

The financial results of MHPL have not been prepared yet since MHPL has not commenced any business operations as on March 31, 2006.

The equity shares of MHPL are not listed on any stock exchange. Further, MHPL is not a sick company within the meaning of the SICA and is not under winding up.

25. Wadhawan Consolidated Holdings Private Limited

Wadhawan Consolidated Holdings Private Limited ("WCHPL") was initially incorporated as Dewan Consolidated Holding Private Limited under the Companies Act, 1956 on September 4, 1984. The name of the company was changed to its present name on February 14, 2006. The registered office of WCHPL is located at Madhva C-4, E Block, Ground Floor, Bandra Kurla Complex, Bandra East 400 051. WCHPL is engaged in the business of investment and finance activities.

- ***Shareholding Pattern***

The shareholding pattern of WCHPL as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	2500	2.48
2	Mr. Kapil Wadhawan	2000	1.98
3	Mr. Sarang Wadhawan	1500	1.49
4	Mrs. Aruna Wadhawan	2000	1.98
5	Mr. Dheeraj Wadhawan	2050	2.03
6	Mrs. Anu Sarang Wadhawan	30	0.03
7	Wadhawan Holding Private Limited	12000	11.88
8	Wadhawan Realtors Private Limited	26000	25.74
9	Wadhawan Retails Ventures Private Limited	30000	29.70
10	Wadhawan Hospitality & Investment Private Limited.	22000	21.78
11	Dheeraj Consultancy Private Limited	200	0.20
12	Saphire Land & Developers Private Limited.	120	0.12
13	Awas Developers Private Limited	200	0.20
14	Educational & Scientific Equipment Private Limited	200	0.20
15	Interactive Multimedia Technologies Private Limited	200	0.20
	Total	**101,000**	**100.00**

- ***Board of Directors***

The Board of Directors of WCHPL as of May 31, 2007 comprised of:

1. Mr. Dheeraj Wadhawan
2. Mrs. Aruna Wadhawan
3. Mr. P.K Kumar

- ***Financial Information***

(Figures in Rs. million except share data)

Particulars	For the year ending March 31, 2004	2005	2006
Paid up Equity Share Capital	0.10	0.10	10.10
Reserve and surplus (excluding Revaluation Reserve)	(0.04)	(0.04)	39.98
Sales and other income	-	-	0.03
Profit/ (loss) after tax	(0.01)	(0.00)	0.03
Earning per share (EPS) Rs. (of face value Rs. 100 each)	(12.34)	(2.07)	0.26
Net assets value (NAV) Rs. (of face value Rs. 100 each)	59.14	57.07	493.82

The equity shares of WCHPL are not listed on any stock exchange. Further, WCHPL is not a sick company within the meaning of the SICA and is not under winding up.

26. Wadhawan Realtors Private Limited

Wadhawan Realtors Private Limited ("WRPL") was initially incorporated as BIDCO Imports Exports Private Limited under the Companies Act, 1956 on October 11, 1983. The name of the company was changed to Wadhawan Realtors Private Limited on February 14, 2006.The registered office of WRPL is at Madhava, C-4, E Block, Ground Floor, Bandra Kurla Complex, Bandra East, Mumbai 400 051. WRPL is engaged in the business of real estate and developers activities.

- ***Shareholding Pattern***

The shareholding pattern of WRPL as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Rakesh Kumar Wadhawan	1500	1.49
2	Kapil Wadhawan	2000	1.98
3	Sarang Wadhawan	1500	1.49
4	Aruna Wadhawan	2000	1.98
5	Dheeraj Wadhawan	2050	2.03
6	Malti Wadhawan	30	0.03
7	Wadhawan Consolidated Holding Private Limited	30000	29.70
8	Wadhawan Holding Private Limited	12000	11.88
9	Wadhawan Retails Ventures Private Limited	27000	26.73
10	Dheeraj Consultancy Private Limited	200	0.20
11	Satyam Realtors Private Limited	120	0.12
12	Awas Developers Private Limited	200	0.20
13	Educational & Scientific Equipment Private Limited	200	0.20
14	Interactive Multimedia Technologies Private Limited	200	0.20
15	Wadhawan Hospitality and Investment Private Limited	22000	21.78
	Total	**101000**	**100.00**

- ***Board of Directors***

The Board of Directors of WRPL as of May 31, 2007 comprised of:

1. Mr. Dheeraj Wadhawan;
2. Mrs. Aruna Wadhawan
3. Mrs. Malti Wadhawan
4. Mr. P.K Kumar

- ***Financial Information***

(Figures in Rs. million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	0.10	0.10	10.10
Reserve and surplus (excluding Revaluation Reserve)	7.66	10.04	109.51
Sales and other income	1.48	2.39	59.57
Profit/ (loss) after tax	1.45	2.38	59.47
Earning per share (EPS) Rs. (of face value Rs. 100 each)	1,448.58	2,383.64	588.85
Net assets value (NAV) Rs. (of face value Rs. 100 each)	7758.39	10142.03	1182.77

The equity shares of WRPL are not listed on any stock exchange. Further, WRPL is not a sick company within the meaning of the SICA and is not under winding up.

27. Wadhawan Retail Ventures Private Limited

Wadhawan Retails Venture Private Limited ("WRVPL") was incorporated on November 10, 2005. The registered office of WRVPL is at Madhava, C-4, E Block, Bandra Kurla Complex, Bandra East 400 051. WRVPL is engaged in the business of retail and investment activities.

- ***Shareholding Pattern***

The shareholding pattern of WRVPL as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	15000	1.50
2	Mr. Kapil Wadhawan	18000	1.80
3	Mr. Sarang Wadhawan	15000	1.50
4	Ms. Aruna Wadhawan	19000	1.90
5	Mr. Dheeraj Wadhawan	18000	1.80
6	Ms. Malti Wadhawan	5000	0.50
7	Wadhawan Consolidated Holding Private Limited	290000	29.00
8	Wadhawan Holding Private Limited	115000	11.50
9	Wadhawan Realtors Private Limited	260000	26.00
10	Wadhawan Hospitality and Investments Private Limited.	245000	24.50
	Total	**1,000,000**	**100.00**

- ***Board of Directors***

The Board of Directors of WRVPL as of May 31, 2007 comprised of:

1. Mr. Dheeraj Wadhawan;
2. Mrs. Aruna Wadhawan
3. Mrs. Malti Wadhawan

4. Mr. P.K Kumar

- ***Financial Information***

(Figures in Rs. million except share data)

Particulars	For the year ending March 31, 2006
Paid up Equity Share Capital	10.00
Reserve and surplus (excluding Revaluation Reserve)	39.62
Sales and other income	0.03
Profit/ (loss) after tax	0.02
Earning per share (EPS) Rs.	0.02
Net assets value (NAV) Rs.	49.42

The equity shares of WRVPL are not listed on any stock exchange. Further, WRVPL is not a sick company within the meaning of the SICA and is not under winding up.

28. Wadhawan Hospitality and Investment Private Limited

Wadhawan Hospitality and Investment Private Limited ("WHIPL") was incorporated on August 17, 2005. Its registered office is at Madhava C-4, E Block, Ground Floor, Bandra Kurla Complex, Bandra East 400 051. WHIPL is engaged in the business of Hospitality and Investment activities.

- ***Shareholding Pattern***

The shareholding pattern of WHIPL as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	5000	3.23
2	Mr. Kapil Wadhawan	5000	3.23
3	Mr. Sarang Wadhawan	5000	3.23
4	Mrs. Aruna Wadhawan	5000	3.23
5	Mr. Dheeraj Wadhawan	5000	3.23
6	Mrs. Malti Wadhawan	5000	3.23
7	Ms. Vanita Wadhawan	2500	1.61
8	Ms. Pooja Wadhawan	2500	1.61
9	Wadhawan Holding Private Limited	30000	19.35
10	Wadhawan Realtors Private Limited	30000	19.35
11	Wadhawan Retails Ventures Private Limited	30000	19.35
12	Wadhawan Consolidated Holding Private Limited	30000	19.35
	Total	**155,000**	**100.00**

- ***Board of Directors***

The Board of Directors of WHIPL as of May 31, 2007 comprised of:

1. Mrs. Malti Wadhawan
2. Mrs. Pooja Wadhawan
3. Mrs. Vanita Wadhawan

- ***Financial Information***

The audited financial results of WHIPL for the last financial year are as follows:

(Figures in Rs. million except share data)

Particulars	For the year ending March 31, 2006
Paid up Equity Share Capital	0.10
Reserve and surplus (excluding Revaluation Reserve)	(0.30)
Sales and other income	0.03
Profit/ (loss) after tax	0.02
Earning per share (EPS) Rs.	2.22
Net assets value (NAV) Rs.	(19.62)

The equity shares of WHIPL are not listed on any stock exchange. Further, WHIPL is not a sick company within the meaning of the SICA and is not under winding up.

29. Guruashish Construction Private Limited

Guruashish Construction Private Limited ("GCPL") was incorporated on June 1, 2000. Its registered office is at 12 CIEM Industrial Estate Ramchandra Lane Extension, Malad (W) Mumbai-400064. GCPL is engaged in the business of real estate.

- ***Shareholding Pattern***

The shareholding pattern of GCPL as of May 31, 2007 is as follows:

S. No.	Name of Share Holders	No. of Shares	Percentage shareholding
1	Mr. Rakesh Kumar Wadhawan	250000	50.00
2	Mr Nippun Thakkar	125000	25.00
3	Mr. Pravin Raut	125000	25.00
	Total	**500,000**	**100.00**

- ***Board of Directors***

The Board of Directors of GCPL as of May 31, 2007 comprised of:

1. Mr Rakesh Kumar Wadhawan
2. Mr Waryam Singh
3. Mr Nippun Thakkar
4. Mr Pravin Raut

- ***Financial Information***

The audited financial results of GCPL for the last three financial years are as follows:

(Figures in Million except share data)

Particulars	For the year ending March 31,		
	2004	2005	2006
Paid up Equity Share Capital	-	0.1	0.1
Reserve and surplus (excluding Revaluation Reserve)	-	(0.04)	(0.05)
Sales and other income	-	-	-
Profit/ (loss) after tax	-	(0.01)	(0.01)
Earning per share (EPS) Rs.	-	(0.0)	(0.0)
Net assets value (NAV) Rs.	-	5.7	5.0

The equity shares of GCPL are not listed on any stock exchange. Further, GCPL is not a sick company within the meaning of the SICA and is not under winding up.

Partnership Firms

1. Bassein Industrial Development Corporation

The deed of partnership of Bassein Industrial Development Corporation ("BIDC") was made on August 25, 1978. Its principal office is located at Ground Floor, Dewan Tower, Station Road, Navghar, Vasai Road (W) Thane 401 202, Maharashtra. BIDC carries on the business of builders and contractors of real estate.

- ***Profit and Loss Sharing Ratio as on May 31, 2007***

Name of Partners	Profit & Loss Sharing Ratio
Mr. Rakesh Kumar Wadhawan	46.00
Mrs. Aruna Wadhawan	54.00
Total	**100.00**

The present partners of this firm are Mr. Rakesh Kumar Wadhawan and Mrs. Aruna Wadhawan.

- ***Financial performance***

The audited financial results of this firm for the last three financial years are as follows:

(Figures in Rs. million)

Particulars	For the year ending March 31,		
	2004	2005	2006
Capital	0.10	0.10	0.10
Sales and other Income	0.08	0.08	0.06
Profit	0.08	0.00	0.06

2. Bassein Housing Development Corporation

The deed of partnership of Bassein Housing Development Corporation ("BHDC") was made on July 19, 1980. Its principal office is located at Ground Floor, Dewan Tower, Station Road, Navghar, Vasai Road (W) Thane 401 202, Maharashtra . BHDC carries on the business of builders and contractors of real estate.

- ***Profit and Loss Sharing Ratio as on May 31, 2007***

Name of Partners	Profit & Loss Sharing Ratio
Damayanti Rani Wadhawan	40.00
Aruna Wadhawan	30.00
Malti Wadhawan	30.00
Total	**100.00**

The present partners of this firm are Mrs. Damayanti Wadhawan, Mrs. Aruna Wadhawan and Mrs. Malti Wadhawan.

- ***Financial performance***

The audited financial results of this firm for the last three financial years are as follows:

(Figures in Rs. million)

Particulars	For the year ending March 31,		
	2004	2005	2006
Capital	0.10	0.10	0.10

Particulars	For the year ending March 31,		
	2004	2005	2006
Sales and other Income	0.08	0.08	0.06
Profit	0.07	0.00	0.05

3. Housing Development and Improvement Corporation

The deed of partnership of Housing Development And Improvement Corporation ("HDIC") was made on August 10, 1984. Its principal office is located at Dheeraj Apartments, P.P. Dias Compound, Natwar Nagar, Road No. 1, Jogeshwari(E), Mumbai 400 060, Maharashtra. HDIC carries on the business of constructions and development of properties

- ***Profit and Loss Sharing Ratio as on May 31, 2007***

Name of Partners	Profit & Loss Sharing Ratio
Mr. Rakesh Kumar Wadhawan	50.00
Mrs. Aruna Wadhawan	35.00
Mr. Vasant Gavade	15.00
Total	**100.00**

The present partners of this firm are Mr. Rakesh Kumar Wadhawan, Mrs. Aruna Wadhawan and Mrs. Vasant Gavade.

- ***Financial performance***

The audited financial results of this firm for the last three financial years are as follows:

(Figures in Rs. million)

Particulars	For the year ending March 31,		
	2004	2005	2006
Capital	0.10	0.10	0.10
Sales and other Income	5.93	205.04	95.46
Profit	0.07	(103.58)	(27.45)

4. Tungwa Developers

The deed of partnership of Tungwa Developers ("TD") was made on September 23, 2003. Its principal office is located at Dheeraj Apartments, P.P. Dias Compound, Natwar Nagar, Road No. 1, Jogeshwari(E), Mumbai 400 060, Maharashtra. TD carries on the business of builders, developers and real estate dealers.

- ***Profit and Loss Sharing Ratio as on May 31, 2007***

Name of Partners	Profit & Loss Sharing Ratio
Sarang Wadhawan	50.00
Dheeraj Wadhawan	50.00
Total	**100.00**

The present partners of this firm are Sarang Wadhawan and Dheeraj Wadhawan.

- ***Financial performance***

The audited financial results of this firm for the last three financial years are as follows:

(Figures in Rs. million)

Particulars	For the year ending March 31,		
	2004	2005	2006
Capital	1.46	36.45	40.41

Particulars	For the year ending March 31,		
	2004	2005	2006
Sales and other Income	1.00	321.23	149.07
Profit	0.02	35.39	5.18

5. Mahul Construction

The deed of partnership of Mahul Construction ("MC") was made on November 9, 2005. Its principal office is located at Dheeraj Apartments, P.P. Dias Compound, Natwar Nagar, Road No. 1, Jogeshwari(E), Mumbai 400 060, Maharashtra. MC carries on the business of builders and real estate dealers.

- ***Profit and Loss Sharing Ratio as on May 31, 2007***

Name of Partners	Profit & Loss Sharing Ratio
Sarang Wadhawan	20.00
Waryam Singh	20.00
Sunpreet Singh	20.00
Manmanya Developers	10.00
Vision Finstock Private Limited	20.00
Nisha Capital Services Private Limited	10.00
Total	**100.00**

The present partners of this firm are Sarang Wadhawan, Waryam Singh, Sunpreet Singh, Manmanya Developers, Vision Finstock Private Limited and Nisha Capital Services Private Limited.

- ***Financial performance***

The audited financial results of this firm for the last three financial years are as follows:

(Figures in Rs. million)

Particulars	For the year ending March 31, 2006
Capital	0.05
Sales and other Income	0.00
Profit	0.00

6. East End Construction

The deed of partnership of East End Construction ("EEC") was made on October 1, 2003. Its principal office is located at Dheeraj Apartments, P.P. Dias Compound, Natwar Nagar, Road No. 1, Jogeshwari(E), Mumbai 400 060, Maharashtra. EEC carries on the business of builders, developers and contractors.

- ***Profit and Loss Sharing Ratio as on May 31, 2007***

Name of Partners	Profit & Loss Sharing Ratio
Sarang Wadhawan	30.00
Dheeraj Wadhawan	30.00
Emerald Realtors Private Limited	40.00
Total	**100.00**

The present partners of this firm are Sarang Wadhawan, Dheeraj Wadhawan, and Emerald Realtors Private Limited.

- ***Financial performance***

The audited financial results of this firm for the last three financial years are as follows:

(Figures in Rs. million)

Particulars	Year Ended March 31		
	2004	**2005**	**2006**
Capital	2.64	2.64	00.00
Sales and other Income	0.00	0.00	10.50
Profit	0.00	0.00	0.60

7. Heritage Housing Development Corporation

For further details, see section "History and Corporate Structure" on page 95 of this Red Herring Prospectus.

8. Nahur Residence Developers

For further details, see section "History and Corporate Structure" on page 95 of this Red Herring Prospectus.

9. D.S. Corporation

For further details, see section "History and Corporate Structure" on page 95 of this Red Herring Prospectus.

10. Agnel Developers

For further details, see section "History and Corporate Structure" on page 95 of this Red Herring Prospectus.

Trusts

1. Rajesh Kumar Wadhawan Education Trust

Rajesh Kumar Wadhawan Education Trust is a private trust and it was incorporated on March 13, 2003. It has been set up for the purpose of supporting educational philanthropic activities.

Board of Trustees

The settler of the Rajesh Kumar Wadhawan Education Trust is Dewan Housing Finance Corporation Limited and its trustees are Mr. Rakesh Kumar Wadhawan, Mr. Kapil Wadhawan, Mr. Sarang Wadhawan, Mr. Dheeraj Wadhawan, Mr. Ashok Kumar Gupta and Mr. Waryam Singh.

Beneficiaries

The beneficiaries of the Rajesh Kumar Wadhawan Education Trust are the individuals supported by the trust.

Financial Performance

No financial statements for Rajesh Kumar Wadhawan Education Trust have been prepared as it is primarily involved in philanthropic activities.

Companies with which Promoters have disassociated in the last three years

Our Promoters have not disassociated from any entity in the last three years.

Companies Struck Off from the RoC

None of the Promoter Group Companies have made an application to the RoC for striking off their names.

Details of Common Pursuits

Some of our Promoter Group entities have common pursuits and are involved in the real estate sector.We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

RELATED PARTY TRANSACTIONS

Rs. in Million

Particulars	Nature Of Relationship	Name of The Related Parties	For the year ended 31st March					
			2007	2006	2005	2004	2003	2002
Director Remuneration	Key Management Personnel (Earlier years)	Anjana Sakhuja	-	-	0.18	0.21	0.24	0.24
		Hetin Sakhuja	-	-	-	0.21	0.24	0.24
	Key management personnel	Mr. Sarang Wadhawan	1.50	-	-	-	-	-
Purchase of Investments	Non Executive Chairman	Mr. Rakesh Kumar Wadhawan	0.27	15.36	-	-	-	-
	Key management personnel	Mr. Sarang Wadhawan	-	2.16	-	-	-	-
Purchase of Goods & Contractual Services	Non Executive Chairman	Mr. Rakesh Kumar Wadhawan	866.63	-	-	-	-	-
Advances and Loans given / (received)	Associate – Partnership firm	Heritage Housing Development Corporation	(128.85)	(93.60)	(123.53)	246.31	(25.68)	74.13
		D.S. Corporation	585.83	599.98	-	-	-	-
		Agnel Developers	175.65	22.64	-	-	-	-
Advances given	Non Executive Chairman	Mr. Rakesh Kumar Wadhawan	-	-	510.75	-	-	-

Details of related parties:

Associates	Dinshaw Trapinex Builders Private Limited Prithvi Realtors & Hotels Private Limited Libra Hotel Private Limited Dewan Realtors Private Limited Wadhawan Holding Private Limited Heritage Housing India Private Limited Libra Realtors Private Limited Privilege Industries Limited Heritage Housing Development Corporation
Enterprises significantly influenced by the Key Management personnel:	Tungwa Developers East-End Construction Nahur Residence Developers D.S. Corporation Agnel Developers
Key Management Personnel	Mr. Sarang Wadhawan Mr. K. P. Devassy Mr. Amitabh Verma
Key Management Personnel (Earlier years)	Smt. Anjana Sakhuja Mr. Hetin Sakhuja

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our board of directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

The dividend paid by the Company in the last five fiscals is as provided herein:

	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007
Face Value Per share	10	10	10	10	10
Dividend (Rs. Million)	Nil	Nil	Nil	Nil	Nil
Dividend per equity share (Rs.)	Nil	Nil	Nil	Nil	Nil
Dividend rate (% to paid up capital)	Nil	Nil	Nil	Nil	Nil

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

UNCONSOLIDATED FINANCIAL INFORMATION OF HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

June 1, 2007.

To,

The Board of Directors,
Housing Development And Infrastructure Limited
(Formerly, Housing Development And Improvement India Ltd.)
Dheeraj Arma, 9th floor,
Anant Kanekar Marg, Station Road, Bandra - (E),
Mumbai - 400051.

Ref : UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES AND UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED AND UNCONSOLIDATED CASH FLOWS, AS RESTATED UNDER INDIAN GAAP AS AT AND FOR THE YEARS ENDED 31ST MARCH 2007, 2006, 2005, 2004 AND 2003.

Dear Sirs,

We have examined the unconsolidated financial information of Housing Development And Infrastructure Limited ('the Company') (formerly, Housing Development And Improvement India Limited) annexed to this report and initialled by us for identification purposes, which has been prepared in accordance with the requirements of:

a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956('the Act');

b) The Securities and Exchange Board of India (Disclosure And Investor Protection) Guidelines 2000 ('the Guidelines') as amended from time to time and related clarifications; and

c) The terms of reference received from the Company, requesting us to carry out work, proposed to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus (collectively, 'the Offer Documents') of the company in connection with its proposed Initial Public Offer ('IPO').

A. Financial information as per Unconsolidated Audited Restated Financial Statements of Housing Development And Infrastructure Limited.

We have examined the attached unconsolidated Restated Summary Statement of Assets and Liabilities of the company as at 31st March 2007, 2006, 2005, 2004 and 2003, the Unconsolidated Restated Summary Statement of Profits and Losses and the Unconsolidated Restated Statement of Cash flows for each of the years ended on those dates ('Unconsolidated Restated Summary Statements') (see Annexure 1, 2 and 3) as prepared by the Company and approved by the Board of Directors. The Unconsolidated Restated Profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and as more fully described in the notes to the Unconsolidated Restated Financial Statements appearing in Annexure 25 to this report. We have audited the unconsolidated financial statements of the company for the years ended 31st March 2007, 2006, 2005, 2004 and 2003. Based on our examination of the Unconsolidated Restated Summary Statements, we confirm that:

i) The 'Unconsolidated Restated Summary Statements' have to be read in conjunction with the notes given in Annexure 25 to this Report.

ii) The 'Unconsolidated 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 31st March, 2007 as stated in the Notes forming part of the Unconsolidated Restated Summary Statements vide Annexure 25 to this report.

iii) There are no qualifications in the auditors' reports during the reporting period, which require any adjustments to the Unconsolidated Restated Summary Statements except for not following the Accounting Standard-15 "Accounting for Retirement Benefits" till financial Year 2005-06, for which appropriate adjustments have been made and reflected in the Unconsolidated Restated Summary Statements.

iv) 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 period/year to which they are related as described in Para C of the notes forming part of the 'Unconsolidated Restated Summary Statements' appearing in Annexure 25.

v) There are no prior period items which need to be disclosed separately in the Unconsolidated Restated Summary Statements in the years to which they relate;

B. Other Financial Information:

We have examined the following information in respect of year ended 31st March, 2007, 2006, 2005, 2004 and 2003 of the Company, to be included in the offer documents, as approved by the Board of Directors and annexed to this report;

1. Statement of Fixed Assets (Annexure –4)
2. Statement of Summary of Investments (Annexure – 5)
3. Statement of Inventories (Annexure – 6)
4. Statement of Sundry Debtors (Annexure –7)
5. Statement of Loans and Advances (Annexure –8)
6. Statement of Secured and Unsecured Loans (Annexure –9 and 10)
7. Statement of Current Liabilities and Provisions (Annexure – 11)
8. Statement of Share Capital (Annexure – 12)
9. Statement of Reserves and Surplus (Annexure – 13)
10. Statement of Turnover (Annexure –14)
11. Statement of Other Income (Annexure – 15)
12. Statement of Land and Construction expenses (Annexure –16)
13. Statement of Administrative expenses (Annexure – 17)
14. Statement of Finance charges (Annexure – 18)
15. Statement of Contingent Liabilities (Annexure –19)
16. Statement of Dividend Paid (Annexure – 20)
17. Summary of Accounting Ratios (Annexure – 21)
18. Statement of Capitalization (Annexure – 22)
19. Statement of Tax Shelter (Annexure – 23)
20. Statement of Related Party Disclosure (Annexure – 24)

We have been informed that the company has not declared any dividend on equity shares for the year ended 31st March, 2007, 2006, 2005, 2004 and 2003.

In our opinion, the 'Financial Information as per Audited Financial Statements' and other Financial Information mentioned above for the year ended 31st March, 2007, 2006, 2005, 2004 and 2003 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 reports 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 offer documents 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 in each instance and which consent may be given only after full consideration of the circumstances at that time.

For Thar & Co.
Chartered Accountants

Jayesh R. Thar
Proprietor
Membership No. 032917
Place: Mumbai
Date: June 1, 2007.

ANNEXURE 1

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. in Million

Particulars	As at 31March				
	2007	**2006**	**2005**	**2004**	**2003**
Fixed Assets – A					
Gross Block	248.59	55.86	36.66	33.47	14.91
Less: Depreciation	12.69	6.42	3.84	2.37	1.46
Net Block	235.90	49.44	32.82	31.10	13.45
Capital Work in progress	3.46	10.34	-	-	-
Total - A	**239.36**	**59.78**	**32.82**	**31.10**	**13.45**
Investments - B	**1,650.38**	**1,132.82**	**576.55**	**326.49**	**80.14**
Current Assets, Loans and Advances – C					
Inventory	11,525.09	4,373.23	2,391.80	1,638.54	431.01
Sundry Debtors	3,102.56	773.90	6.89	2.61	4.57
Cash and Bank Balances	47.85	397.47	19.27	5.57	18.99
Loans and Advances	2,318.95	1,239.56	341.44	38.76	240.49
Total –C	**16,994.45**	**6,784.16**	**2,759.40**	**1,685.48**	**695.06**
Total Assets (A+B+C) =D	**18,884.19**	**7,976.76**	**3,368.77**	**2,043.07**	**788.65**
Liabilities and Provisions - E					
Secured Loans	3,756.85	1,964.64	403.10	7.12	659.82
Unsecured Loans	-	-	510.75	-	-
Deferred Tax Liabilities	8.28	4.42	2.75	-	-
Current Liabilities	7,218.61	4,081.86	1,717.72	2,051.13	140.01
Provisions for tax	642.43	81.59	23.59	(0.30)	(0.20)
Provisions for retirement benefits to employees	2.78	0.18	0.07	0.13	0.07
Total –E	**11,628.95**	**6,132.69**	**2,657.98**	**2,058.08**	**799.70**
Net Worth (D-E)	7,255.24	1,844.07	710.79	(15.01)	(11.05)
Net Worth represented by					
Share Capital	1,800.00	500.00	100.00	20.00	20.00
Reserve and Surplus	5,468.30	1,349.99	610.79	(35.00)	(31.04)
Total	**7,268.30**	**1,849.99**	**710.79**	**(15.00)**	**(11.04)**
Less: Miscellaneous Expenditure	13.06	5.92	-	0.01	0.01
(to the extent not written off or adjusted)					
Net Worth	**7,255.24**	**1,844.07**	**710.79**	**(15.01)**	**(11.05)**

As per our report of even date
For Thar & Co.
Chartered Accountants

For and on behalf of Board of Directors

Rakesh Kumar Wadhawan
(Director)

Sarang Wadhawan
(Director)

Jayesh R. Thar
(Proprietor)
Membership No. 32917
Place: Mumbai
Date: June 1, 2007.

K P Devassy
(Chief Financial Officer)

Amitabh Verma
(Company Secretary)

ANNEXURE 2
SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

Rs. in Million

Particulars	For the year ended as on 31March,				
	2007	2006	2005	2004	2003
Income					
Turnover	12034.48	4,221.54	649.34	58.16	99.09
Other income	130.63	180.20	99.66	15.69	5.53
Increase/(Decrease) in stock in trade	118.84	8.90	(1.46)	24.37	(1.84)
Increase/(Decrease) in work in progress	7033.03	1,972.54	754.72	1,502.35	234.29
Cost of premises capitalised as investment	85.30	0.63	373.59	-	-
Cost of premises capitalized as fixed assets	155.32	-	-	14.40	-
Total	**19557.60**	**6,383.81**	**1,875.85**	**1,614.97**	**337.07**
EXPENDITURE					
Purchases	10115.93	3,766.80	1,213.30	1,251.92	108.21
Operating and other expenses	2513.89	1,126.02	261.96	210.26	214.37
Employees remuneration and welfare expenses	83.52	10.56	9.67	3.25	1.66
Administrative expenses	222.46	79.29	50.16	8.77	7.08
Financial expenses	430.03	105.74	166.11	143.76	33.89
Depreciation	6.27	2.58	1.47	0.91	0.49
Preliminary expenses written off	3.64	1.48	-	-	-
Total	**13375.74**	**5,092.47**	**1,702.67**	**1,618.87**	**365.70**
Operating profit before tax	6181.86	1,291.34	173.18	(3.90)	(28.63)
Less: Provision for taxation	760.42	152.00	24.70	-	-
Less: Provision for fringe benefit tax	1.87	1.00	-	-	-
Less: Deferred tax liability/(asset)	3.85	1.67	2.75	-	-
(Add)/Less : (Excess)/short provision for taxation no longer require	(2.41)	(2.64)	-	-	0.01
Operating profit after tax but before extra ordinary item	5418.13	1,139.31	145.73	(3.90)	(28.64)
(Add) / Less: Adjustments for changes in accounting policy or any audit qualification	(0.18)	0.11	(0.06)	0.06	-
Restated profit after tax	5418.31	1,139.20	145.79	(3.96)	(28.64)
Balance brought forward from previous year	1029.99	110.79	(35.00)	(31.04)	(2.40)
Profit available for appropriation	6448.30	1,249.99	110.79	(35.00)	(31.04)
APPROPRIATIONS					
Less: Transfer to General reserve	591.98	220.00	-	-	-
Less: Utilised for issue of bonus shares	980.00	-	-	-	-
Profit carried to Balance Sheet	4876.32	1,029.99	110.79	(35.00)	(31.04)

As per our report of even date
For Thar & Co.
Chartered Accountants

For and on behalf of Board of Directors

Jayesh R. Thar
(Proprietor)
Membership No. 32917
Place: Mumbai
Date: June 1, 2007.

Rakesh Kumar Wadhawan
(Director)

Sarang Wadhawan
(Director)

K P Devassy
(Chief Financial Officer)

Amitabh Verma
(Company Secretary)

ANNEXURE 3
STATEMENT OF CASH FLOW, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and appropriations	6181.86	1291.34	173.18	(3.90)	(28.63)
Adjustments for:					
Depreciation	6.27	2.58	1.47	0.91	0.49
Profit on sale of Investments	-	(24.15)	-	-	-
Preliminary expenses written off	3.64	1.48	-	-	-
Interest expense	39.92	30.87	1.00	1.04	1.19
Interest Received	-	-	(0.02)	-	(0.02)
Dividend Income	(0.15)	(0.19)	(0.08)	(0.08)	-
Operating profit before working capital changes	6231.54	1,301.93	175.55	(2.03)	(26.97)
Adjustments for:					
(Increase)/Decrease in sundry debtors	(2328.66)	(767.01)	(4.28)	1.96	4.02
(Increase)/Decrease in loans and advances	(1079.39)	(898.12)	(302.68)	201.73	(214.61)
(Increase)/Decrease in Inventories	(7151.86)	(1,981.43)	(753.26)	(1,207.53)	(232.45)
Increase/(Decrease) in current liabilities	3139.53	2,364.14	(333.41)	1,911.12	5.34
Cash generated from (used in) Operations	(1188.84)	19.51	(1,218.08)	905.25	(464.67)
Tax paid	199.03	(92.36)	(0.81)	(0.11)	0.05
Net cash from (used in) operating activities	(1387.87)	(72.85)	(1,218.89)	905.14	(464.62)
B. CASH FLOW FROM INVESTING ACTIVITIES					
Sale/(Purchase) of fixed assets	(192.74)	(19.20)	(3.19)	(18.56)	(4.53)
Investments	(517.56)	(532.12)	(250.05)	(246.35)	37.25
Interest Received	-	-	0.02	-	0.02
Outflow in capital work in progress	6.89	(10.34)	-	-	-
Dividend Income	0.15	0.19	0.08	0.08	-
Net cash from (used in) Investing activities	(703.26)	(561.47)	(253.14)	(264.83)	32.74
C. CASH FLOW FROM FINANCING ACTIVITIES					
Interest expenses	(39.92)	(30.87)	(1.00)	(1.04)	(1.19)
Increase/(Decrease) in secured loans	1792.21	1,561.54	395.98	(652.70)	447.68
Increase/(Decrease) in unsecured loans	-	(510.75)	510.75	-	-
Expenses towards increase in share capital	(10.78)	(7.40)	-	-	-
Further issue of shares	-	-	80.00	-	-
Security premium	-	-	500.00	-	-
Net cash from (used in) Financing activities	1741.51	1,012.52	1,485.73	(653.74)	446.49
Net increase/(decrease) in cash and cash equivalent	(349.62)	378.20	13.70	(13.42)	14.61
Cash and cash equivalents as at the beginning of the period/ year	397.47	19.27	5.57	18.99	4.38

Particulars	As at 31st March, 2007 Gross	Depreciation	Net	2006 Gross	Depreciation	Net	2005 Gross	Depreciation	Net	2004 Gross	Depreciation	Net	2003 Gross	Depreciation	Net
Office Premises	178.17	1.97	176.20	22.85	1.59	21.26	22.85	1.22	21.63	22.85	0.84	22.01	8.45	0.71	7.74
Office Equipments	23.74	1.70	22.04	5.60	0.82	4.78	4.53	0.57	3.96	3.77	0.35	3.42	2.56	0.19	2.37
Computer	13.49	3.71	9.78	5.04	1.57	3.47	3.75	0.85	2.90	2.63	0.35	2.28	0.60	0.03	0.57
Furniture & Fixtures	9.72	1.37	8.35	3.38	0.60	2.78	2.72	0.40	2.32	1.88	0.27	1.61	1.40	0.16	1.24
Vehicle	23.47	3.94	19.53	18.99	1.84	17.15	2.81	0.80	2.01	2.34	0.56	1.78	1.90	0.37	1.53
Total	248.59	12.69	235.90	55.86	6.42	49.44	36.66	3.84	32.82	33.47	2.37	31.10	14.91	1.46	13.45
Cash and cash equivalents as at the end of the period/ year			47.85			397.47			19.27			5.57			18.99

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 bracket.

As per our report of even date
For Thar & Co.
Chartered Accountants

For and on behalf of Board of Directors

Rakesh Kumar Wadhawan
(Director)

Sarang Wadhawan
(Director)

Jayesh R. Thar
(Proprietor)
Membership No. 32917
Place: Mumbai
Date: June 1, 2007.

K P Devassy
(Chief Financial Officer)

Amitabh Verma
(Company Secretary)

ANNEXURE 4
STATEMENT OF FIXED ASSETS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,														
	2007			2006			2005			2004			2003		
	Gross	Depreciation	Net	Gross	Depreciation	Net	Gross	Depreciation	Net	Gross	Depreciation	Net	Gross	Depreciation	Net
Office Premises	182.38	2.47	179.90	27.06	2.03	25.03	22.85	1.22	21.63	22.85	0.84	22.01	8.45	0.71	7.74
Office Equipments	27.89	2.16	25.73	6.62	1.13	5.49	4.53	0.57	3.96	3.77	0.35	3.42	2.56	0.19	2.37
Computer	17.19	4.50	12.69	5.55	2.09	3.46	3.75	0.85	2.90	2.63	0.35	2.28	0.60	0.03	0.57
Furniture & Fixtures	13.61	2.01	11.60	3.46	0.62	2.84	2.72	0.40	2.32	1.88	0.27	1.61	1.40	0.16	1.24
Vehicle	25.60	4.79	20.82	20.25	2.48	17.77	2.81	0.80	2.01	2.34	0.56	1.78	1.90	0.37	1.53
Total	266.67	15.93	250.74	62.94	8.35	54.59	36.66	3.84	32.82	33.47	2.37	31.10	14.91	1.46	13.45

ANNEXURE 5
STATEMENT OF SUMMARY OF INVESTMENTS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
In Immovable property	411.28	325.97	373.59	-	-
Unquoted Investments:					
Others	1.00	1.00	0.50	0.50	0.50
With related parties					
In promoter group companies	-	-	-	-	-
In subsidiary companies	74.64	74.37	-	-	-
In capital with partnership firm	0.12	0.08	0.08	0.08	0.04
Current Capital account with Partnership firm	1,163.34	731.40	202.38	325.91	79.60
Total	1,650.38	1,132.82	576.55	326.49	80.14

ANNEXURE 6
STATEMENT OF INVENTORIES, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Stock in Trade (Stock of Flats/Shops/TDR)	161.85	43.02	34.12	35.59	11.22
Work in Progress	11363.24	4,330.21	2,357.67	1,602.95	419.79
Total	11525.09	4,373.23	2,391.80	1,638.54	431.01

ANNEXURE 7
STATEMENT OF SUNDRY DEBTORS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Debt outstanding for the period Exceeding six months	528.70	4.69	5.13	1.50	1.84
Debts due from persons related to Directors / Promoters	-	-	-	-	-
Other debts	2573.86	769.21	1.77	1.11	2.73
Debts due from persons related to Directors / Promoters	-	-	-	-	-
Total	3102.56	773.90	6.89	2.61	4.57

ANNEXURE 8

STATEMENT OF LOANS AND ADVANCES, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Receivable from promoter/ promoter group companies:	-	-	-	-	-
Loans to subsidiaries	1164.75	717.55	-	-	-
Loans to body corporate	-	-	-	-	-
Loans to employees	0.56	0.15	0.37	0.05	0.06
Advances recoverable in cash or in kind or value to be received	812.01	504.95	313.26	27.12	240.24
Other loans and advances	341.01	4.18	9.56	11.40	-
Deposits	0.63	6.09	18.25	0.19	0.19
Interest accrued on fixed deposits	-	6.64	-	-	-
Loan given to others	-	-	-	-	-
Total	2318.96	1,239.56	341.44	38.76	240.49

ANNEXURE 9

STATEMENT OF SECURED LOANS, AS RESTATED

Rs. in Million

Particulars	31st March,				
	2007	2006	2005	2004	2003
Term Loans:					
FROM BANKS					
i) HDFC Bank Limited	360.26	88.97	95.00	-	-
Secured against future lease rent in respect of property situated on ground and 2nd floor in Dheeraj Arma admeasuring about 24242.66 sq. ft. Rate of Interest as PLR plus 2 % p.a. Repayment by 100 EMI ending January, 2015.					
ii) Punjab National Bank	642.59	500.00	-	-	-
First pari passu charge on free sale area constructed / to be constructed together with undivided pro rata right, interest of the Company in land underneath being the Company's Slum Rehabilitation Scheme at Sambhaji Nagar as well as the right of sale / utilization of TDR generated from said Scheme, hypothecation of movables at the construction sight, hypothecation of book debts. Rate of interest PLR + 0.75 % p.a. Repayment by 19 quarterly instalment ending December, 2010.					
iii) Indian Overseas Bank	1373.83	500.00	-	-	-
First pari passu charge by mortgage / charge-cum-hypothecation of the project assets of the borrower. (Description of project: Borrower has development rights to construct a multistoried mall on a portion of land admeasuring 28465.78 sq. mt. in village Bhandup, Mumbai) Project assets include the following: (i) borrower's share of sale area to be constructed together with the undivided prorate right,					

Particulars	31st March,				
	2007	2006	2005	2004	2003
interest, title of borrower in the land underneath comprising saleable area of 4,00,000 sq. ft. in the mall and 2,50,000 sq. ft. in the basement parking lot. (ii) Construction material brought at site for the purpose of construction of the buildings. (iii) receivables which may be generated from the booking of free sale area from time to time. Rate of interest PLR + 1.5 %p.a. Repayment in 54 EMI.					
iv) Syndicate Bank	897.05	862.00	-	-	-
Equitable Mortgage of non agricultural land of total area 6887741 sq. ft. at village Dongre, Vasai district of value Rs.137.76 crores and book debts, outstanding monies receivables, claims, bills, contracts securities, investments, goodwill, rights and assets as security. Rate of interest PLR + 1 % p.a. Repayment by 50 EMI ending February, 2010.					
v) Punjab and Maharashtra Co-Op. Bank Ltd.	-	4.36	5.81	7.12	8.16
Physical possession by way of lease of 1st Floor of Premises Dheeraj Pali Arcade at Pali Naka, Bandra against future Rent					
vi) Punjab and Maharashtra Co-Op. Bank Ltd.	-	-	-	-	651.66
Secured by Hypothecation of Inventory, units to be constructed and personal guarantees of directors					
vii) Bank of Maharashtra	-	0.20	-	-	-
Secured by physical possession by way of lease of ground floor of premises at shopping centre at Mahim Palghar. (Amount repayable within next 12 months exclusive of interest 0.20 million)					
viii) ICICI Bank Limited	5.58	9.11	-	-	-
Hypothecation of vehicle with registration No. MH-06 AD 5000, MH 43 L 9000, MH 43 L 7000, MH 43 L 6000, MH 43 L 8000					
ix) Indian Bank	370.48	-	-	-	-
First pari passu charge by mortgage / charge-cum-hypothecation of the project assets of the borrower. (Description of project: Borrower has development rights to construct a multi storied mall on a portion of land admeasuring 28465.78 sq. mt. in village Bhandup, Mumbai) Project assets include the following: (i) borrower's share of sale area to be constructed together with the undivided prorate right, interest, title of borrower in the land underneath comprising saleable area of 4,00,000 sq. ft. in the mall and 2,50,000 sq. ft. in the basement parking lot. (ii) Construction material brought at site for the purpose of construction of the buildings. (iii) Receivables which may be generated from the booking of free sale area from time to time. Rate of interest PLR + 1 % p.a. Repayment by 42 EMI ending September, 2009.					
x) Bank of India	107.06	-	-	-	-
Assignment of lease rentals receivable over a period of 120 months from Huawei Telecommunication. Rate of interest PLR + 1 % p.a. Repayment by 120					

Particulars	31st March,				
	2007	2006	2005	2004	2003
EMI ending July, 2016.					
xi) Dewan Housing Finance Corporation Limited	-	-	302.29	-	-
Secured against future lease rent in respect of property situated on Ground, 1st, 7th , 8th floors in Dheeraj Arma admeasuring about 79807 sq.ft					
Total (i to xi)	3,756.85	1,964.64	403.10	7.12	659.82

ANNEXURE 10

STATEMENT OF UNSECURED LOANS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Loans from:					
Directors – (Interest free, repayable on demand)	-	-	510.75	-	-
Group Companies	-	-	-	-	-
Shareholders (other than directors)	-	-	-	-	-
Other corporate bodies	-	-	-	-	-
Total	-	-	510.75	-	-

ANNEXURE 11

STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
A : CURRENT LIABILITIES					
Creditors for Goods and Services:					
1) Total outstanding dues of small scale industrial undertaking	-	-	-	-	-
2) Total outstanding dues of creditors other than small scale industrial undertaking	326.71	388.76	170.12	73.31	57.34
Creditors for Land Purchase	1687.78	356.67	120.44	708.56	-
Creditors for Expenses	10.46	0.78	1.80	0.64	0.90
Advances from Customers	5120.83	3,290.10	1,324.41	247.94	80.37
Other Liabilities	72.83	29.56	100.95	1,020.68	1.40
Interest accrued but not due on loans	-	15.99	-	-	-
Total	**7218.61**	**4,081.86**	**1,717.72**	**2,051.13**	**140.01**
B. PROVISIONS					
Provisions for retirement benefit to the employees	2.79	0.18	0.07	0.13	0.07
Provision for taxation	914.22	152.00	24.70	-	-
Provision for fringe benefit tax	2.87	1.00	-	-	-
Less : Advance Tax	274.66	71.41	1.11	0.30	0.20
Net Provision for tax	642.43	81.59	23.59	(0.30)	(0.20)
Total Provisions	645.22	81.77	23.66	(0.17)	(0.13)

ANNEXURE 12
STATEMENT OF SHARE CAPITAL, AS RESTATED

Rs. in Million

Particulars	As at 31st March				
	2007	2006	2005	2004	2003
Share Capital					
Authorised: Equity Share of Rs. 10/- each	2500.00	1,000.00	100.00	100.00	20.00
Issued, Subscribed and Paid up					
Equity Share of Rs. 10/- each fully paid up	1800.00	500.00	100.00	20.00	20.00

ANNEXURE 13
STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Share Premium - A					
Balance as per last Balance Sheet	100.00	500.00	500.00	-	-
Less: Utilised for issue of fully paid bonus shares	100.00	400.00	-	-	-
Total- A	-	100.00	500.00	-	-
General Reserve - B					
Balance as per last Balance Sheet	220.00	-	-	-	-
Add: Transfer from Profit and Loss Account	591.98	220.00	-	-	-
Less : Utilised for issue of fully paid bonus shares	220.00	-	-	-	-
Total- B	591.98	220.00	-	-	-
Profit and Loss Account - C	4876.32	1,029.99	110.79	(35.00)	(31.04)
Total (A+B+C)	5468.30	1,349.99	610.79	(35.00)	(31.04)

ANNEXURE 14
STATEMENT OF TURNOVER, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Sales of Commercial and Residential Units	2639.72	358.25	202.27	30.87	99.09
Sale of Development Right / FSI	8288.96	3,282.70	447.07	27.29	-
Sale of Land	1105.80	580.59	-	-	-
Total	12034.48	4,221.54	649.34	58.16	99.09

ANNEXURE 15
STATEMENT OF OTHER INCOME, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March				
	2007	2006	2005	2004	2003
Recurring income: - A					
Dividend income	0.15	0.19	0.08	0.08	-
Interest Income	-	-	0.02	-	0.02
Society maintenance and other incidental receipts	19.30	-	0.51	3.32	1.30
Rent and Compensation received	99.87	70.42	22.15	2.23	2.18
Miscellaneous receipts	0.11	-	0.98	0.32	2.03
Shares of profit/loss from joint ventures and partnership firms	11.20	85.44	75.92	9.74	-
Total (A)	**130.63**	**156.05**	**99.66**	**15.69**	**5.53**
Non recurring income: -B					
Profit on sale of investments	-	24.15	-	-	-
Profit/(Loss) from trading	-	-	-	-	-
Total (B)	**-**	**24.15**	**-**	**-**	**-**
Grand total (A+B)	**130.63**	**180.20**	**99.66**	**15.69**	**5.53**

ANNEXURE 16
STATEMENT OF LAND AND CONSTRUCTION EXPENSES, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Purchases:					
Land purchases	5149.52	1,336.93	165.48	1,026.13	55.13
TDR purchases	136.71	1.96	415.36	-	-
Tenancy right purchases	2830.57	1,484.84	361.30	76.59	-
Civil materials	1999.13	943.07	271.16	149.20	53.08
Total	**10115.93**	**3,766.80**	**1,213.30**	**1,251.92**	**108.21**
Operating and Other Expenses:					
Civil contract work	1898.68	384.10	63.96	94.97	165.75
Other expenses	615.21	741.92	198.00	115.29	48.62
Total	**2513.89**	**1,126.02**	**261.96**	**210.26**	**214.37**
Total construction expenses	**12629.82**	**4,892.82**	**1,475.26**	**1,462.18**	**322.58**

ANNEXURE 17
STATEMENT OF ADMINISTRATIVE EXPENSES, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Office expenses	2.56	0.57	0.38	0.28	0.09
Telephone charges	7.03	3.63	2.52	0.95	0.95
Electricity charges	4.18	3.20	3.65	1.27	0.78
Repairs and Maintenance to other assets	1.18	0.49	0.46	0.37	0.08
Postage	0.14	0.09	-	-	0.02
Legal expenses	1.32	0.36	0.27	-	-
Printing and Stationery	5.75	1.92	1.66	0.56	0.40
Conveyance expenses	2.96	1.35	0.75	0.52	0.23
Membership and Subscription fees	0.04	0.06	-	0.01	-
Travelling expenses	7.29	2.25	0.10	0.38	0.04
Bank charges	0.41	0.20	0.80	0.14	0.16
Car expenses	3.65	3.97	1.67	0.40	0.29
Brokerage	12.96	1.56	2.33	0.11	-
Security charges	1.34	0.92	0.64	0.41	0.27
Society charges	0.65	0.21	0.29	1.16	-
Professional fees	15.18	8.49	4.93	0.42	0.33
Internet expenses	-	0.11	0.05	-	-
Advertisement expenses	75.16	2.48	10.97	0.10	0.05
Rent, rates and taxes	18.79	4.16	1.13	-	0.01
Books and Periodicals	0.16	0.07	0.02	0.02	-
Loan processing charges	14.92	9.55	1.70	-	-
Sales promotion expenses	-	3.27	1.15	-	-
Stamping and Registration	13.40	-	2.87	-	-
Directors remuneration	1.50	-	0.18	0.42	0.48
Directors sitting fees	0.98	-	-	-	-
Maintenance	-	0.69	-	-	0.44
Miscellaneous expenses	0.24	0.18	0.42	0.06	0.06
Interest on delayed payment of T.D.S.	-	0.09	-	-	-
Remuneration to auditors	2.50	0.61	0.10	0.10	0.10
Donations	21.27	24.92	11.10	-	2.04
ROC filing fees	0.03	0.02	0.01	0.41	-
Insurance charges	6.23	2.74	-	0.03	0.01
Exhibition expenses	-	1.16	-	0.01	0.25
Foreign exchange variation	0.64	-	-	-	-
Car hire charges	-	-	-	0.65	-
Total	222.46	79.29	50.16	8.77	7.08

ANNEXURE 18

STATEMENT OF FINANCE CHARGES, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Interest on Borrowings					
Project Specific Interest	503.59	108.20	165.11	142.72	32.70
Less : Interest recd from subsidiary company	113.48	33.33	-	-	-
Net Project specific interest	390.11	74.87	165.11	142.72	32.70
Other Interest	39.92	30.87	1.00	1.04	1.19
Total	430.03	105.74	166.11	143.76	33.89

ANNEXURE 19

STATEMENT OF CONTIGENT LIABILITIES, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Providing Collateral Security by way of property situated at 3rd and 4th floor of Dheeraj Arma admeasuring 25000 Sq. Ft. each, under obligation of joint development agreement with Dinshaw Trapinex Builders Private Limited	500.00	500.00	500.00	-	-
Towards counter guarantee to bank for issuing bank guarantee	-	-	-	10.00	-
Claims against the company not acknowledged as debts represented a suit filed by a party in the High Court, Bombay and disputed by the company relating to failure to handover multiplex premises. In the opinion of the management the above claim is not sustainable.	373.78	-	-	-	-
Total	873.78	500.00	500.00	10.00	-

ANNEXURE 20

STATEMENT OF DIVIDEND PAID, AS RESTATED

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Equity Shares					
Number of shares	180,000,000	50,000,000	10,000,000	2,000,000	2,000,000
Face Value per Share(Rs.)	10.00	10.00	10.00	10.00	10.00
Paid-up Value per Share (Rs.)	10.00	10.00	10.00	10.00	10.00
Rate of Dividend (%)	-	-	-	-	-
Total Dividend	-	-	-	-	-

ANNEXURE 21
STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Earning Per Shares (EPS)					
Net Profit after Tax (As Adjusted) (Rs in Million)	5,418.31	1,139.20	145.79	(3.96)	(28.64)
No. of equity shares	180,000,000	50,000,000	10,000,000	2,000,000	2,000,000
Restated Weighted Average Number of Equity Shares	180,000,000	180,000,000	52,964,384	36,000,000	36,000,000
EPS Basic / diluted (Rs.)	30.10	6.33	2.75	(0.11)	(0.80)
Net Assets Value (NAV)					
Net Assets (Rs. in Million)	7,255.24	1,844.07	710.79	(15.01)	(11.05)
No. of equity shares	180,000,000	50,000,000	10,000,000	2,000,000	2,000,000
Restated Weighted Average Number of Equity Shares	180,000,000	180,000,000	52,964,384	36,000,000	36,000,000
N A V per share (Rs.)	40.31	10.24	13.42	(0.42)	(0.31)
Return on Net Worth					
Net Profit after Tax (As Adjusted)	5,418.31	1,139.20	145.79	(3.96)	(28.64)
(Rs. in Million)					
Net Worth (Rs. in Million)	7,255.24	1,844.07	710.79	(15.01)	(11.05)
Return on Net Worth (%)	74.68	61.78	20.51	-	-

Note:

1. Earning per Equity Share: - Adjusted Net Profit after Tax / Restated Weighted Average Number of Equity Shares.

2. Net Asset Value:- Adjusted Net Assets / Restated Weighted Average Number of Equity Shares

3. Return on Net Worth: Adjusted Net Profit After Tax / Adjusted Equity Share holder fund * 100

4. The earning per share is calculated in accordance with the Accounting Standard 20 "Earnings per share" issued by the Institute of Chartered Accountants of India.

5. Restated shares have been computed pursuant to the second issue of bonus shares in the ratio of thirteen shares for every five shares held on 29th July 2006, first issue of bonus shares in the ratio of four shares for every one share held on 30th March 2006 by utilising free reserves and issue of further shares in the ratio of four shares for every one share held on 17th February 2005.

ANNEXURE 22
STATEMENT OF CAPITALISATION, AS RESTATED

Rs. in Million

Particulars	Pre-Issue as at 31st March 2007	Adjusted for present issue
Borrowings:		
Short term debts	-	
Long term debts	3,756.85	
Total Debts	3,756.85	
Shareholders Funds:		
Share Capital	1,800.00	
Reserves and Surplus	5,468.30	

Particulars	Pre-Issue as at 31st March 2007	Adjusted for present issue
Total Shareholders Funds	7,268.30	
Long Term Debt / Equity Ratio	0.52	

Notes:

1. Debts maturing within one year from 31st March, 2007 are considered as short term debts.

2. Share Capital and Reserves (post Issue) can be calculated only on Issue Price finalisation.

ANNEXURE 23
STATEMENT OF TAX SHELTER, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Profit before tax (See Notes below) (A)	6,181.86	1,291.34	173.19	(3.90)	(28.63)
Tax thereon - Rate	33.66	33.66	36.59	35.88	36.75
Tax at the above Rate (B)	2,080.81	434.67	63.37	(1.40)	(10.52)
Adjustments:					
Permanent Differences					
Share of Profit from Partnership Firm exempt from tax	(11.21)	(85.44)	(75.92)	-	-
Dividend	(0.15)	-	(0.08)	-	-
Donations	21.27	24.42	11.10	-	2.04
Share Issue Expenses	3.64	1.48	-	-	-
Net effect of 80IA /80IB / 80G / 80GGB	(5,227.45)	(773.20)	(2.85)	-	-
Others	(24.17)	(45.28)	(6.22)	(0.67)	(0.66)
Total Permanent Difference (C)	(5,238.07)	(878.02)	(73.97)	(0.67)	1.37
Timing Difference:					
Difference on account of Depreciation	(14.24)	(3.69)	(2.82)	(2.22)	(1.22)
Profits or Losses on sale of Fixed Assets	-	24.15	-	-	-
Provision for gratuity and leave encashment	2.79	-	-	-	-
Set off of Unabsorbed Losses/Depreciation	-	-	(42.28)	-	-
Total Timing Differences (D)	(11.45)	20.46	(45.10)	(2.22)	(1.22)
Net Adjustment (E) = (C+D)	(5,249.52)	(857.56)	(119.07)	(2.89)	0.15
Tax Expenses / (Saving) thereon (F)	(1,766.99)	(288.65)	(43.57)	(1.04)	0.06
Taxable Income / Loss (G) = (A+E)	932.34	433.78	54.12	(6.79)	(28.48)
Taxable Income as per MAT	6,170.50	1,205.89	95.59	(3.90)	(28.63)
Tax as per Income Tax Returned	692.42	146.01	19.81	-	-
MAT Tax Credit Utilised	-	-	-	-	-
Interest U/s 234A, 234B & 234C	68.00	7.80	2.25	-	-
Net tax paid as per Return	760.42	153.81	22.06	-	-

Notes:

1. The Information pertaining to the year ended 31st March, 2003 to 31st March, 2006 are as per the Returns of Income filed by the Company. The effects of assessment/appellate orders have not been considered.

2. Information pertaining to the year ended 31st March, 2007 is as per draft computation prepared by the Management of the Company, as return of Income is not yet due for filing.

ANNEXURE 24
STATEMENT OF RELATED PARTY DICLOSURE, AS RESTATED

Rs. in Million

Particulars	Nature of Relationship	Name of the Related Party	For the year ended 31st March, 2007	2006	2005	2004	2003
Interest received	Subsidiary	Privilege Power and Infrastructure Pvt Ltd	113.48	33.33	-	-	-
Purchase of goods and contractual Services	Subsidiary	Privilege Power and Infrastructure Pvt Ltd	-	559.95	-	-	-
	Non Executive Chairman	Mr. Rakesh Kumar Wadhawan	866.63				
Director Remuneration	Key Management Personnel (Earlier years)	Anjana Sakhuja	-	-	0.18	0.21	0.24
		Hetin Sakhuja	-	-	-	0.21	0.24
	Key management personnel	Mr. Sarang Wadhawan	1.50	-	-	-	-
Purchase of Investments	Non Executive Chairman	Mr. Rakesh Kumar Wadhawan	0.27	15.36	-	-	-
	Key management personnel	Mr. Sarang Wadhawan	-	2.16	-	-	-
Advances and Loans given / (received)	Subsidiary	Privilege Power and Infrastructure Pvt Ltd	359.18	717.55	-	-	-
	Associate – Partnership firm	Heritage Housing Development Corporation	(128.85)	(93.60)	(123.53)	246.31	(25.68)
		D.S. Corporation	585.83	599.98	-	-	-
		Agnel Developers	175.65	22.64	-	-	-
Advances received	Non Executive Chairman	Mr. Rakesh Kumar Wadhawan	-	-	510.75	-	-

List of related parties with whom transactions have taken place during the year and relationship.

Wholly owned subsidiary	Privilege Power and Infrastructure Private Limited
Associates	Heritage Housing Development Corporation
Enterprises significantly influenced by the Key Management Personnel:	D.S. Corporation Agnel Developers
Key Management Personnel Mr. K. P. Devassy Mr. Amitabh Verma	Mr. Sarang Wadhawan
Key Management Personnel (Earlier years)	Smt. Anjana Sakhuja Mr. Hetin Sakhuja

ANNEXURE 25
Significant Accounting Policies and Notes on Account.

A. Nature of operations:-
Housing Development and Infrastructure Limited along with its wholly owned subsidiary Privilege Power and Infrastructure Private Limited is one of the leading residential, commercial and infrastructure developers in and around the city of Mumbai.

B. Statement of significant accounting policies:-

(1) (A) Basis of preparation
The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis to comply in all material respects and the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

(B) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company.

(C) Use of Estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

(2) Fixed assets and depreciation
Fixed Assets are capitalized at cost inclusive of expenses incidental thereto. Depreciation on fixed assets has been provided on straight-line method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

(3) Investments
Investments that are readily realizable and intended to be held for not more than a year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as long-term investments and are carried at cost except provision for diminution in value is made to recognize a decline other than temporary as specified in Accounting Standard (AS 13) on "Accounting for Investments".

(4) Inventories
Inventories are valued as follows:

Work-in-progress - Lower of cost or net realizable value. Cost includes direct materials, labour, construction expenses and direct borrowing cost related with the particular project.

Stock-in-trade - Lower of cost or net realizable value.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(5) Revenue recognition
The company follows completed project method of accounting ("Project Completion method of Accounting"). Allocable expenses incurred during the year are debited to work-in-progress account. The income is accounted for as and when the projects get completed or substantially completed and then revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale :-

a) Unit in Real Estate :-
Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.

b) Rent :-
Revenue is recognised on accrual basis

c) Interest :-
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

d) Dividends :-
Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

e) Share of profit - Partnership Firms :-
Share of profit/(loss) from partnership firms is accounted for in respect of the financial year ending on or before the balance sheet date.

(6) Borrowing cost
Borrowing costs which have a direct nexus and are directly attributable to the construction projects or assets are charged to the projects/assets and other borrowing costs are expensed out as period cost as specified in Accounting Standard (AS 16) on "Borrowing Costs".

(7) Employees Retirement Benefits :

a) Company's contribution in respect of Employees' Provident Fund is made to Government provident fund and is charged to Profit and Loss Account.

b) Gratuity and leave encashment payable at the time of retirement are charged to Profit and Loss Account on the basis of actuarial valuation.

(8) Income taxes
Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on "Accounting for Taxes on Income". The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets are recognised only if there is a reasonable certainty that the assets will be realized in future.

(9) Amortization of miscellaneous expenditure
Miscellaneous expenditure is amortized over a period of five years.

(10) Segment reporting policies
The main business of the company is real estate development and construction of residential and commercial properties, operating and maintaining infrastructure facilities and all other related activities which the company revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting".

(11) Earnings per share
Basic earnings per share are calculated by dividing the net profit/loss for the period attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the period. The average number of equity shares outstanding during the period is adjusted for event of bonus issue to the existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(12) Impairment

An Asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS 28) on impairment of assets.

(13) Prepaid Expenses :

Financial expense incurred during the year which provides benefit in several accounting years has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata basis in the future accounting years.

(14) Foreign currency transaction

Foreign currency transactions are accounted at the rates prevailing on the date of transaction. Year end current assets and liabilities are translated at the exchange rate ruling on the date of Balance Sheet. Exchange differences on conversion are adjusted to;

i) cost of fixed assets, if the same relates to acquisition of fixed assets.
ii) profit and loss account, if it relates to the monetary items.
iii) investment in shares of foreign company is expressed in Indian currency at rates of exchange prevailing at the time when original investment is made.

(15) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(16) Contingent liabilities:

Contingent liabilities are not provided for in this account, and if any the same is reflected in notes to account.

C. Other Notes: -

(1) Related party disclosure

1. Details of Subsidiaries and Associates as on 31st March, 2007:

A) Subsidiaries

Sr.No	Name of the Subsidiary Company	Country of Incorporation	Proportion of Ownership Interest
1)	Privilege Power and Infrastructure Private Limited	India	100%

B) Associates

Sr.No	Name of the Associates	Country of Incorporation	Proportion of Ownership Interest
1)	Dinshaw Trapinex Builders Private Limited	India	Nil
2)	Prithvi Realtors and Hotels Private Limited	India	Nil
3)	Libra Hotel Private Limited	India	Nil
4)	Dewan Realtors Private Limited	India	Nil

Sr.No	Name of the Associates	Country of Incorporation	Proportion of Ownership Interest
5)	Wadhawan Holdings Private Limited	India	Nil
6)	Heritage Housing India Private Limited	India	Nil
7)	Libra Realtors Private Limited	India	Nil
8)	Privilege Industries Limited	India	Nil
9)	Heritage Housing Development Corporation	India	Nil

C) Details of Companies which were either subsidiaries or an Associate for the period prior to 31st March, 2007:

Sr.No	Name of the Subsidiary Company	Country of Incorporation	Proportion of Ownership Interest
1)	Dinshaw Trapinex Builders Private Ltd *	India	Nil

* Subsidiary by controlling the composition of Board of Directors.

Enterprises significantly influenced by the Key Management Personnel:	D.S. Corporation Agnel Developers
Key Management Personnel	Mr. Sarang Wadhawan Mr. K. P. Devassy Mr. Amitabh Verma
Key Management Personnel (Earlier years)	Smt. Anjana Sakhuja Mr. Hetin Sakhuja

(2) Contingent Liabilities not provided for

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Providing Collateral Security by way of property situated at 3rd and 4th floor of Dheeraj Arma admeasuring 25000 sq.ft.each, under obligation of joint development agreement with Dinshaw Trapinex Builders Private Limited	500.00	500.00	500.00	-	-
Towards counter guarantee to bank for issuing Bank Guarantee	-	-	-	10.00	-
Claims against the company not acknowledged as debts represented a suit filed by a party in the High Court, Bombay and disputed by the company relating to failure to handover multiplex premises. In the opinion of the management the above claim is not sustainable.	373.78	-	-	-	-
Total	873.78	500.00	500.00	10.00	0.00

(3) Change in the name of the company

The company has changed its name from Housing Development And Improvement India Limited to Housing Development And Infrastructure Limited with effect from 29th August, 2006.

(4) Changes in the Paid up Capital:

Further Issue of Shares:

The Board of Directors at their meeting held on 17th February, 2005, approved the further Issuance of 8,000,000 equity shares of Rs 10/- each at a premium of Rs 62.50 per share in the ratio of 4 shares for every 1 share held as on 17th February, 2005 to the existing shareholders of the Company.

Bonus issues

The Board of Directors at their meeting held on 30th March, 2006, approved the issuance of 40,000,000 equity shares of Rs 10/- each as Bonus shares in the ratio of 4 shares for every 1 shares held as on 30th March, 2006.The Bonus shares were issued by capitalizing the accumulated profits of the company.

The Board of Directors at their meeting held on 29th July, 2006, approved the issuance of 130,000,000 equity shares of Rs. 10/- each as Bonus shares in the ratio of 13 shares for every 5 shares held as on 29th July, 2006. The Bonus shares were issued by capitalizing the accumulated profits of the company.

(5) Sundry Creditors, Sundry Debtors and Loans and Advances include certain items for which confirmation are yet to be received and are considered payable / realizable as the case may be. The balances under above heads are as per the books of accounts and are subject to reconciliation and adjustment, if any.

(6) Investment in partnership firms:-

a. Heritage Housing Development Corporation:- Share profit-44%, other partners and share of profit (1) Pioneer India Developers Private Limited-44% (2) Heritage Housing Development (I) Private Limited-12%.

b. Nahur Residence Developers:- Share of profit-40%, other partners and share of profit (1) Shri Sarang R Wadhawan-30% (2) Shri Dheeraj R Wadhawan-30%.

c. D.S. Corporation:- Share of profit-45%, other partners and share of profit (1) Shri Rakesh Kumar Wadhawan-15% (2) Prithvi Realtors & Hotels Private Limited-20% (3) Shri Sarang R Wadhawan-5% (4) Shri Waryam Singh - 5% (5) Shri Dheeraj R Wadhawan-5% (6) Shri Sunpreet Singh - 5%.

d. Agnel Developers:- Share of profit-62%, other partners and share of profit (1) Shri Rakesh Kumar Wadhawan-16% (2) Shri Waryam Singh - 11% (3) Smt.Ines Kumar -11%.

(7) Adjustment relating to changes in accounting policies and estimates:

Retirement benefits:

The company had not provided for liability on account of payment of gratuity to employees in accordance with the provisions of Accounting Standard 15 “Accounting for Retirement benefits” as laid down by Institute of Chartered Accountants of India upto year ended 31st March, 2006. The effect of the same has been given in respective accounting years.

For Thar & Co.
Chartered Accountants

For and on behalf of Board of Directors

Rakesh Kumar Wadhawan
(Director)

Sarang Wadhawan
(Director)

Jayesh R. Thar
(Proprietor)
Membership No. 32917
Place: Mumbai
Date: June 1, 2007.

K P Devassy
(Chief Financial Officer)

Amitabh Verma
(Company Secretary)

UNCONSOLIDATED FINANCIAL INFORMATION OF PRIVILEGE POWER AND INFRASTRUCTRE PRIVATE LIMITED

June 1, 2007.

To,
The Board of Directors,
Privilege Power And Infrastructure Private Limited (formerly, Dewan Investments Private Limited)
3rd floor, Dheeraj Arma,
Anant Kanekar Marg, Station Road, Bandra - (E),
Mumbai - 400051.

Ref : UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES AND UNCONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED AND UNCONSOLIDATED CASH FLOWS, AS RESTATED UNDER INDIAN GAAP AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2007 AND 2006.

Dear Sirs,

We have examined the unconsolidated financial information of Privilege Power And Infrastructure Private Limited ('the Company') (formerly, Dewan Investments Private Limited.) annexed to this report and initialled by us for identification purposes, which has been prepared in accordance with the requirements of:

a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

b) The Securities and Exchange Board of India (Disclosure And Investor Protection) Guidelines 2000 ('the Guidelines') as amended from time to time and related clarifications; and

c) The terms of reference received from M/s. Housing Development and Infrastructure Limited (Holding Company), requesting us to carry out work, proposed to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus (collectively, 'the Offer Documents') of the Holding Company in connection with its proposed Initial Public Offer ('IPO').

A. Financial information as per Unconsolidated Audited Financial Statements of Privilege Power and Infrastructure Private Limited.

1. We have examined the attached Unconsolidated Restated Summary Statement of Assets and Liabilities of the company as at 31st March, 2007 and 31st March, 2006, the Unconsolidated Restated Summary Statement of Profits and Losses and the Unconsolidated Restated Statement of Cash flows for each of the period / years ended on those dates ('Unconsolidated Restated Summary Statements') (see Annexure 1, 2 and 3) as prepared by the Company and approved by the Board of Directors. The Unconsolidated Restated Profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and as more fully described in the notes to the Unconsolidated Restated Financial Statements appearing in Annexure 4 to this report. We have audited the Unconsolidated Financial Statements of the company for the years ended 31st March, 2007 and 31st March, 2006. Based on our examination of the Unconsolidated Restated Summary Statements, we confirm that:

   i. The 'Unconsolidated Restated Summary Statements' have to be read in conjunction with the notes given in Annexure 4 to this Report.
   ii. The 'Unconsolidated 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 31st March, 2007 as stated in the Notes forming part of the Restated Summary Statements vide Annexure 4 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.

iv. There are no prior period items, which need adjustments.
v. There are no extra ordinary items which need to be disclosed separately in the Unconsolidated Restated Summary Statements; and
vi. There are no qualifications in the auditors' reports, which require any adjustments to the Consolidated Restated Summary Statements except point no.6 in Para C appearing in the Annexure 4. Appropriate adjustments have been made and reflected in the Restated Financial Statements.

We have been informed that the company has not declared any dividend on equity shares for the years ended 31st March, 2007 and 31st March, 2006.

In our opinion, the 'financial Information as per audited Financial Statements' for the years ended 31st March,2007 and 31st March, 2006 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 reports 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 offer documents in connection with the proposed IPO of the holding company and is not to be used, referred to or distributed for any other purpose without our prior written consent in each instance and which consent may be given only after full consideration of the circumstances at that time.

For Thar & Co.
Chartered Accountants

Jayesh R. Thar
Proprietor
Membership No. 032917
Place: Mumbai
Date: June 1, 2007

PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED

ANNEXURE 1
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	**2006**	**2005**	**2004**	**2003**
Fixed Assets					
Gross Block	18.08	7.08	7.48	7.43	9.85
Less: Depreciation	3.23	1.93	1.89	1.60	1.48
Net Block	14.85	5.15	5.59	5.83	8.37
Total - A	**14.85**	**5.15**	**5.59**	**5.83**	**8.37**
Investments - B	1.81	29.35	38.42	38.38	20.62
Deferred Tax Assets - C	0.61	-	-	-	-
Current assets, Loans and advances					
Inventory	1719.70	395.88	206.65	481.86	346.50
Sundry Debtors	10.57	8.11	2.60	1.27	-
Cash and Bank Balances	9.21	42.14	31.19	31.78	9.88
Loans and Advances	251.72	317.32	539.15	43.09	232.72
Total -D	**1991.20**	**763.45**	**779.60**	**558.00**	**589.10**
Total Assets (A+B+C+D) =E	**2008.47**	**797.95**	**823.62**	**602.20**	**618.10**
Liabilities and Provisions					
Secured Loans	-	-	-	-	-
Unsecured Loans	1164.75	717.55	655.94	439.17	503.68
Deferred Tax Liabilities	-	0.11	0.14	-	-
Current Liabilities	699.89	8.58	139.50	136.69	89.26
Provisions for tax	23.98	16.55	(0.18)	0.15	0.06
Provisions for retirement benefits to employees	0.73	1.53	-	-	-
Total -F	**1889.35**	**744.31**	**795.41**	**576.02**	**593.01**
Net Worth (E-F)	**119.12**	**53.64**	**28.20**	**26.19**	**25.09**
Net Worth represented by					
Share Capital	20.75	20.75	20.75	20.75	20.75
Reserve and Surplus	104.57	41.15	7.45	5.43	4.34
Total	**125.32**	**61.90**	**28.20**	**26.19**	**25.09**
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	6.20	8.26	-	-	-
Net Worth	119.12	53.64	28.20	26.19	25.09

As per our report of even date
For Thar & Co.
Chartered Accountants

For and on behalf of Board of Directors

Rakesh Kumar Wadhawan
(Director)

Sarang Wadhawan
(Director)

Jayesh R. Thar
(Proprietor)
Membership No. 32917
Place: Mumbai
Date: June 1, 2007

Neena Jindal
(Company Secretary)

PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED

ANNEXURE 2
STATEMENT OF PROFIT AND LOSS, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	**2006**	**2005**	**2004**	**2003**
INCOME					
Turnover	7.44	271.93	-	-	-
Other Income	75.36	5.52	4.31	3.99	3.24
Increase / (Decrease) in stock in trade	(5.08)	95.67	-	-	-
Increase / (Decrease) in work in progress	1328.90	93.56	60.44	135.36	209.70
Total	1406.62	466.68	64.75	139.35	212.94
EXPENDITURE					
Purchases	1170.73	272.11	3.59	9.20	74.26
Operating and other expenses	41.87	51.25	4.30	33.40	61.25
Employees remuneration and welfare expenses	1.24	8.29	4.50	4.43	3.93
Administrative expenses	3.86	8.80	9.74	2.45	2.08
Financial Expenses	116.30	70.52	40.17	88.30	70.26
Depreciation	1.30	0.25	0.29	0.38	0.36
Preliminary expenses 1 Expenses for increasing authorised share capital written off	2.06	2.06	-	-	-
Total	**1337.36**	**413.28**	**62.59**	**138.16**	**212.14**
Operating profit before tax	69.26	53.40	2.16	1.19	0.80
Less: Provision for taxation	7.92	17.89	-	0.09	0.06
Less: Provision of fringe benefit tax	0.16	0.30	-	-	-
Less: Deferred tax liability 1 (asset)	(0.71)	(0.04)	0.15	-	-
(Add)/Less : (Excess)/short provision for taxation no longer required	-	0.02	-	-	-
Operating profit after tax	61.89	35.23	2.01	1.10	0.73
(Add) / Less : Adjustments for changes in					
accounting policy or any audit qualification.	(1.53)	1.53	-	-	-
Restated profit after tax	63.42	33.70	2.01	1.10	0.73
Brought forward profit from previous year	30.18	7.45	5.44	4.34	3.60
Profit available for appropriation	93.60	41.15	7.45	5.43	4.34
APPROPRIATIONS					
Less: Transfer to General reserve	37.89	10.97	-	-	-
Profit carried forward to balance sheet	55.71	30.18	7.45	5.43	4.34

As per our report of even date
For Thar & Co.
Chartered Accountants

For and on behalf of Board of Directors

Rakesh Kumar Wadhawan
(Director)

Sarang Wadhawan
(Director)

Jayesh R. Thar
(Proprietor)
Membership No. 32917
Place: Mumbai
Date: June 1, 2007.

Neena Jindal
(Company Secretary)

PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED

ANNEXURE 3
STATEMENT OF CASH FLOWS, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	**2006**	**2005**	**2004**	**2003**
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and appropriations	69.26	53.40	2.16	1.19	0.80
Adjustments for:					
Depreciation	1.30	0.25	0.29	0.38	0.36
(Profit) / Loss on sale of fixed assets	-	0.10	-	(0.74)	-
Expenses for increasing authorised share capital written off	2.06	2.06	-	-	-
Interest expense	116.30	70.51	40.17	88.30	70.26
Investment Income	(74.29)	(5.52)	(4.31)	(3.99)	(3.24)
Operating profit before working capital changes	**114.63**	**120.80**	**38.31**	**85.14**	**68.18**
Adjustments for:					
(Increase)/Decrease in Inventories	(1323.82)	(189.23)	275.21	(135.36)	(209.70)
(Increase)/Decrease in sundry debtors	(2.46)	(5.50)	(1.34)	(1.27)	0.72
(Increase)/Decrease in other receivable	65.60	222.00	(496.21)	189.76	(222.34)
Increase/(Decrease) in trade and other payable	692.03	(130.92)	2.80	47.45	72.81
Cash generated from/(used in) Operations	(454.02)	17.15	(181.23)	185.72	(290.34)
Tax paid	0.65	(1.66)	(0.18)	(0.13)	(0.33)
Net cash from / (used in) operating activities	**(454.67)**	**15.49**	**(181.41)**	**185.59**	**(290.67)**
B. CASH FLOW FROM INVESTING ACTIVITIES					
Investment income	4.68	5.52	4.31	3.99	3.24
(Purchase) / Sale of Investments	97.15	9.07	(0.04)	(17.76)	-
(Purchase) / Sale of fixed assets	(10.99)	0.10	(0.05)	2.90	(1.07)
Net cash from/ (used in) Investing activities	**90.84**	**14.69**	**4.22**	**(10.87)**	**2.17**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from / (Repayment of) borrowings	447.20	61.61	216.77	(64.51)	360.89
Interest paid	(116.30)	(70.51)	(40.17)	(88.30)	(70.26)
Expenses towards increase in share capital		(10.33)	-	-	-
Net cash from / (used in) Financing activities	330.90	(19.23)	176.60	(152.81)	290.63
Net increase/(decrease) in cash and cash equivalents	(32.93)	10.95	(0.59)	21.90	2.13
Cash and cash equivalents as at the beginning of the period / year.	42.14	31.19	31.78	9.88	7.75
Cash and cash equivalents as at the end of the period / year.	**9.21**	**42.14**	**31.19**	**31.78**	**9.88**

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 bracket.

As per our report of even date
For Thar & Co.

For and on behalf of Board of Directors

Chartered Accountants

Rakesh Kumar Wadhawan (Director) | Sarang Wadhawan (Director)

Jayesh R. Thar
(Proprietor)
Membership No. 32917
Place: Mumbai
Date: June 1, 2007.

Neena Jindal
(Company Secretary)

ANNEXURE 4

Significant Accounting policies and notes on account

A. Nature of operations

Privilege Power and Infrastructure Private Limited is engaged in the business of real estate, developing, operating and maintaining infrastructure facilities and to provide technical, management and other consultancy services.

B. Statement of significant accounting policies

(1) (A) Basis of preparation:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India “GAAP”) under the historical cost convention on an accrual basis to comply in all material respects and the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

(B) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company.

(C) Use of Estimates :

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

(2) Fixed assets and depreciation

Fixed Assets are capitalised at cost inclusive of expenses incidental thereto. Depreciation on fixed assets has been provided on straight-line method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

(3) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as long-term investments and are carried at cost except provision for diminution in value is made to recognize a decline other than temporary as specified in Accounting Standard (AS 13) on “Accounting for Investments”.

(4) Inventories

Inventories are valued as follows:

Work-in-progress - Lower of cost or net realizable value. Cost includes direct materials, labour, construction expenses and borrowing cost.

Stock-in-trade - Lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(5) Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale

a) Unit in Real Estate
Revenue is recognised when the significant risks and rewards of ownership of the units in real estates have passed to the buyer.

b) Rent and License fee
Revenue is recognised on accrual basis

c) Dividends
Revenue is recognised when the shareholders' right to receive payment is established by the Balance sheet date.

(6) Borrowing cost
Borrowing costs which have a direct nexus and are directly attributable to the construction projects or assets are charged to the projects/assets and other borrowing costs are expensed as period cost as specified in Accounting Standard (AS 16) on "Borrowing Costs".

(7) Employees Retirement Benefits :
a) Company's contribution in respect of Employees' Provident Fund is made to Government provident fund and is charged to Profit and Loss Account.
b) Gratuity and Leave encashment payable at the time of retirement are charged to Profit and Loss Account on the basis of actuarial valuation.

(8) Income taxes
Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on "Accounting for Taxes on Income". The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets are recognised only if there is a reasonable certainty that the assets will be realized in future.

(9) Amortization of miscellaneous expenditure
Miscellaneous expenditure is amortized over a period of five years.

(10) Segment reporting policies
The main business of the company is real estate development and construction of residential and commercial properties, operating and maintaining infrastructure facilities and all other related activities which the company revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting".

(11) Earnings per share
Basic earnings per share are calculated by dividing the net profit/loss for the period attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the period. The average number of equity shares outstanding during the period is adjusted for event of bonus issue to the existing shareholders.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(12) Impairment
An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS 28) on impairment of assets.

(13) Prepaid Expenses :
Financial expense incurred during the year which provides benefit in several accounting years has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata basis in the future accounting years.

(14) Foreign currency transaction
Foreign currency transactions are accounted at the rates prevailing on the date of transaction. Year end current assets and liabilities are translated at the exchange rate ruling on the date of Balance Sheet. Exchange differences on conversion are adjusted to;

i) cost of fixed assets, if the same relates to acquisition of fixed assets.
ii) profit and loss account, if it relates to the monetary items.
iii) investment in shares of foreign company is expressed in Indian currency at rates of exchange prevailing at the time when original investment is made.

(15) Provisions
A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(16) Contingent liabilities :
Contingent liabilities are not provided for in this account, and if any the same is reflected in notes to account.

C. Other Notes :-
(1) Related party disclosure
A. Names of related parties and nature of relationship.
Holding Company
Housing Development and Infrastructure Limited

B. Transactions with related party

Rs. in Million

Nature of transaction	Transaction with	2007	2006
Contract receipts and Reimbursement	Holding Company	-	559.95
Advances received	Holding Company	359.18	717.55
Interest paid	Holding Company	113.48	33.33

C. Key management personnel
Shri. Sarang R Wadhawan Director

		As at 31st March 2007	As at 31st March 2006
(2)	Contingent Liabilities not provided for	NIL	NIL

(3) Previous year / Period comparatives
Previous period figures have been regrouped where necessary to confirm to this period classification.

(4) In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof executed between the original owners and the ultimate purchasers as per trade practice.

(5) In the opinion of the management, the current assets, loans and advances are not less than as stated, if realized in the ordinary course of business.

(6) Adjustment relating to changes in accounting policies and estimates:

Retirement benefits:

The company has not provided for liability on account of payment of gratuity to employees in accordance with the provisions of Accounting Standard 15 “Accounting for Retirement benefits “as laid down by Institute of Chartered Accountants of India upto 31st March 2006. The effect of the same has been given in respective accounting years.

As per our report of even date
For Thar & Co.
Chartered Accountants

Jayesh R. Thar
(Proprietor)
Membership No. 32917
Place: Mumbai
Date: June 1, 2007.

For and on behalf of Board of Directors

Rakesh Kumar Wadhawan
(Director)

Sarang Wadhawan
(Director)

Neena Jindal
(Company Secretary)

CONSOLIDATED FINANCIAL INFORMATION OF HOUSING DEVELOPMENT AND INFRASTRUCTURE LIMITED

June 1, 2007.

To,

The Board of Directors,
Housing Development And Infrastructure Limited
(Formerly, Housing Development And Improvement India Limited)
Dheeraj Arma, 9th floor,
Anant Kanekar Marg, Station Road, Bandra (E),
Mumbai-400051.

Dear Sirs,

Ref : CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES AND CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED AND CONSOLIDATED CASH FLOWS, AS RESTATED UNDER INDIAN GAAP AS AT AND FOR THE YEARS ENDED 31ST MARCH, 2007, 2006, 2005, 2004 AND 2003.

We have examined the consolidated financial information of Housing Development And Infrastructure Limited ('the Company') (formerly, Housing Development And Improvement India Limited) and its subsidiary Privilege Power and Infrastructure Private Limited (formerly known as Dewan Investments Private Limited) (collectively referred to as the 'Group') annexed to this report and initialled by us for identification purposes, which has been prepared in accordance with the requirements of :

(a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

(b) The Securities and Exchange Board of India (Disclosure And Investor Protection) Guidelines, 2000 ('the Guidelines') as amended from time to time and related clarifications; and

(c) The terms of reference received from the Company, requesting us to carry out work, proposed to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus (collectively, 'the Offer Documents') of the company in connection with its proposed Initial Public Offer ('IPO').

A. Financial information as per consolidated audited financial statements of Housing Development And Infrastructure Limited

We have examined the attached Consolidated Restated Summary Statement of Assets and Liabilities of the company as at 31st March 2007, 2006, 2005, 2004 and 2003, the Consolidated Restated Summary Statement of Profits and Losses and the consolidated Restated Statement of Cash flows for each of the period/Years ended on those dates ('Consolidated Restated Summary Statements') (see Annexure 1, 2 and 3) as prepared by the Company and approved by the Board of Directors. The Consolidated Restated Profits have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and as more fully described in the notes to the Consolidated Restated Financial Statements appearing in Annexure 25 to this report. We have audited the Consolidated Financial Statements of the company for the years ended 31st March, 2007, 2006, 2005, 2004 and 2003. Based on our examination of the consolidated Restated Summary Statements, we confirm that:

i The 'Consolidated Restated Summary Statements' have to be read in conjunction with the notes given in Annexure 25 to this Report.

ii. The 'Consolidated 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 31st March, 2007 as stated in the Notes forming part of the Consolidated Restated Summary Statements vide Annexure 25 to this report.

iii. There are no qualifications in the auditors' reports, which require any adjustments to the Consolidated Restated Summary Statements except for not following the accounting standard – 15 " Accounting for Retirement Benefits" till financial year 2005-06, for which appropriate adjustment have been made and reflected in the Consolidated Restated Summary Statement.

iv. The consolidated 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 period / year to which they are related as described in Para C of the notes forming part of the 'Consolidated Restated Summary Statements' appearing in Annexure 25.

v. There are no prior period items which need to be disclosed separately in the Consolidated Restated Summary Statement in the year to which they relate;

B. Other Financial Information:

We have examined the following information in respect of the year ended 31st March, 2007, 2006, 2005, 2004 and 2003 of the Company, proposed to be included in the offer documents, as approved by the Board of Directors and annexed to this report;

1. Statement of Fixed Assets (Annexure –4)
2. Statement of Summary of Investments (Annexure – 5)
3. Statement of Inventories (Annexure – 6)
4. Statement of Sundry Debtors (Annexure –7)
5. Statement of Loans and Advances (Annexure –8)
6. Statement of Secured and Unsecured Loans (Annexure –9 and 10)
7. Statement of Current Liabilities and Provisions (Annexure – 11)
8. Statement of Share Capital (Annexure – 12)
9. Statement of Reserves and Surplus (Annexure – 13)
10. Statement of Turnover (Annexure –14)
11. Statement of Other Income (Annexure – 15)
12. Statement of Land and Construction expenses (Annexure –16)
13. Statement of Administrative expenses (Annexure – 17)
14. Statement of Finance charges (Annexure – 18)
15. Statement of Contingent Liabilities (Annexure –19)
16. Statement of Dividend Paid (Annexure – 20)
17. Summary of Accounting Ratios (Annexure – 21)
18. Statement of Capitalisation (Annexure 22)
19. Statement of Tax Shelter (Annexure – 23)
20. Statement of Related Party Disclosure (Annexure – 24)

In our opinion, the 'financial Information as per audited Financial Statements' and other Financial Information mentioned above for the years ended 31st March, 2007, 2006, 2005, 2004 and 2003 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 reports 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 offer documents 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 in each instance and which consent may be given only after full consideration of the circumstances at that time.

For Thar & Co.
Chartered Accountants

Jayesh R. Thar
Proprietor
Membership No. 032917
Place: Mumbai
Date: June 1, 2007.

ANNEXURE 1
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	**2006**	**2005**	**2004**	**2003**
Fixed Assets – A					
Gross Block	266.67	62.94	36.66	33.47	14.91
Less: Depreciation	15.93	8.35	3.84	2.37	1.46
Net Block	250.74	54.59	32.82	31.10	13.45
Capital Work in Progress	3.46	10.34	-	-	-
Goodwill	22.98	28.77	-	-	-
Total - A	**277.18**	**93.70**	**32.82**	**31.10**	**13.45**
Investments – B	1,577.55	1,087.81	576.55	326.49	80.14
Deferred Tax Assets – C	0.61	-	-	-	-
Current assets, Loans and advances – D					
Inventory	13,244.79	4,769.11	2,391.80	1,638.54	431.01
Sundry Debtors	3,113.12	782.00	6.89	2.61	4.57
Cash and Bank Balances	57.06	439.61	19.27	5.57	18.99
Loans and Advances	1,405.93	839.15	341.44	38.76	240.49
Total – D	17,820.90	6,829.87	2,759.40	1,685.48	695.06
Total Assets (A+B+C+D) = E	**19,676.24**	**8,011.38**	**3,368.77**	**2,043.07**	**788.65**
Liabilities and Provisions – F					
Secured Loans	3,756.85	1,964.64	403.10	7.12	659.82
Unsecured Loans	-	-	510.75	-	-
Deferred Tax Liabilities	8.28	4.53	2.75	-	-
Minority Interest	-	0.31	-	-	-
Current Liabilities	7,918.50	4,090.43	1,717.72	2,051.13	140.01
Provisions for tax	666.41	97.96	23.59	(0.30)	(0.20)
Provisions for retirement benefits to employees	3.52	1.71	0.07	0.13	0.07
Total –F	**12,353.56**	**6,159.58**	**2,657.98**	**2,058.08**	**799.70**
Net Worth (E-F)	**7,322.68**	**1,851.80**	**710.79**	**(15.01)**	**(11.05)**
Net Worth represented by					
Share Capital	1,800.00	500.00	100.00	20.00	20.00
Reserve and Surplus	5,541.94	1,365.98	610.79	(35.00)	(31.04)
Total	**7,341.94**	**1,865.98**	**710.79**	**(15.00)**	**(11.04)**
Less: Miscellaneous Expenditure	19.26	14.18	-	0.01	0.01
(to the extent not written off or adjusted)					
Net Worth	7,322.68	1,851.80	710.79	(15.01)	(11.05)

As per our report of even date
For Thar & Co.
Chartered Accountants

For and on behalf of Board of Directors

Rakesh Kumar Wadhawan
(Director)

Sarang Wadhawan
(Director)

Jayesh R. Thar
(Proprietor)
Membership No. 32917
Place: Mumbai
Date: June 1, 2007.

K P Devassy
(Chief Financial Officer)

Amitabh Verma
(Company Secretary)

ANNEXURE 2

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	**2006**	**2005**	**2004**	**2003**
INCOME					
Turnover	12,041.92	4,348.57	649.34	58.16	99.09
Other income	205.99	185.72	99.66	15.69	5.53
Increase/(Decrease) in stock in trade	113.75	104.56	(1.46)	24.37	(1.84)
Increase/(Decrease) in work in progress	8,361.94	2,066.10	754.72	1,502.35	234.29
Cost of premises capitalised as investment	85.30	0.63	373.59	-	-
Cost of premises capitalized on fixed assets	155.32	-	-	14.40	-
Total	20,964.22	6,705.58	1,875.85	1,614.97	337.07
EXPENDITURE					
Purchases	11,286.67	4,038.90	1,213.30	1,251.92	108.21
Operating and other expenses	2,555.76	1,032.37	261.96	210.26	214.37
Employees remuneration and welfare expenses	84.76	18.85	9.67	3.25	1.66
Administrative expenses	226.32	88.09	50.16	8.77	7.08
Financial Expenses	546.33	176.26	166.11	143.76	33.89
Depreciation	7.57	2.82	1.47	0.91	0.49
Preliminary expenses written off	5.70	3.55	-	-	-
Total	**14,713.11**	**5,360.84**	**1,702.67**	**1,618.87**	**365.70**
Operating profit before tax	6,251.11	1,344.74	173.18	(3.90)	(28.63)
Less: Provision for taxation	768.34	169.91	24.70	-	-
Less: Provision for fringe benefit tax	2.03	1.30	-	-	-
Less: Deferred tax liability / (asset)	3.14	1.63	2.75	-	-
(Add) / Less : (Excess) / short provision for taxation no longer required	(2.41)	(2.64)	-	-	0.01
Operating profit after tax	5,480.01	1,174.54	145.73	(3.90)	(28.64)
(Add) / Less: Adjustments for changes in accounting policy or any audit qualification.	(1.71)	1.64	(0.06)	0.06	-
Restated profit after tax	5,481.72	1,172.90	145.79	(3.96)	(28.64)
Balance brought forward from previous year	1,035.00	118.24	(35.00)	(31.04)	(2.40)
Profit available for appropriation	6,516.72	1,291.14	110.79	(35.00)	(31.04)
APPROPRIATIONS					
Less: Transfer to General reserve	629.88	230.98	-	-	-
Less: Utilised for issue of bonus shares	980.00	-	-	-	-
Profit before minority interest	4,906.84	1,060.16	110.79	(35.00)	(31.04)
Less: minority interest	-	0.21	-	-	-
Less: pre-acquisition profit	-	24.95	-	-	-
Less: goodwill written off	5.75	-	-	-	-
Profit carried to Balance Sheet	4,901.09	1,035.00	110.79	(35.00)	(31.04)

As per our report of even date

For Thar & Co.
Chartered Accountants

Jayesh R. Thar
(Proprietor)

For and on behalf of Board of Directors

Rakesh Kumar Wadhawan
(Director)

Sarang Wadhawan
(Director)

Membership No. 32917	K P Devassy	Amitabh Verma
Place: Mumbai	(Chief Financial Officer)	(Company Secretary)
Date: June 1, 2007.		

ANNEXURE 3

CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and appropriations	6,251.11	1344.74	173.18	(3.90)	(28.63)
Adjustments for:					
Depreciation	7.57	2.82	1.47	0.91	0.49
Profit on sale of Investments	(72.95)	(24.15)	-	-	-
Loss on sale of Fixed Assets	-	0.10	-	-	-
Preliminary expenses written off	5.70	3.55	-	-	-
Interest expense	39.92	101.39	1.00	1.04	1.19
Interest received	-	-	(0.02)	-	(0.02)
Dividend Income	-	(4.01)	(0.08)	(0.08)	-
Operating profit before working capital changes	6,231.35	1,424.44	175.55	(2.03)	(26.97)
Adjustments for :					
(Increase)/Decrease in sundry debtors	(2,331.11)	(772.51)	(4.28)	1.96	4.02
(Increase)/Decrease in Loans and advances	(566.60)	41.44	(302.68)	201.73	(214.61)
(Increase)/Decrease in Inventories	(8,475.69)	(2,170.66)	(753.26)	(1,207.53)	(232.45)
Increase/(Decrease) in Current liabilities	3831.57	2,233.21	(333.41)	1911.12	5.34
Cash generated from / (used in) Operations	(1310.48)	755.92	(1,218.08)	905.25	(464.67)
Tax paid	199.68	(91.51)	(0.81)	(0.11)	0.05
Net cash from / (used in) operating activities	(1,510.16)	664.41	(1,218.89)	905.14	(464.62)
B.CASH FLOW FROM					
INVESTING ACTIVITIES					
Purchase of Fixed assets	(203.73)	(18.90)	(3.19)	(18.56)	(4.53)
Sale / (Purchase) of Investments	(420.40)	(496.99)	(250.05)	(246.35)	37.25
Interest received	-	-	0.02	-	0.02
Outflow in capital work in progress	6.88	(10.34)	-	-	-
Dividend Income	3.34	4.01	0.08	0.08	-
Exceptional Items- Goodwill	-	(28.77)	-	-	-
Net cash from/(used in)					
Investing activities	(613.91)	(550.99)	(253.14)	(264.83)	32.74
C. CASH FLOW FROM FINANCING ACTIVITIES					
Interest expenses	(39.92)	(101.39)	(1.00)	(1.04))	(1.19)
Increase/(Decrease) in secured loans	1792.20	1,561.54	395.98	(652.70)	447.68
Increase/(Decrease) in unsecured loans	-	(1,166.69)	510.75	-	-
Expenses towards increase in share capital	(10.78)	(17.73)	-	-	-
Further Issue of Shares	-	-	80.00	-	-
Security Premium	-	-	500.00	-	-
Net cash from / (used in) Financing activities	1,741.50	275.73	1,485.73	(653.74)	446.49
Net increase/(decrease) in cash and cash equivalents	(382.55)	389.15	13.70	(13.42)	14.61
Cash and cash equivalents as at the beginning of the period/year	439.61	50.46	5.57	18.99	4.38
Cash and cash equivalents as at the end of the period/year	57.06	439.61	19.27	5.57	18.99

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 bracket.

As per our report of even date
For Thar & Co.
Chartered Accountants

Jayesh R. Thar
(Proprietor)
Membership No. 32917
Place: Mumbai
Date: June 1, 2007.

For and on behalf of Board of Directors

Rakesh Kumar Wadhawan
(Director)

Sarang Wadhawan
(Director)

K P Devassy
(Chief Financial Officer)

Amitabh Verma
(Company Secretary)

ANNEXURE 4
CONSOLIDATED STATEMENTS OF FIXED ASSETS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,														
	2007			2006			2005			2004			2003		
	Gross	Depreciation	Net	Gross	Depreciation	Net	Gross	Depreciation	Net	Gross	Depreciation	Net	Gross	Depreciation	Net
Office Premises	182.38	2.47	179.90	27.06	2.03	25.03	22.85	1.22	21.63	22.85	0.84	22.01	8.45	0.71	7.74
Office Equipments	27.89	2.16	25.73	6.62	1.13	5.49	4.53	0.57	3.96	3.77	0.35	3.42	2.56	0.19	2.37
Computer	17.19	4.50	12.69	5.55	2.09	3.46	3.75	0.85	2.90	2.63	0.35	2.28	0.60	0.03	0.57
Furniture & Fixtures	13.61	2.01	11.60	3.46	0.62	2.84	2.72	0.40	2.32	1.88	0.27	1.61	1.40	0.16	1.24
Vehicle	25.60	4.79	20.82	20.25	2.48	17.77	2.81	0.80	2.01	2.34	0.56	1.78	1.90	0.37	1.53
Total	266.67	15.93	250.74	62.94	8.35	54.59	36.66	3.84	32.82	33.47	2.37	31.10	14.91	1.46	13.45

ANNEXURE 5
CONSOLIDATED STATEMENT OF SUMMERY INVESTMENTS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
In immovable property	412.59	325.97	373.59	-	-
Quoted Investments:					
With related parties					
In promoter group companies	-	28.85	-	-	-
Unquoted Investments:					
Other	1.50	1.50	0.50	0.50	0.50
With related parties					
In capital with partnership firm	0.12	0.08	0.08	0.08	0.04
Current capital account with partnership firms	1163.34	731.40	202.38	325.91	79.60
Total	1577.55	1,087.81	576.55	326.49	80.14

ANNEXURE 6
CONSOLIDATED STATEMENT INVENTORIES, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Stock in Trade (Stock of Flats / Shops/TDR)	252.43	138.69	34.13	35.59	11.22
Work in Progress	12,992.36	4,630.42	2,357.67	1,602.95	419.79
Total	13,244.79	4,769.11	2,391.80	1,638.54	431.01

ANNEXURE 7
CONSOLIDATED STATEMENT OF SUNDRY DEBTORS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Debt outstanding for the period exceeding 6 months	535.71	5.02	5.13	1.50	1.84
Debts due from persons related to directors/ promoters	-	-	-	-	-
Other debts	2577.41	776.98	1.76	1.11	2.73
Debts due from persons related to directors/ promoters	-	-	-	-	-
Total	3113.12	782.00	6.89	2.61	4.57

ANNEXURE 8

CONSOLIDATED STATEMENT OF LOANS AND ADVANCES, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Receivable from promoter/ promoter group companies:	0.61	0.43	0.37	0.05	0.06
Loans to employees					
Advances recoverable in cash or in kind or value to be received	1060.13	800.69	313.26	27.12	240.24
Other loans and advances	341.01	4.18	9.56	11.40	-
Deposits	4.18	9.64	18.25	0.19	0.19
Interest accrued on fixed deposit	-	6.64	-	-	-
Loan given to others	-	17.57	-	-	-
Total	1405.93	839.15	341.44	38.76	240.49

ANNEXURE 9

CONSOLIDATED STATEMENT OF SECURED LOANS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Term Loans:					
FROM BANKS					
i) HDFC Bank Limited	360.26	88.97	95.00	-	-
Secured against future lease rent in respect of property situated on ground and 2nd floor in Dheeraj Arma admeasuring about 24242.66 sq. ft. Rate of Interest as PLR plus 2 % p.a. Repayment by 100 EMI ending January, 2015.					
ii) Punjab National Bank	642.59	500.00	-	-	-
First pari passu charge on free sale area constructed / to be constructed together with undivided pro rata right, interest of the Company in land underneath being the Company's Slum Rehabilitation Scheme at Sambhaji Nagar as well as the right of sale / utilization of TDR generated from said Scheme, hypothecation of movables at the construction sight, hypothecation of book debts. Rate of interest PLR + 0.75 % p.a. Repayment by 19 quarterly instalment ending December, 2010.					
iii) Indian Overseas Bank	1373.83	500.00	-	-	-
First pari passu charge by mortgage / charge-cum-hypothecation of the project assets of the borrower. (Description of project: Borrower has development rights to construct a multistoried mall on a portion of land admeasuring 28465.78 sq. mt. in village Bhandup, Mumbai) Project assets include the following: (i) borrower's share of sale area to be constructed together with the undivided prorate right, interest, title of borrower in the land underneath comprising saleable area of 4,00,000 sq. ft. in the mall and 2,50,000 sq. ft. in the basement parking lot. (ii)					

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Construction material brought at site for the purpose of construction of the buildings. (iii) receivables which may be generated from the booking of free sale area from time to time. Rate of interest PLR + 1.5 %p.a. Repayment in 54 EMI.					
iv) Syndicate Bank	897.05	862.00	-	-	-
Equitable Mortgage of non agricultural land of total area 6887741 sq. ft. at village Dongre, Vasai district of value Rs.137.76 crores and book debts, outstanding monies receivables, claims, bills, contracts securities, investments, goodwill, rights and assets as security. Rate of interest PLR + 1 % p.a. Repayment by 50 EMI ending February, 2010.					
v) Punjab and Maharashtra Co-Op.Bank Ltd.	-	4.36	5.81	7.12	8.16
Physical possession by way of lease of 1st Floor of Premises Dheeraj Pali Arcade at Pali Naka, Bandra against future Rent					
vi) Punjab and Maharashtra Co-Op.Bank Ltd.	-	-		-	651.66
Secured by Hypothecation of Inventory, units to be constructed and personal guarantees of directors					
vii) Bank of Maharashtra	-	0.20	-	-	-
Secured by physical possession by way of lease of ground floor of premises at shopping centre at Mahim Palghar. (Amount repayable within next 12 months exclusive of interest 0.20 million)					
viii) lC1Cl Bank Limited	5.58	9.11	-	-	-
Hypothecation of vehicle with registration No. MH-06 AD 5000, MH 43 L 9000, MH 43 L 7000, MH 43 L 6000, MH 43 L 8000					
ix) Indian bank	370.48	-	-	-	-
First pari passu charge by mortgage / charge-cum-hypothecation of the project assets of the borrower. (Description of project: Borrower has development rights to construct a multi storied mall on a portion of land admeasuring 28465.78 sq. mt. in village Bhandup, Mumbai) Project assets include the following: (i) borrower's share of sale area to be constructed together with the undivided prorate right, interest, title of borrower in the land underneath comprising saleable area of 4,00,000 sq. ft. in the mall and 2,50,000 sq. ft. in the basement parking lot. (ii) Construction material brought at site for the purpose of construction of the buildings. (iii) Receivables which may be generated from the booking of free sale area from time to time. Rate of interest PLR + 1 % p.a. Repayment by 42 EMI ending September, 2009.					

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
x) Bank of India	107.06	-	-	-	-
Assignment of lease rentals receivable over a period of 120 months from Huawei Telecommunication. Rate of interest PLR + 1 % p.a. Repayment by 120 EMI ending July, 2016.					
xi) Dewan Housing Finance Corporation Limited	-	-	302.29	-	-
Secured against future lease rent in respect of property situated on Ground, 1st, 7th , 8th floors in Dheeraj Arma admeasuring about 79807 sq.ft					
Total (I to xi)	3756.85	1,964.64	403.10	7.12	659.82

ANNEXURE 10

CONSOLIDATED STATEMENT OF UNSECURED LOANS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Loans from:					
Directors (Interest free, repayable on demand)	-	-	510.75	-	-
Group Companies	-	-	-	-	-
Shareholders (other than directors)	-	-	-	-	-
Other corporate bodies	-	-	-	-	-
Total	-	-	510.75	-	-

ANNEXURE 11

CONSOLIDATED STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
A.CURRENT LIABILITIES					
Creditors for Goods and Services:					
1) Total outstanding dues of small scale industrial undertaking	-	-	-	-	-
2) Total outstanding dues of creditors other than small scale industrial undertaking	997.09	390.40	170.12	73.31	57.34
Creditors for Land Purchase	1,687.78	356.67	120.44	708.56	-
Creditors for Expenses	11.69	0.87	1.80	0.64	0.90
Advances from Customers	5,121.04	3,294.98	1,324.41	247.94	80.37
Other Liabilities	100.90	31.52	100.95	1,020.68	1.40
Interest accrued but not due on loans	-	15.99	-	-	-
Total	7,918.50	4,090.43	1,717.72	2,051.13	140.01
B. PROVISIONS					
Provisions for retirement benefit to the employees	3.52	1.71	0.07	0.13	0.07
Provision for taxation	940.03	168.25	24.70	-	-
Provision for fringe benefit tax	3.33	1.30	-	-	-
Less: Advance Tax	276.96	71.59	1.11	0.30	0.20
Net Provision for tax	666.40	97.96	23.59	(0.30)	(0.20)
Total Provisions	669.92	99.67	23.66	(0.17)	(0.13)

ANNEXURE 12
CONSOLIDATED STATEMENT OF SHARE CAPITAL, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Share Capital					
Authorised :					
Equity share of Rs. 10/- each	2500.00	1000.00	100.00	100.00	20.00
Issued, Subscribed and Paid up					
Equity share of Rs. 10/- each fully paid up	1800.00	500.00	100.00	20.00	20.00

ANNEXURE 13
CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Share Premium - A					
Balance As per last Balance Sheet	100.00	500.00	500.00	-	-
Less: Utilised for issue of fully paid bonus shares	100.00	400.00	-	-	-
Total - A	-	100.00	500.00	-	-
General Reserve - B					
Balance as per last Balance Sheet	230.98	-	-	-	-
Add: Transfer from Profit and Loss Account	629.87	230.98	-	-	-
Less: Utilised for issue of fully paid bonus shares	220.00	-	-	-	-
Total - B	640.85	230.98	-	-	-
Profit and Loss Account - C	4901.09	1,035.00	110.79	(35.00)	(31.04)
Total - (A+B+C)	5541.94	1,365.98	610.79	(35.00)	(31.04)

ANNEXURE 14
CONSOLIDATED STATEMENT OF TURNOVER, AS RESTATED

Rs. in Million

Particulars	For the year ended on 31st March,				
	2007	2006	2005	2004	2003
Sales of Commercial and Residential Units	2647.16	485.28	202.27	30.87	99.09
Sale of Development Right/ FSI	8288.96	3,282.70	447.07	27.29	-
Sale of Land	1105.80	580.59	-	-	-
Total	12041.92	4,348.57	649.34	58.16	99.09

ANNEXURE 15
CONSOLIDATED STATEMENT OF OTHER INCOME, AS RESTATED

Rs. in Million

Particulars	For the year ended on 31st March,				
	2007	2006	2005	2004	2003
Recurring income: - A					
Dividend income	3.34	4.01	0.08	0.08	-
Interest Income	-	-	0.02	-	0.02
Society maintenance and other incidental receipts	19.54	-	0.51	3.32	1.30
Rent and compensation received	101.36	71.88	22.15	2.23	2.18
Miscellaneous receipts	0.93	0.24	0.98	0.32	2.03
Shares of profit/loss from joint ventures and partnership	11.21	85.44	75.92	9.74	-

firms					
Total (A)	**136.38**	**161.57**	**99.66**	**15.69**	**5.53**
Non recurring income: - B					
Profit on sale of investments	69.61	24.15	-	-	-
Total (B)	**69.61**	**24.15**	**-**	**-**	**-**
Grand total (A+B)	**205.99**	**185.72**	**99.66**	**15.69**	**5.53**

ANNEXURE 16
CONSOLIDATED STATEMENT OF LAND AND CONSTRUCTION EXPENSES, AS RESTATED

Rs. in Million

Particulars	For the year ended on 31st March,				
	2007	**2006**	**2005**	**2004**	**2003**
Purchases:					
Land purchases	6,286.65	1,599.85	165.48	1,026.13	55.13
TDR purchases	136.71	1.96	415.36	-	-
Tenancy right purchases	2,861.57	1,485.84	361.30	76.59	-
Civil material	2,001.74	951.25	271.16	149.20	53.08
Total	**11,286.67**	**4,038.90**	**1,213.30**	**1,251.92**	**108.21**
Operating and Other Expenses:					
Civil contract work	1,898.68	384.10	63.96	94.97	165.75
Other expenses	657.08	648.27	198.00	115.29	48.62
Total	**2,555.76**	**1,032.37**	**261.96**	**210.26**	**214.37**
Total construction expenses	**13,842.43**	**5,071.27**	**1,475.26**	**1,462.18**	**322.58**

ANNEXURE 17
CONSOLIDATED STATEMENT OF ADMINISTRATIVE EXPENSES, AS RESTATED

Rs. in Million

Particulars	For the year ended on 31st March,				
	2007	**2006**	**2005**	**2004**	**2003**
Office expenses	2.80	0.58	0.39	0.28	0.09
Telephone charges	8.36	7.35	2.52	0.95	0.95
Electricity charges	4.79	3.21	3.65	1.27	0.78
Repairs and maintenance to other assets	1.20	0.49	0.46	0.37	0.08
Postage	0.14	0.09	-	-	0.02
Legal expenses	1.32	0.36	0.27	-	-
Printing and stationary	5.75	1.96	1.66	0.56	0.40
Conveyance expenses	3.17	1.72	0.75	0.52	0.23
Membership and subscription fees	0.06	0.06	-	0.01	-
Travelling expenses	7.31	2.40	0.10	0.38	0.04
Bank charges	0.43	0.20	0.80	0.14	0.16
Car expenses	4.27	4.24	1.67	0.40	0.29
Brokerage	12.96	1.56	2.33	0.11	-
Security charges	1.34	0.92	0.64	0.41	0.27
Society charges	0.73	0.30	0.29	1.16	-
Professional fees	15.18	8.50	4.93	0.42	0.33
Internet expenses	-	0.11	0.05	-	-
Advertisement expenses	75.21	2.48	10.97	0.10	0.05
Rent, rates and taxes	18.83	4.43	1.13	-	0.01
Books and periodicals	0.17	0.07	0.02	0.02	-
Loan processing charges	14.92	9.55	1.70	-	-
Sales promotion expenses		3.27	1.15	-	-
Stamping and registration	13.40	-	2.87	-	-

Particulars	For the year ended on 31st March,				
	2007	2006	2005	2004	2003
Directors remuneration	1.50	0.42	0.18	0.42	0.48
Directors sitting Fees	0.98	-	-	-	-
Maintenance	0.25	3.77	-	-	0.44
Miscellaneous expenses	0.24	0.18	0.42	0.06	0.06
Interest on delayed payment of T.D.S.	0.08	0.09	-	-	-
Remuneration to auditors	2.75	0.84	0.10	0.10	0.10
Donations	21.27	24.92	11.10	-	2.04
ROC filing fees	0.04	0.02	0.01	0.41	-
Loss on sale of fixed assets	-	0.10	-	-	-
Insurance charges	6.23	2.74	-	0.03	0.01
Exhibition expenses	-	1.16	-	0.01	0.25
Foreign exchange variation	0.64	-	-	-	-
Car hire charges	-	-	-	0.65	-
Total	226.32	88.09	50.16	8.77	7.08

ANNEXURE 18

CONSOLIDATED STATEMENT OF FINANCE CHARGES, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Interest on Borrowings					
Project specific interest	506.41	74.87	165.11	142.72	32.70
Other Interest	39.92	101.39	1.00	1.04	1.19
Total	546.33	176.26	166.11	143.76	33.89

ANNEXURE 19

CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED

Rs. in Million

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Providing Collateral Security by way of property situated at 3rd and 4th floor of Dheeraj Arma admeasuring 25000 Sq.Ft. each, under obligation of joint development agreement with Dinshaw Trapinex Builders Private Limited	500.00	500.00	500.00	-	-
Towards counter guarantee to bank for issuing Bank Guarantee	-	-	-	10.00	-
Claims against the company not acknowledged as debts represented a suit filed by a party in the High Court, Bombay and disputed by the company relating to failure to handover multiplex premises. In the opinion of the management the above claim is not sustainable.	373.78	-	-	-	-
Total	873.78	500.00	500.00	10.00	-

ANNEXURE 20

CONSOLIDATED STATEMENT OF DIVIDEND PAID, AS RESTATED

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Equity Shares					
Number of Shares	180,000,000	50,000,000	10,000,000	2,000,000	2,000,000
Face Value per Share(Rs.)	10.00	10.00	10.00	10.00	10.00
Paid-up Value per Share (Rs.)	10.00	10.00	10.00	10.00	10.00
Rate of Dividend (%)	-	-	-	-	-
Total Dividend	-	-	-	-	-

ANNEXURE 21

CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Earning Per Shares (EPS)					
Net Profit after Tax (As Adjusted) (Rs in Million)	5481.72	1,172.90	145.79	(3.96)	(28.64)
No. of equity shares	180,000,000	50,000,000	10,000,000	2,000,000	2,000,000
Restated Weighted Average Number of Equity Shares	180,000,000	180,000,000	52,964,384	36,000,000	36,000,000
EPS Basic/ diluted (Rs.)	30.45	6.52	2.75	(0.11)	(0.80)
Net Assets Value (NAV)					
Net Assets (Rs. in Million)	7322.68	1,851.80	710.79	(15.01)	(11.05)
No. of equity shares	180,000,000	50,000,000	10,000,000	2,000,000	2,000,000
Restated Weighted Average Number of Equity Shares	180,000,000	180,000,000	52,964,384	36,000,000	36,000,000
N A V per share (Rs.)	40.68	10.29	13.42	(0.42)	(0.31)
Return on Net Worth					
Net Profit after Tax(As Adjusted) (Rs. In Million)	5481.72	1,172.90	145.79	(3.96)	(28.64)
Net Worth (Rs. in Million)	7322.68	1,851.80	710.79	(15.01)	(11.05)
Return on Net Worth (%)	74.86	63.34	20.51	-	-

Note:

1. Earning per Equity Share: - Adjusted Net Profit after Tax / Restated Weighted Average Number of Equity Shares.

2. Net Asset Value: - Adjusted Net Assets / Restated Weighted Average Number of Equity Shares

3. Return on Net Worth: Adjusted Net Profit After Tax / Adjusted Equity Share holder fund * 100

4. The earning per share is calculated in accordance with the Accounting Standard 20 "Earnings per share" issued by the Institute of Chartered Accountants of India.

5. Restated shares have been computed pursuant to the second issue of bonus shares in the ratio of thirteen shares for every five shares held on 29th July 2006, first issue of bonus shares in the ratio of four shares for every one share held on 30th March 2006 by utilising free reserves and issue of further shares in the ratio of four shares for every one share held on 17th February 2005.

ANNEXURE 22

CONSOLIDATED STATEMENT OF CAPITALISATION, AS RESTATED

Rs. in Million

Particulars	Pre-Issue as at 31st March, 2007	Adjusted for present issue
Borrowings:		
Short term Debts	-	
Long term Debts	3,756.85	
Total Debts	**3,756.85**	
Shareholders Funds:		
Share Capital	1,800.00	
Reserves and Surplus	5,541.94	
Total Shareholders Funds	7,341.94	
Long Term Debt / Equity Ratio	0.51	

Notes:

1. Debts maturing within one year from 31st March 2007 are considered as short-term debts.

2. Share Capital and Reserves (post Issue) can be calculated only on Issue Price finalization.

ANNEXURE 23

CONSOLIDATED STATEMENT OF TAX SHELTER, AS RESTATED

Rs. in Million

Particulars	For the year ended 31st March,				
	2007	**2006**	**2005**	**2004**	**2003**
Profit before tax (See Notes below) (A)	6251.11	1,344.74	173.18	(3.90)	(28.63)
Tax thereon - Rate (%)	33.66	33.66	36.59	35.88	36.75
Tax at the above Rate (B)	2104.12	452.64	63.37	(1.40)	(10.52)
Adjustments:					
Permanent Differences					
Share of Profit from Partnership Firm exempt from tax	(11.21)	(85.44)	(75.92)	-	-
Dividend	(3.28)	(3.76)	(0.08)	-	-
Profit on sale of investment (shares)	(69.61)	-	-	-	-
Interest on delayed payment of TDS	0.07	-	-	-	-
Repairs expenses allowable from Income from House Property	(0.45)	(0.44)	-	-	-
Donations	21.27	24.42	11.10	-	2.04
Share Issue Expenses	5.71	3.55	-	-	-
Net effect of 80IA/80IB/80G/80GGB	(5227.45)	(773.20)	(2.85)	-	-
Previous year's business loss and depreciation adjusted	-	(1.40)	-	-	-
Others	(24.17)	(45.28)	(6.22)	(0.67)	(0.66)
Total Permanent Difference (C)	(5309.12)	(881.55)	(73.97)	(0.67)	1.38
Timing Difference:					
Difference on account of Depreciation	(15.41)	(3.58)	(2.82)	(2.22)	(1.22)
Profits or Losses on sale of Fixed Assets	-	24.25	-	-	-
Provision for gratuity / Leave encashment.	3.29	0.23	-	-	-
Set off Unabsorbed Losses /Depreciation	-	-	(42.28)	-	-
Total Timing Differences (D)	(12.12)	20.90	(45.09)	(2.22)	(1.22)

Particulars	For the year ended 31st March,				
	2007	2006	2005	2004	2003
Net Adjustment (E) = (C+D)	(5321.24)	(860.65)	(119.07)	(2.89)	0.16
Tax Expenses / (Saving) thereon (F)	(1791.13)	(289.70)	(43.57)	(1.04)	0.06
Taxable Income / Loss(G) = (A+E)	929.87	484.09	54.12	(6.79)	(28.46)
Taxable Income as per MAT	6236.62	1,254.14	97.18	-	-
Tax as per Income Tax Returned	699.84	162.94	19.81	-	-
MAT Tax Credit Utilised	-	-	-	-	-
Interest U/s 234A, 234B & 234C	68.50	10.10	2.25	-	-
Net tax paid as per Return	768.34	173.04	22.06	-	-

Notes:

1. The information pertaining to the years ended 31st March 2003 to 31st March 2006 are as per the Return of Income filed by the Company. The effects of assessment/appellate orders have not been considered.

2. Information pertaining to the year ended 31st March, 2007 is as per draft computation prepared by Management of the Company, as return of Income is not yet due for filing.

ANNEXURE 24

STATEMENT OF RELATED PARTY DISCLOSURE, AS RESTATED

Rs. in Million

Particulars	Nature of relationship	Name of the related parties	For the year ended 31st March,				
			2007	2006	2005	2004	2003
Director Remuneration	Key Management Personnel (Earlier years)	Anjana Sakhuja	-	-	0.18	0.21	0.24
		Hetin Sakhuja	-	-	-	0.21	0.24
	Key management personnel	Mr. Sarang Wadhawan	1.50	-	-	-	-
Purchase of Investments	Non Executive Chairman	Mr. Rakesh Kumar Wadhawan	0.27	15.36	-	-	-
	Key management personnel	Mr. Sarang Wadhawan	-	2.16	-	-	-
Purchase of Goods & Contractual Services	Non Executive Chairman	Mr. Rakesh Kumar Wadhawan	866.63	-	-	-	-
Advances and Loans given / (received)	Associate – Partnership firm	Heritage Housing Development Corporation	(128.85)	(93.60)	(123.53)	246.31	(25.68)
		D.S. Corporation	585.83	599.98	-	-	-
		Agnel Developers	175.65	22.64	-	-	-
Advances given	Non Executive Chairman	Mr. Rakesh Kumar Wadhawan	-	-	510.75	-	-

List of related parties with whom transactions have taken place during the year and relationship.

Associates	Heritage Housing Development Corporation
Enterprises significantly influenced by the Key Management personnel:	D.S. Corporation Agnel Developers
Key Management Personnel	Mr. Sarang Wadhawan

Mr. K. P. Devassy
Mr. Amitabh Verma

Key Management Personnel (Earlier years)	Smt. Anjana Sakhuja Mr. Hetin Sakhuja

ANNEXURE 25
Significant Accounting Policies and notes thereon

A. **Nature of operations :**

Housing Development and Infrastructure Limited was incorporated on 25th July, 1996. Housing Development and Infrastructure Limited along with its wholly owned subsidiary Privilege Power and Infrastructure Private Limited is one of the leading residential, commercial and infrastructure developers in and around the city of Mumbai.

B. **Basis of preparation**

(A) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis to comply in all material respects and the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

(B) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company.

(C) Use of Estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

2 Principles of consolidation

The consolidated financial statements relate to Housing Development and Infrastructure Limited (The Company) and its subsidiary company Privilege Power and Infrastructure Private Limited. The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the company and its subsidiary company are combined on a line-by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and intra group transactions in accordance with Accounting Standard (AS) 21 on "Consolidated Financial Statements".

b. The difference between cost on investment in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Capital Reserve.

c. Minority interest's share of net profit of consolidated subsidiary for the period form 1st October 2005 to 21st December 2006 is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

d. Minority interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

e. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

3 Fixed assets and depreciation
Fixed Assets are capitalised at cost inclusive of expenses incidental thereto. Depreciation on fixed assets has been provided on straight-line method at the rates and in the manner as specified in Schedule XIV to the

Companies Act, 1956.

4 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as long-term investments and are carried at cost except provision for diminution in value is made to recognize a decline other than temporary as specified in Accounting Standard (AS 13) on “Accounting for Investments”.

5 Inventories

Inventories are valued as follows:

Work-in-progress -	Lower of cost or net realizable value. Cost includes direct materials, labour, construction expenses and borrowing cost.
Stock-in-trade -	Lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

6 Revenue recognition

The company follows completed project method of accounting (“Project Completion method of Accounting”). Allocable expenses incurred during the year are debited to work in progress account. The income is accounted for as and when the project gets completed or substantially completed and then revenue is recognized to the extent that it is probable that the economic benefit will flow to the company and the revenue can be readily measured.

Sale

a) Unit in Real Estate
Revenue is recognised when the significant risks and rewards of ownership of the units in real estate have passed to the buyer.

b) Rent and License fee
Revenue is recognised on accrual basis

c) Dividends
Revenue is recognised when the shareholders’ right to receive payment is established by the balance sheet date.

d) Interest
Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

e) Share of profit – Partnership Firms
Share of profit / (loss) from partnership firms is accounted in respect of the financial year ending on or before the balance sheet date.

7 Borrowing cost

Borrowing costs which have a direct nexus and are directly attributable to the construction projects or assets are charged to the projects/assets and other borrowing costs are expensed as period cost as specified in Accounting Standard (AS 16) on “Borrowing Costs”.

8 Employees Retirement Benefits:

a) Company’s contribution in respect of Employees’ Provident Fund is made to Government provident fund and is charged to Profit and Loss Account.

b) Gratuity and Leave encashment payable at the time of retirement are charged to Profit and Loss Account on the basis of actuarial valuation.

9 Income taxes

Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on “Accounting for Taxes on Income”. The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets are recognised only if there is a reasonable certainty that the assets will be realized in future.

10 (a) Amortization of miscellaneous expenditure
Miscellaneous expenditure is amortized over a period of five years.

(b) Goodwill arising out of Consolidated Financial Statements.
Goodwill arising out of consolidated financial statement is amortised over a period of five year by debiting proportionately to consolidate profit and loss account on year to year basis.

11 Segment reporting policies
The main business of the Holding and Subsidiary company is real estate development and construction of residential and commercial properties, operating and maintaining infrastructure facilities and all other related activities which the company revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting".

12 Earnings per share
Basic earnings per share are calculated by dividing the net profit/loss for the period attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the period. The average number of equity shares outstanding during the period is adjusted for event of bonus issue to the existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

13 Impairment
An Asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS 28) on impairment of assets.

14 Prepaid expenses:
Financial expense incurred during the year which provides benefit in several accounting years has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata basis in the future accounting years.

15 Foreign currency transaction
Foreign currency transactions are accounted at the rates prevailing on the date of transaction. Year end current assets and liabilities are translated at the exchange rate ruling on the date of Balance Sheet. Exchange differences on conversion are adjusted to;

i) cost of fixed assets, if the same relates to acquisition of fixed assets.
ii) profit and loss account, if it relates to the monetary items.
iii) investment in shares of foreign company is expressed in Indian currency at rates of exchange prevailing at the time when original investment is made.

16 Provisions
A provision is recognised when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

17 Contingent liabilities :
Contingent liabilities are not provided for in this account, and if any the same is reflected in notes to account.

C Other Notes:

1. Related party disclosure

Details of Subsidiaries and Associates as on 31st March, 2007.

A) Subsidiaries

Sr.No	Name of the Subsidiary Company	Country of Incorporation	Proportion of Ownership Interest
1)	Privilege Power and Infrastructure Private Limited	India	100%

B) Associates

Sr.No	Name of the Associates	Country of Incorporation	Proportion of Ownership Interest
1)	Dinshaw Trapinex Builders Private Limited.	India	Nil
2)	Prithvi Realtors and Hotels Private Limited	India	Nil
3)	Libra Hotel Private Limited	India	Nil
4)	Dewan Realtors Private Limited	India	Nil
5)	Wadhawan Holdings Private Limited	India	Nil
6)	Heritage Housing India Private Limited	India	Nil
7)	Libra Realtors Private Limited	India	Nil
8)	Privilege Industries Limited	India	Nil
9)	Heritage Housing Development Corporation	India	Nil

C) Details of Companies which were either subsidiaries or an Associate for the period prior to 31st March, 2007:

Sr.No	Name of the Subsidiary Company	Country of Incorporation	Proportion of Ownership Interest
1)	Dinshaw Trapinex Builders Private Ltd *	India	Nil

* Subsidiary by controlling the composition of Board of Directors.

Enterprises significantly influenced by the Key Management Personnel:	D.S. Corporation Agnel Developers
Key Management Personnel	Mr. Sarang Wadhawan Mr. K. P. Devassy Mr. Amitabh Verma
Key Management Personnel (Earlier years)	Smt. Anjana Sakhuja Mr. Hetin Sakhuja

2. Contingent Liabilities not provided for

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Providing Collateral Security by way of property situated at 3rd and 4th floor of Dheeraj Arma admeasuring 25000 sq.ft.each, under obligation of joint development agreement with Dinshaw Trapinex Builders Private Limited	500.00	500.00	500.00	-	-
Towards counter guarantee to bank for issuing Bank Guarantee	-	-	-	10.00	-

Particulars	As at 31st March,				
	2007	2006	2005	2004	2003
Claims against the company not acknowledged as debts representing a suit filed by a party in the High Court, Bombay and disputed by the company relating to failure to handover multiplex premises. In the opinion of the management the above claim is not sustainable.	373.78	-	-	-	-
Total	873.78	500.00	500.00	10.00	0.00

3 Change in the name of the company

The company has changed its name from Housing Development And Improvement India Limited to Housing development And Infrastructure Limited with effect from 29th August, 2006.

4 Changes in the Paid up Capital:

Further Issue of Share:

The Board of Directors at their meeting held on 17th February, 2005, approved the further issuance of 8,000,000 equity shares of Rs 10/- each at a premium of Rs 62.50 per share in the ratio of 4 shares for every 1 share held as on 17 th February, 2005 to the existing shareholders of the company.

Bonus issues

The Board of Directors at their meeting held on 30 th March, 2006, approved the issuance of 40,000,000 equity shares of Rs 10 each as Bonus shares in the ratio of 4 shares for every 1 shares held as on 30 th March, 2006.The Bonus shares were issued by capitalizing the accumulated profits of the company.

The Board of Directors at their meeting held on 29th July, 2006, approved the issuance of 130,000,000 equity shares of Rs. 10/- each as Bonus shares in the ratio of 13 shares for every 5 shares held as on 29th July, 2006. The Bonus shares were issued by capitalizing the accumulated profits of the company.

5 Sundry Creditors, Sundry Debtors and Loans and Advances include certain items for which confirmation are yet to be received and are considered payable/realizable as the case may be. The balances under above heads are as per the books of accounts and are subject to reconciliation and adjustment, if any.

6 Investment in partnership firms:-

a) Heritage Housing Development Corporation:- Share profit-44%, other partners & share of profit (1) Pioneer India Developers Private Limited-44% (2) Heritage Housing Development (I) Private Limited-12%.

b) Nahur Residence Developers:- Share of profit-40%, other partners & share of profit (1) Shri Sarang R Wadhawan-30% (2) Shri Dheeraj R Wadhawan-30%.

c) D.S. Corporation:- Share of profit-45%, other partners & share of profit (1) Shri Rakesh Kumar Wadhawan-15% (2) Prithvi Realtors & Hotels Private Limited-20% (3) Shri Sarang R Wadhawan-5% (4) Shri Waryam Singh - 5% (5) Shri Dheeraj R Wadhawan-5% (6) Shri Sunpreet Singh - 5%.

Agnel Developers:- Share of profit-62%, other partners & share of profit (1) Shri Rakesh Kumar Wadhawan-16% (2) Shri Waryam Singh - 11% (3) Smt. Ines Kumar -11%

7 Adjustment relating to changes in accounting policies and estimates:

Retirement benefits:

The company has not provided for liability on account of payment of gratuity to employees in accordance with the provisions of Accounting Standard 15 “Accounting for Retirement benefits” as laid down by Institute of Chartered Accountants of India upto 31st March 2006. The effect of the same has been given in respective restated accounting years.

For Thar & Co.
Chartered Accountants

For and on behalf of Board of Directors

	Rakesh Kumar Wadhawan (Director)	Sarang Wadhawan (Director)
Jayesh R. Thar (Proprietor) Membership No. 32917 Place: Mumbai Date: June 1, 2007.	K P Devassy (Chief Financial Officer)	Amitabh Verma (Company Secretary)

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Housing Development and Infrastructure Limited
9th Floor, Dheeraj Arma,
Anant Kanekar Marg, Station Road,
Bandra (East),
Mumbai – 400 051,
Maharashtra, India

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby report that the enclosed annexure states the probable tax benefits that may be available to Housing Development and Infrastructure Limited (the "Company") and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 and other allied direct and indirect tax laws presently prevailing and in force in India.

Several of these benefits are subject to the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is subject to fulfillment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are neither exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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 revenue authorities / courts will concur with the views expressed herein.

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. While all reasonable care has been taken in the preparation of this opinion we accept no responsibility for any errors and omissions therein or for any loss sustained by any person who relies on it.

This report is intended solely for information and for the inclusion in the offer Document 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 Thar & Co.
Chartered Accountants

Jayesh R. Thar
Proprietor
Membership No. 32917
Date: June 1, 2007.

BENEFITS AVAILABLE UNDER INCOME TAX ACT, 1961 ("THE IT ACT")

Benefits available to the Company

a. In accordance with and subject to the conditions specified under Section 80 -IB (10) of the IT Act, the Company is eligible for one hundred percent deduction of the profits derived from development and building of Housing Projects approved before 31 March, 2007, by a local authority.

b. Under section 10(34) of the IT Act, income by way of dividends referred to in section 115-O received by the Company from domestic companies is exempt from income tax.

c. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder company on transfer of equity shares held in another Company as investment 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. However, as amended by Finance Act, 2006 from A.Y.2007-08, long term capital gain needs to be taken into account in computing the book profit and income tax payable under section 115 JB.

d. Under section 24(a) of the IT Act, the 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).

e. Under section 24(b) of the IT Act, 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 the income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in five equal installments beginning with the year of acquisition or construction.

f. 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, as per second proviso to section 48 of the IT Act, in respect of Long Term Capital Gains arising out of transfer of Long Term Capital Assets i.e. shares held in Indian Company for a period exceeding 12 months or other capital assets held for a period exceeding 36 months , 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.

g. Under section 115JAA (2A) of the IT Act, tax credit shall be allowed in respect of any tax paid (MAT) under section 115JB of the Act for any Assessment Year commencing on or after 1st April, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years immediately succeeding the year in which the MAT credit initially arose.

Benefits available to resident shareholders, approved infrastructure capital companies, infrastructure capital funds and co -operative banks

a. Under section 10(34) of the IT Act, income by way of dividends referred to in section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder 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.

c. 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, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares 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.

d. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) notified by Central Government in the official gazette 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, the 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. 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 of the IT Act for any assessment year beginning on or after April 1, 2006.

e. Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those 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 subject to certain conditions, if the net consideration 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.

f. In terms of section 88E of the 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. 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 on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

g. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of 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. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

h. However In the case of an Individual or a Hindu Undivided Family, Being resident, where the total income as reduced by such short term capital gains is below the maximum amount which is not chargeable to Income Tax then, such short term capital gain shall be reduced by the amount by which total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the tax on the balance of such short term capital gains shall be computed at the rate of ten percent. Where the gross total income of an assessee includes any short term capital gain referred herein above then the deduction under chapter VI – A shall be allowed from the gross total income as reduced by such capital gains.

i. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those 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. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

   Provided that in the case of an Individual or a Hindu Undivided Family where the total income as reduced by such long term capital gains is below the maximum amount which is not chargeable to income tax, then, such long term capital gain shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the balance of such long term capital gains shall be computed at the rate of 20%.

Benefits available to mutual funds

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.

Benefits available to foreign institutional investors ('FIIs')

a. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder 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.

c. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) notified by Central Government in the official gazette 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, the 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.

d. In terms 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. 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 on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

e. 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.

f. Under section 115AD (1)(ii) of the IT Act short term capital gains on transfer of securities shall be chargeable @ 30% and 10% (where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax). The above rates are to be increased by applicable surcharge and education cess.

g. Under section 115AD(1)(iii) of the IT Act income by way of long term capital gain arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable @10% (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

Benefits available to venture capital companies / funds

Under section 10(23FB) of the IT Act, any income of Venture Capital companies/ Funds (registered with the Securities and Exchange Board of India) from investment in venture capital undertaking as specified in sub clause (c) would be exempt from income tax, subject to conditions specified therein. As per section 115-U 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.

Benefits available to non-residents/ non-resident Indian shareholders (other than mutual funds, FIIs and foreign venture capital investors)

a. Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

b. Under section 10(38) of the IT Act, long term capital gains arising to a shareholder 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.

c. Under the first proviso to section 48 of the IT Act, in case of a non resident shareholder, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations) (in cases not covered by section 115E of the IT Act-discussed hereunder), protection is provided from fluctuations in the value of the Rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.

d. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) notified by Central Government in the official gazette 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, the 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.

e. Under section 54F of the IT Act and subject to the conditions specified therein, long- term capital gains (other than those 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 subject to certain conditions, if the net consideration 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.

f. Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity shares 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. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

g. Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those 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. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

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:

a. In terms 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. 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 on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

b. 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.

c. Under section 115E of the IT Act, 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 India, 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.

d. Under provisions of section 115F of the IT Act, long term capital gains (in cases not covered under section 10(38) of the IT Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the IT Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in section 10(4B), within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

e. Under provisions of section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income under section 139(1) if his income chargeable under the Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

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

Gift tax is not leviable in respect of any gifts made on or after 1st 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 and 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; and

The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our restated audited consolidated financial statements and the notes to those statements included in this Red Herring Prospectus. This financial discussion is based on our restated audited consolidated financial statements as of and for the years ended March 31, 2003, 2004, 2005, 2006 and 2007, which have been prepared in accordance with Indian GAAP and are based on information available from other financial records of the Company. Our consolidated financial statements as of and for the financial years 2006 and 2007 include financial information for Privilege Power & Infrastructure Private Limited (PPIPL), which became our subsidiary on October 1, 2005. Consolidated financial statements for periods prior to financial year 2006 are not required to be consolidated and are presented accordingly because we had no subsidiaries during those periods which are currently existing as subsidiaries of our Company. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve months ending March 31 of that year.

Indian GAAP is substantially different from US GAAP and IFRS. Accordingly, the degree to which the financial statements included in this Red Herring Prospectus will provide meaningful information to a prospective investor in the U.S. or other countries is entirely dependent on the reader's level of familiarity with Indian accounting practices. Reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein. You should consult your own advisors regarding such differences and their impact on our financial data. The effect of such differences may be, individually or in the aggregate, material for the consolidated or non-consolidated net results and shareholders' equity prepared on the basis of US GAAP or IFRS as compared to those prepared on the basis of Indian GAAP.

Overview

We are a real estate development company in India, with our operations in the Mumbai Metropolitan Region. Our business focuses on Real Estate Development, including construction and development of residential projects and, more recently, commercial and retail projects, Slum Rehabilitation and Development, including clearing slum land and rehabilitating slum dwellers, and Land Development, including development of infrastructure on land which we then sell to other property developers. We have an integrated in-house development team which covers all aspects of property development from project identification and inception through construction to completion and sale.

Since our incorporation in 1996, we have developed 24 projects covering approximately 11.3 million square feet of saleable area, including approximately 5.7 million square feet of land sold to other builders after Land Development, all in the Mumbai Metropolitan Region. We also have constructed an additional 2.0 million square feet of rehabilitation area under slum rehabilitation schemes.

Our residential projects generally are comprised of groups of apartments, towers or larger multi-purpose "township" projects in which individual housing units are sold to customers. Our commercial projects are a mix of office space and multiplex cinemas. Our retail projects focus on shopping malls. We usually follow a "build and sell" model for the properties we develop.

We also undertake slum rehabilitation projects under a Government scheme administered by the Slum Rehabilitation Authority (SRA), whereby developers are granted valuable development rights in exchange for clearing and redeveloping slum lands, including providing replacement housing for the dislocated slum dwellers.

Our total land reserves are comprised of approximately 112.1 million square feet of saleable area to be developed through 32 Ongoing or Planned projects. We have 21 Ongoing Projects, which are projects under construction and development, aggregating to approximately 45.5 million square feet of saleable area, and we have an additional 11 Planned Projects, which are projects planned for construction and development in the future, aggregating approximately 66.6 million square feet of saleable area.

Our turnover from sales of projects, developed land and land development rights for the for financial years ended March 31, 2007, 2006, 2005 and 2004 were Rs. 1,2041.92, million, Rs. 4,348.57 million, Rs. 649.34 million and Rs. 58.16 million, respectively, and our restated net profits after tax for financial years ended March 31, 2007,2006 and 2005 were Rs. 5,481.72 million, Rs. 1,172.90 million and Rs. 145.79 million respectively. In financial year 2004, we incurred a loss of Rs. 4.0 million.

Factors Affecting Results of Operations

A number of factors affect our financial condition and results of operations, including the following:

Sales Volume and Development Cycle

We derive a majority of our income from the sale of our projects, the sale of FSI/TDRs and the sale of land, and our results of operations significantly depend upon the number of completed projects which are ready to be sold to customers in each financial year. All of our projects require substantial time to complete and the number of completed projects that are available for sale can vary significantly from period to period. We cannot predict with certainty when our projects will be completed as our project timetables are occasionally disrupted by unforeseen circumstances. While we begin selling units in a project upon commencement of construction, we only recognize revenue from such sales after construction is substantially complete and ownership of the units has been transferred to the purchasers. As a result of this revenue recognition policy, we recognize the majority of our revenues only after a significant amount of time, which typically ranges from 9 to 30 months, have elapsed from the date on which we commence construction of a project. Accordingly, our sales income from period to period fluctuates according to the number of projects we actually complete and which we actually sell and deliver to customers. We also earn revenues from the sale of TDRs and the sale of land. However, the availability of TDRs for sale may vary from period to period, as will the market demand for such TDRs.

As a result, we may record significant revenues or profits during one financial period while reporting significantly lower revenues or profits with respect to prior or subsequent financial periods. Therefore, the periods discussed in our financial statements included in this Red Herring Prospectus may not be comparable to each other or to future financial periods, and our results of operations and cash flows may fluctuate significantly from period to period and over time.

Participation in Slum Rehabilitation Schemes in Mumbai Metropolitan Region

We are an active participant in slum rehabilitation schemes in Mumbai Metropolitan Region. Through March 31, 2007, we have developed 24 projects covering approximately 11.3 million square feet of saleable area. We also have constructed an additional 2.0 million square feet of rehabilitation area under slum rehabilitation schemes. Slum rehabilitation projects give developers access to these areas for, in effect, the cost of clearing the slum and providing replacement housing in apartments for the affected slum dwellers.

In some cases, the developer is compensated with land development rights that may be transferred to projects anywhere in the Mumbai Metropolitan Region north of the area being rehabilitated. These transferable development rights (TDRs) can represent significant value to a developer because they permit construction of additional amounts of square footage of saleable area in locations where the developer otherwise would not be permitted to build beyond a certain amount of saleable area. We currently have 11 slum rehabilitation projects under construction.

We do not purchase the slum land we rehabilitate, although we incur costs during the construction of new housing for slum dwellers. Participation in the slum rehabilitation schemes, therefore, allows us to develop such land at a lower cost than we incur for projects for which we have to purchase land or land development rights. In addition, by obtaining development rights over parcels of slum land, we gain some protection against future increases in the purchase price of land in Mumbai. Therefore, any changes to, or the termination of, the slum rehabilitation schemes currently in effect in Mumbai could materially and adversely affect our land acquisition costs and results of operations.

Income from Sales of FSI/TDRs

We are permitted to sell to other developers the FSI/TDRs that we do not use ourself. There is an active market in the Mumbai Metropolitan Region, for the sale of FSI/TDRs. We typically own FSI/TDRs, which we acquire primarily as a result of our extensive involvement in slum rehabilitation projects. We also obtain FSI/TDRs through other types of projects, such as developing housing for people displaced as a result of the widening of municipal roads. Our revenue from the sale of FSI/TDRs was Rs. 8,289.0 million for the financial year 2007 and Rs. 3,282.7 million for financial year 2006, representing 39.54% and 48.95% of our total income, respectively.

Our ability to derive income from the sale of FSI/TDRs could be adversely affected by changes to the applicable planning and land use regulations in the Mumbai Metropolitan Region, such as regulations which restrict the areas in which TDRs can be used or which restrict the transferability of development rights, as well as those that set the maximum square footage of saleable area to specific ratios of land to building area.

Credit Policy for Debtors

Our Credit Policy depends on various factors including the nature of transactions and the type of customers. We typically do not extend credit to individual flat or office buyers. With respect to the sale of development rights or of land, the payment schedule is agreed with the buyers and is based on a number of factors including the size of the transaction and the duration of projects to be implemented by its customers. Revenues in connection with development rights or sale of land are recognized upon signing the agreements and unpaid and accrued amounts are shown as receivables. This is a consistent credit policy followed by us.

Credit Period from Creditors

We believe we benefit from economies of scale and better credit terms based on our relationships with suppliers and contractors. We normally enjoy a credit period of three to four months for the projects based on the size of transaction and project duration, which is consistent with our past practices.

Identification of Suitable Projects and Acquisition of Suitable Lands

Our operations are dependent on our identification of and the availability of land for our projects. Our growth is linked to our ability to identify and obtain land in areas where we can develop projects that are marketable primarily to middle and higher income groups. Any government regulations, increases in the price of land or other impediments to the acquisition of land or land development rights may adversely affect our operations. The cost of acquisition of land and land development rights, including the acquisition price, the cost of registration and stamp duty, represents a significant portion of our total expenditures.
Slum rehabilitation schemes also contribute significantly to our ability to develop projects in desirable locations or to obtain transferable development rights to be used in other locations. For slum rehabilitation projects, we incur the cost of construction and providing new homes for affected slum dwellers, but do not have to purchase the land or land development rights for the slum rehabilitation area.

Condition of the Real Estate Market

We are subject to fluctuations in the market value of our land and projects. We price our projects according to the market rates for similar types of properties in nearby areas. The prices we can realise on sales of our projects therefore depend on the location and size of comparable properties, the types of comparable developments and the prevailing market conditions at the time we sell our properties.

The level of supply and demand for real estate in the Mumbai Metropolitan Region where most of our projects are located, is affected by various factors outside of our control, including local economic and demographic conditions, the interest rates available to customers who require financing, the availability of comparable properties on the market, changes in governmental policies relating to zoning and land use, changes in applicable governmental schemes relating to slum rehabilitation, and competition from other local real estate development firms. Supply and demand conditions in the real estate market outside the Mumbai Metropolitan Region may be affected by additional circumstances, including general economic, income and other demographic conditions throughout India, local governmental policies and regulation, and competition from national or regional real estate development firms.

Economic, Income and Demographic Conditions in India

We currently conduct a substantial amount of our real estate development activities in the Mumbai Metropolitan Region. The predominant portion of our customers is Indian companies or nationals. Our results of operations, therefore, are significantly affected by factors influencing real estate in the Mumbai Metropolitan Region market and the Indian economy generally. For example, demand for real estate development in parts of India, including the Mumbai Metropolitan Region, has been driven recently by growth in the information technology, biotechnology, research and development; call centre support and outsourcing sectors. In the Mumbai Metropolitan Region, growth has also been driven by businesses in the finance, insurance, shipping and consultancy services sectors. Demand for residential and retail properties is being driven by increased employment and increasing disposable incomes. Any slowdown or perceived slowdown in the Indian economy, or in sectors of the Indian economy such as those just mentioned, could adversely impact our business and financial performance. Other developments, such as changes in interest rates could also impact us by affecting the ability and willingness of prospective real estate customers, particularly customers for residential properties, to obtain purchase financing.

Indian Tax Policies and Benefits in Connection with Real Estate Development

Certain of our real estate developments projects qualify for tax benefits that affect our results of operations. In particular, the following tax benefits have a positive impact on our results of operations:

- Under Section 80-IB (10) of the Income Tax Act, 1961 (the Income Tax Act), and subject to certain conditions, we are eligible for a 100% deduction from our taxable income of the profits we earn from the development and construction of housing projects approved before March 31, 2007.

- We are nonetheless subject to a minimum alternate tax (MAT) of 10% on our book profits. Amounts paid as MAT may be credited against future income taxes for up to seven years from the year in which the MAT credited was paid.

Indian tax policies also make our properties more affordable to customers by allowing for a deduction of principal payments and interest payments on mortgage loans up to specific amounts. The continuation of these tax benefits cannot be assured and if they are terminated or not renewed, there could be a material adverse affect on our business.

Regulations Affecting the Real Estate Industry

Our operations, the acquisition of land and land development rights, and the implementation of our projects are subject to regulatory approvals from a variety of regulatory authorities. We also are subject to local and municipal land use regulations in effect in the Mumbai Metropolitan Region and other locations which limit the maximum square footage which we are permitted to develop at a particular project. Any changes in these or other relevant regulations could affect our operations, development plans and results of operations. For further details, see “Regulations and Policies” on page 84.

Income & Expenditure

Income

Our total income is comprised of the following items:

- turnover;
- other income;
- increase / (decrease) in stock in trade;
- increase / (decrease) in work-in-progress; and
- cost of premises capitalized.

Turnover: Turnover is comprised of our revenues from our primary operations, namely revenues from the sale of residential and commercial units; the sale of FSI/TDRs; and the sale of land.

Other income: Other income is comprised of rent; interest and dividends; profits on sales of investments; share of profits from partnerships; building maintenance fees; and other miscellaneous receipts.

Increase/ (decrease) in stock in trade: Stock in trade reflects unsold stock at the end of each year, valued at cost. Unsold units from completed projects are recorded in stock in trade until such time as they are sold and revenue is recognized. The difference between unsold stock at the end of the year and at the beginning of the year is recorded as increase/ (decrease) in stock in trade.

Increase/ (decrease) in work-in-progress: Work-in-progress reflects fluctuations in the levels of our work-in-progress for each project. Project-related costs are added to work-in-progress over the life of each project, and then deducted when the project is sold and revenue is recognized, or when a completed but unsold project is added to stock in trade. The difference between work in progress at the end of the year and at the beginning of the year is recorded as increase/ (decrease) in work-in-progress.

Cost of premises capitalised: Cost of premises capitalised as investments reflects investments in partnerships as well as assets constructed and then retained by us and leased to other parties. Cost of premises capitalised as fixed assets reflects assets constructed and then retained by us for our own use, currently the case only for our registered and corporate office building in the Mumbai Metropolitan Region. These assets are included in our investments and fixed assets and recorded at cost.

Expenditure

Our total expenditure is comprised of the following items, which are recognized on an accrual basis:

- purchases;
- operating and other expenses;
- employees' remuneration and welfare expenses;
- administrative expenses;
- financial expenses;
- depreciation; and
- preliminary and other expenses written off.

Purchases: Purchases cover land and construction expenses, including, among other things, the cost of acquiring land, land development rights and FSI/TDRs, and the costs of tenancy rights and materials and supplies.

Operating and other expenses: Operating and other expenses consist of, among other things, expenses incurred for, construction, excavation and infrastructure work, contract construction labour, transport and survey charges.

Employees' remuneration and welfare expenses: Employees' remuneration and welfare expenses consist of staff welfare and salary costs.

Administrative expenses: Administrative expenses consist of, among other things, advertising and sales promotion expenses, stamping and registration, loan processing charges, professional fees, brokerage fees paid in connection with the sale of some of our residential projections, charitable donations and other miscellaneous expenses that are not assignable to any specific project.

Finance expenses: The finance charges incurred by us include net interest charges payable by us for long term debt, including working capital loans and interest charges on loans for the purchase of certain equipment and vehicles.

Depreciation: Depreciation expenses incurred by us result from the depreciation of buildings, furniture, fixtures, motor vehicles, computers, office equipment and certain other items.

Preliminary and other expenses written off: Our preliminary and other expenses written off are comprised of costs related to the issuance of our existing share capital, which are amortised on a straight-line basis over five years.

Critical Accounting Policies

Revenue Recognition

We follow the completed project method of accounting. Under this method, expenses incurred during a particular year are included in work in progress. Otherwise, expenses which are not allocable to any specific project are included in administrative expenses in the year in which they are incurred. Revenue on a project is recognized only once the project is substantially completed, and only to the extent that it is probable that we will be able to realize the economic benefits of the project and its sales revenue can be reliably measured. In practice, this generally means the time at which the risks and rewards of ownership of a unit have passed to the buyer. We define completion generally as the point at which the property is ready for occupation and we have applied for a certificate of occupancy.

We recognize revenue from FSI/TDRs that we sell when the sale is completed. We do not recognize revenue directly for TDRs that we do not sell but use in our own projects. Instead, the value of such TDRs is included implicitly in the enhanced revenues earned at project completion as a result of our ability to build more saleable area at a particular project because of the TDRs.

Rent revenues are recognized on an accrual basis. Interest is recognized on an accrual basis, taking into account the amount outstanding and the applicable interest rate. Dividends are recognized at the time the shareholder's right to receive payment is established. Profits and losses from partnerships are recognized in the financial year ending on or before the year in which the partnership recognized such profits or losses.

Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost of acquisition includes the purchase price or construction cost and any attributable cost of bringing an asset to its working condition for its intended use. Financing costs related to the construction of fixed assets also are included in the book value of fixed assets to the extent such costs relate to the period prior to the time the assets are ready for use.

We depreciate fixed assets on a straight-line method at the rates and in the manner set forth in Schedule XIV to the Companies Act, 1956. Individual assets which cost less than Rs. 5,000 are depreciated in full in the year of purchase.

Inventories

We divide inventories into two categories:

Work-in-progress: We account for work-in-progress at the lower of cost or net realizable value. Cost includes, among other things, direct materials, labour, and construction expenses and borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and sale. Work-in-progress will increase as project-related costs accrue over the life of each project, and then reduce when the project is sold and revenue is recognized.

Stock-in-trade: Stock-in-trade includes individual units remaining for sale after a project is completed. We account for stock-in-trade at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and sale.

Investments

We carry long term investments at acquisition cost. We evaluate investment values annually and provide for diminutions in value where we deem such a decline in value to be permanent. We carry current investments, which are those we deem readily realizable and not intended to be held for more than one year, at lower of cost or fair value, determined individually for each investment.

Taxation

Our tax expense is comprised of current taxes and deferred tax charges or credits. Current tax is calculated in accordance with applicable tax laws and generally taxable income is incurred in the year we recognize revenue. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and the reversal of timing differences of earlier years. We recognize deferred tax assets only if we believe that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax can be realized. Generally, we do not generate material deferred tax assets. We review the carrying amount of each deferred tax asset as of each balance sheet date to reconsider the certainty of realisation and make adjustments if our determination changes.

Results of Operations

The following table sets forth, for the financial years indicated, certain items derived from our restated consolidated financial statements, in each case stated as a percentage of total income.

	Year ending March 31,									
	2007		2006		2005		2004		2003	
	Amount (Rs. million	% of Total Income	Amount (Rs. million)	% of Total Income	Amount (Rs. million)	% of Total Income	Amount (Rs. million)	% of Total Income	Amount (Rs. million)	% of Total Income
Income										
Turnover	12,041.92	57.44%	4,348.57	64.85%	649.34	34.62%	58.16	3.60%	99.09	29.40%
Other income	205.99	0.98%	185.72	2.77%	99.66	5.31%	15.69	0.97%	5.53	1.64%
Increase / (Decrease) in stock in trade	113.75	0.54%	104.56	1.56%	(1.46)	(0.08)%	24.37	1.51%	(1.84)	(0.55)%
Increase / (Decrease) in work-in-progress	8,361.94	39.89%	2,066.10	30.81%	754.72	40.23%	1,502.35	93.03%	234.29	69.51%
Cost of premises capitalized as investment	85.30	0.41%	0.63	0.01%	373.59	19.92%	-	-	-	-
Cost of premises capitalized as fixed assets	155.32	0.74%	-	-	-	-	14.40	0.89%	-	-
Total	20,964.22		6,705.58		1,875.85		1,614.97		337.07	
Expenditures										
Purchases	11,286.67	53.84%	4,038.90	60.23%	1,213.30	64.68%	1,251.92	77.52%	108.21	32.10%
Operating and other expenses	2,555.76	12.19%	1,032.37	15.40%	261.96	13.96%	210.26	13.02%	214.37	63.60%
Employees' remuneration & welfare expenses	84.76	0.40%	18.85	0.28%	9.67	0.52%	3.25	0.20%	1.66	0.49%
Administrative expenses	226.32	1.08%	88.09	1.31%	50.16	2.67%	8.77	0.54%	7.08	2.10%
Financial expenses	546.33	2.61%	176.26	2.63%	166.11	8.86%	143.76	8.90%	33.89	10.05%
Depreciation	7.57	0.04%	2.82	0.04	1.47	0.08%	0.91	0.06%	0.49	0.15%
Preliminary and other expenses written off	5.70	0.03%	3.55	0.05%	-		-	-	-	-
Total	14,713.11		5,360.84	79.95%	1,702.67	90.77%	1,618.87	100.24%	365.70	108.49%
Operating profit before tax	6,251.11	29.82%	1,344.74	20.05%	173.18	9.23%	(3.90)	(0.24)%	(28.63)	(8.49)%
Less: Provision for tax	768.34	3.67%	169.91	2.53%	24.70	1.32%	-	-	-	-
Less: Provision for fringe benefit tax	2.03	0.01%	1.30	0.02%	-	-	-	-	-	-
Add: Deferred tax asset	0.71	0.00%								
Less: Deferred tax liability	3.85	0.02%	1.63	0.02%	2.75	0.15%	-	-	-	-
Add: excess provision for taxation no longer required	(2.41)	(0.01%)	(2.64)	(0.04)%	-	-	-	-	0.01	-
Operating profit after tax	5,480.01	26.14%	1,174.54	17.52%	145.73	7.77%	(3.90)	(0.24)%	(28.64)	(8.49)%
(Add)/Less: Adjustments for changes in accounting policy or any audit qualification	(1.71)	(0.01%)	1.64	-	(0.06)	-	0.06	-	-	-
Restated profit after tax	5,481.72	26.15%	1,172.90	17.49%	145.79	7.77%	(3.96)	(0.25)%	(28.64)	8.50%
Balance brought forward from	1,035.00	4.94%	118.24		(35.00)		(31.04)		(2.40)	

	Year ending March 31,									
	2007		2006		2005		2004		2003	
	Amount (Rs. million	% of Total Income	Amount (Rs. million)	% of Total Income	Amount (Rs. million)	% of Total Income	Amount (Rs. million)	% of Total Income	Amount (Rs. million)	% of Total Income
previous year										
Profit available for appropriation	6,516.72	31.08%	1,291.14	19.25%	110.79	5.91%	(35.00)	(2.17)%	(31.04)	(9.21)%
Appropriations:										
Transferred to general reserve	629.88	3.00%	230.98	3.44%	-	-	-	-	-	-
Less: Utilised for issue of Bonus Shares	980.00	4.67%	-	-	-	-	-	-	-	-
Profit before minority interest	4,906.84	23.41%	1,060.16	15.81%	110.79	5.91%	(35.00)	(2.17)%	(31.04)	(9.21)%
Less: Goodwill written off	5.75	0.03%								
Less: Minority Interest	-		0.21	-	-	-	-	-	-	-
Less: Pre-acquisition profit			24.95	0.37%	-	-	-	-	-	-
Profit carried to balance sheet	4,901.09	23.38	1,035.00	15.43%	110.79	5.91%	(35.00)	(2.17)%	(31.04)	(9.21)%

Comparison of Financial Year 2007 and Financial Year 2006

Income

Our total income increased by 212.64% from Rs. 6,705.58 million in financial year 2006 to Rs. 20,964.22 million in financial year 2007. This was primarily due to an increase in sales.

Turnover: Our turnover increased by 176.92% from Rs. 4,348.57 million in financial year 2006 to Rs. 1,2041.92 million in financial year 2007. This was primarily due to an increase in sales of commercial and residential units, sales of FSI/TDRs and sales of land. The breakdown of turnover across these three items is set forth in the following table:

	Year ending March 31,			
	2007		2006	
	Amount (Rs. Million)	% of Total Income	Amount (Rs. million)	% of Total Income
Sale of commercial and residential units	2,647.16	12.63%	485.28	7.24%
Sale of FSI/TDRs	8,288.96	39.54%	3282.70	48.95%
Sale of land and land development rights	1,105.80	5.27%	580.59	8.66%
Total Turnover	1,2041.92	57.44%	4,348.57	64.85%

Sale of commercial and residential units: Our revenues from the sale of commercial and residential units increased by 445.49% from Rs. 485.28 million in financial year 2006 to Rs. 2,647.16 million in financial year 2007. This was primarily due to the sale of commercial units at Capri in Bandra, Mumbai and residential units at Dreams Bhandup and a portion of our commercial retail units at Dreams, Bhandup, in the Mumbai Metropolitan Region.

Sale of FSI/TDRs: Our revenues from the sale of TDRs increased by 152.50% from Rs. 3,282.70 million in financial year 2006 to Rs. 8,288.96 million in financial year2007. This increase was primarily due to the sale of FSI/TDRs generated by our Kaledonia, Andheri (E), Bandra (E) SRS Scheme No-1, Bandra (E) SRS Scheme No-2 and Pathar Nagar slum rehabilitation projects in the Mumbai Metropolitan Region.

Sale of land: Our revenues from the sale of land increased by 90.46% from 580.59 in financial year 2006 to Rs. 1,105.80 million in financial year 2007. This increase was primarily due to the sale of some of our land at Dongre and Virar, in the Mumbai Metropolitan Region, and some of our land at Palghar.

Other income: Other income increased by 10.91% from Rs. 185.72 million in financial year 2006 to Rs. 205.99 million in the financial year 2007. This increase was primarily due to revenues earned from increases in rents, maintenance receipts and Rs. 65.00 million of other income recognized from the sale of shares by our subsidiary, PPIPL.

Stock in trade: Our stock in trade increased by 82.02% from Rs. 138.69 million in financial year 2006 to Rs. 252.43 million in financial year, 2007. This increase was primarily due to the increase in the number of our projects completed but not yet sold. These include Capri in Bandra, Mumbai and residential units at Dreams Bhandup, in the Mumbai Metropolitan Region.

Work-in-progress: Our work-in-progress increased by 180.59% from Rs. 4,630.42 million in financial year 2006 to Rs. 12,992.36 million in financial year 2007. This increase was primarily due to the purchase of land in Hyderabad and Kochi, and, in the Mumbai Metropolitan Region, at Carmichael Road, Virar and Vasai. We also purchased tenancy (or occupancy) rights and development rights with respect to projects in the Bandra-Kurla Complex in the Mumbai Metropolitan Region. We incurred construction expenses on our Bandra (E) SRS Scheme No-2 Bandra-Kurla Complex, Kaledonia, Andheri (E), Dheeraj Arma, Capri in Bandra and Dreams in Bhandup projects, all located in the Mumbai Metropolitan Region. The increase in work-in-progress was partially offset by the completion of Capri in Bandra, Mumbai and Dreams Bhandup, in the Mumbai Metropolitan Region.

Cost of premises capitalised: Our cost of premises capitalised as investment increased from 0.63 in financial year 2006 to Rs. 85.30 million in financial year 2007. This increase was primarily due to the construction of an additional floor at our Dheeraj Arma commercial building located at Bandra, Mumbai.

Expenditure

Our total expenditure increased by 174.46% from Rs. 5,360.84 million in financial year 2006 to Rs. 14,713.10 million in the financial year 2007. This increase was primarily due to an increase in the amount of purchases and operating and other expenses.

Purchases: Our expenses related to purchases increased by 179.45% from Rs. 4,038.90 million in financial year 2006 to Rs. 11,286.66 million in financial year 2007. This increase, related to our work-in-progress, was primarily due to the purchase of land in Hyderabad and Cochin, and, in the Mumbai Metropolitan Region, at Carmichael Road, Virar and Vasai. We also purchased tenancy and development rights with respect to the Molital Nehru and Bandra-Kurla Complex projects and incurred construction expenses on our Bandra (E) SRS Scheme No-2, Bandra-Kurla Complex, Kaledonia, Andheri (E), Dheeraj Arma, Capri in Bandra and Dreams Bhandup projects, all located in the Mumbai Metropolitan Region.

Operating and other expenses: Our operating and other expenses increased by 147.56% from Rs. 1,032.37 million in financial year 2006 to Rs. 2,555.76 million in financial year 2007. This increase was primarily due to an increase in construction and infrastructure costs on the Dheeraj Arma, Capri in Bandra, Dreams Bhandup, Bandra (E) SRS Scheme No-2, Bandra-Kurla Complex and Kaledonia, Andheri (E) projects, as well as an increase in other expenses.

Employees' remuneration and welfare expenses: Our employees' remuneration and welfare expenses increased by 349.66% from Rs. 18.85 million in financial year 2006 to Rs. 84.76 million in financial year 2007. This increase was primarily due to an increase in the level of compensation paid to our employees and the hiring of additional employees. We had 542 employees as of March 31, 2007, as compared to 326 employees as of March 31, 2006.

Administrative expenses: Our administrative expenses increased by 156.92 %from Rs. 88.09 million in financial year 2006 to Rs. 226.32 million in financial year 2007. This increase was primarily due to increases in expenses relating to advertising and sales promotion in particular, as well as professional expenses, loan processing charges and stamping and registration fees.

Financial expenses: Our financial expenses increased by 209.96% from Rs. 176.26 million in the financial year 2006 to Rs. 546.33 million in financial year 2007. This increase was primarily due to an increase in interest expense relating to a rise in interest rates and higher interest expense as a result of the incurrence of additional indebtedness of Rs. 1,792.55 million drawn during financial year 2007.

Depreciation: Our expenses relating to depreciation increased by 168.79% from Rs. 2.82 million in financial year 2006 to Rs. 7.57 million in financial year 2007. This increase was primarily due to the acquisition of fixed assets.

Preliminary and other expenses written off: Our preliminary and other expenses written off increased from Rs. 3.55 million in financial year 2006 to Rs. 5.70 million in financial year 2007. This increase was primarily due to amortization over five years of costs associated with increasing our share capital.

Comparison of Financial Year 2006 and Financial Year 2005

Income

Our total income increased by 257.47% from Rs. 1,875.85 million in financial year 2005 to Rs. 6,705.58 million in financial year 2006. This increase was primarily due to an increase in sales.

Turnover: Our turnover increased by 569.69% from Rs. 649.34 million in financial year 2005 to Rs. 4,348.57 million in financial year 2006. This was primarily due to an increase in sales of commercial and residential units, sales of FSI/TDRs and sales of land. The breakdown of turnover across these three items is set forth in the following table:

	Year ending March 31,			
	2006		**2005**	
	Amount (Rs. million)	**% of Total Income**	**Amount (Rs. million)**	**% of Total Income**
Sale of commercial and residential units	485.28	7.23%	202.27	10.78%
Sale of FSI/TDRs	3,282.70	48.93%	447.07	23.83%
Sale of land and land development rights	580.59	8.65%	-	-
Total Turnover	4,348.57	64.82%	649.34	34.62%

Sale of commercial and residential units: Our revenues from the sale of commercial and residential units increased by 139.92% from Rs. 202.27 million in financial year 2005 to Rs. 485.28 million in financial year 2006. This increase was due to the sale of commercial and recognition of revenue from sales of residential units in our Dheeraj Savera -Row House, Dheeraj Sneh, Dheeraj Arcade and Dheeraj Arma projects, all located in the Mumbai Metropolitan Region.

Sale of FSI/TDRs: Our revenues from the sale of FSI/TDRs increased by 634.27% from Rs. 447.07 million in financial year 2005 to Rs. 3,282.70 million in financial year 2006. This increase was due to the sale of FSI/TDRs generated by our Dreams Bhandup, Bandra (E) SRS Scheme No-2and Mulund slum rehabilitation projects.

Sale of land: Our revenues from the sale of land increased from zero in financial year 2005 to Rs. 580.59 million in financial year 2006. This increase was due to the sale of land in Virar, in the Mumbai Metropolitan Region, in the fourth quarter of financial year 2006.

Other income: Other income increased by 86.35% from Rs. 99.66 million in financial year 2005 to Rs. 185.72 million in financial year 2006. This was primarily due to an increase in rental income from our office building in Dheeraj Arma as well as an increase in profits from partnerships, related to projects completed by such partnerships during the financial year.

Stock in trade: Our stock in trade increased from Rs. (1.46) million in financial year 2005 to Rs. 104.56 million in financial year 2006. This increase was primarily due to the increase in the number of our projects under construction but not yet completed. These include our Dheeraj Savera- Row House, Dheeraj Sneh, Dheeraj Arcade and Dheeraj Arma projects, all located in the Mumbai Metropolitan Region.

Increase in work-in-progress: Our work-in-progress increased by 173.76% from Rs. 754.72 million in financial year 2005 to Rs. 2,066.10 million in financial year 2006. This increase was primarily due to the cost of construction and tenancy rights in connection with the Dheeraj Arma, Dreams Bhandup, Bandra (E) SRS Scheme No-2, Bandra (W) SRS Scheme and Pathar Nagar in the Bandra-Kurla Complex, Kaledonia, Andheri (E) and Harmony projects, all located in the Mumbai Metropolitan Region.

Cost of premises capitalised: Our cost of premises capitalised as investment decreased by 99.83% from Rs. 373.59 million in financial year 2005 to Rs. 0.63 million in financial year 2006. This decrease was a reduction due the to the sale during financial year 2006 of property capitalised as investment in our Dheeraj Arma commercial building during financial year 2005.

Expenditure: Our total expenditure increased by 214.85% from Rs. 1,702.67 million in financial year 2005 to Rs. 5,360.84 million in financial year 2006. This increase was primarily due to an increase in purchases and operating and other expenses.

Purchases: Our expenses related to purchases increased by 232.89% from Rs. 1,213.30 million in financial year 2005 to Rs. 4,038.90 million in financial year 2006. This increase, related to our work-in-progress, was due to the purchase of land at Virar, in the Mumbai Metropolitan Region, as well as the purchase of tenancy and development rights with respect to the Bandra-Kurla Complex, Dreams Bhandup, Mulund, Kaledonia, Andheri (E), Harmony, Affaire in Bandra, Bandra (E) SRS Scheme No-2, Dheeraj Heritage in Santacruz, Vasai Mall, Worli Commercial Property in Worli and Harmony projects, all located in the Mumbai Metropolitan Region.

Operating and other expenses: Our operating and other expenses increased by 294.10% from Rs. 261.96 million in financial year 2005 to Rs. 1,032.37 million in financial year 2006. This was primarily due to an increase in construction and development expenses for the Bandra-Kurla Complex, Dreams Bhandup, Mulund, Kaledonia, Andheri (E), Harmony, Affaire and Motilal Nehru Nagar projects in Bandra.

Employees' remuneration and welfare expenses: Our employees' remuneration and welfare expenses increased by 94.93% from Rs. 9.67 million in financial year 2005 to Rs. 18.85 million in financial year 2006. This increase was primarily due to the hiring of additional employees. We had 326 employees at the end of financial year 2006.

Administrative expenses: Our administrative expenses increased by 75.62% from Rs. 50.16 million in financial year 2005 to Rs. 88.09 million in financial year 2006. This was primarily due to increases in insurance payments for our properties, loan processing charges with respect to our loans, maintenance costs and professional expenses, as well as an increase in charitable donations.

Financial expenses: Our financial expenses increased by 6.11% from Rs. 166.11 million in financial year 2005 to Rs. 176.26 million in financial year 2006. This increase was primarily due to an increase in interest expense relating to a rise in interest rates and higher interest expense as a result of the incurrence of additional indebtedness of Rs. 2,814.5 million drawn during financial year 2006.

Depreciation: Our expenses relating to depreciation increased by 91.84% from Rs. 1.47 million in financial year 2005 to Rs. 2.82 million in financial year 2006. This increase was primarily due to the acquisition of fixed assets.

Preliminary and other expenses written off: Our preliminary and other expenses written off increased from nearly zero in financial year 2005 to Rs. 3.55 million in financial year 2006. This increase was primarily due to the commencement of amortisation over five years of costs associated with increasing our share capital.

Comparison of Financial Year 2005 and Financial Year 2004

Income

Our total income increased by 16.15% from Rs. 1,614.97 million in financial year 2004 to Rs. 1,875.85 million in financial year 2005. This increase was primarily due to an increase in sales.

Turnover: Our turnover increased by 1,016.47% from Rs. 58.16 million in financial year 2004 to Rs. 649.34 million in financial year 2005. This was primarily due to an increase in sales of commercial and residential units and sales of FSI/TDRs. The breakdown of turnover across these three items is set forth in the following table:

	Year ending March 31,			
	2005		2004	
	Amount (Rs. million)	% of Total Income	Amount (Rs. million)	% of Total Income
Sale of commercial and residential units	202.27	10.78%	30.87	1.91%
Sale of FSI/TDRs	447.07	23.83%	27.29	1.69%
Sale of land and land development rights	-	-	-	-
Total Turnover	649.34	34.62%	58.16	3.60%

Sale of commercial and residential units: Our revenues from the sale of commercial and residential units increased by 555.23% from Rs. 30.87 million in financial year 2004 to Rs. 202.27 million in financial year 2005. This increase was due to the sale of commercial and residential units with respect to the Dheeraj Arma project in Bandra, the Dheeraj Savera II project in Borivali, and the Dheeraj Arcade in Bandra, all located in the Mumbai Metropolitan Region.

Sale of FSI/TDRs: Our revenues from the sale of FSI/TDRs increased by 1,538.22% from Rs. 27.29 million in financial year 2004 to Rs. 447.07 million in financial year 2005. This increase was due to the sale of FSI/TDRs generated by our Dheeraj Arma slum rehabilitation project in Bandra, Mumbai and the retail portion of our Dreams Bhandup slum rehabilitation project in the Mumbai Metropolitan Region.

Sale of land: We had no revenues from the sale of land in either of these periods as we did not sell any land.
Other income: Other income increased by 535.18% from Rs. 15.69 million in financial year 2004 to Rs. 99.66 million in financial year 2005. This increase was primarily due to income from one of our partnerships, which recognized revenue on our Dheeraj Heritage project, as well as an increase in rental income from our office building in Dheeraj Arma.

Stock in trade: Our stock in trade decreased from Rs. 24.37 million in financial year 2004 to Rs. (1.46) million in financial year 2005. This decrease was primarily due to the sale of commercial and residential properties with respect to the Dheeraj Arma project in Bandra, the Dheeraj Savera II project in Borivali, and the Dheeraj Arcade in Bandra, all located in the Mumbai Metropolitan Region.

Work-in-progress: Our work-in-progress decreased by 49.76% from Rs. 1,502.35 million in financial year 2004 to Rs. 754.72 million in financial year 2005. This decrease was due to the sale of FSI/TDRs and completed residential housing units with respect to Dheeraj Savera Row House in Borivali and the Dreams Bhandup project.

Cost of premises capitalised: Our cost of premises capitalised as investment increased from zero in financial year 2004 to Rs. 373.59 million in financial year 2005. This increase related to our Dheeraj Arma commercial building. Our cost of premises capitalised as fixed assets decreased from Rs. 14.40 million in financial year 2004 to zero in financial year 2005, as no fixed assets were capitalised in 2005.

Expenditure

Our total expenditure increased by 5.18% from Rs. 1,618.87 million in financial year 2004 to Rs. 1,702.67 million in financial year 2005. This was primarily due to an increase in purchases, employee remuneration and welfare, and administration expenses.

Purchases: Our expenses related to purchases decreased slightly by 3.08% from Rs. 1,251.92 million in financial year 2004 to Rs. 1,213.30 in financial year 2005. During financial year 2005, we purchased a large number of TDRs, which is unusual for us, in the amount of Rs. 415.36 million, as compared with no such purchases in financial year 2004. We used the TDRs to enhance our Dreams Bhandup project. Similarly, our purchase of tenancy rights increased from Rs. 76.59 million in financial year 2004 to Rs. 361.30 million in financial year 2005. These expenses were partially offset by a significant reduction in our land purchases during the year, from Rs. 1,026.13 million in financial year 2004 to Rs. 165.48 million in financial year 2005.

Operating and other expenses: Our operating and other expenses increased by 24.59% from Rs. 210.26 million in financial year 2004 to Rs. 261.96 million in financial year 2005. This was primarily due to an increase in construction activities, including slum rehabilitation work.

Employees' remuneration and welfare expenses: Our employees' remuneration and welfare expenses increased by 197.54% from Rs. 3.25 million in financial year 2004 to Rs. 9.67 million in financial year 2005. This increase was primarily due to the hiring of additional employees.

Administrative expenses: Our administrative expenses increased by 471.95% from Rs. 8.77 million in financial year 2004 to Rs. 50.16 million in financial year 2005. This was primarily due to an increase in the costs of advertisements and an increase in our charitable donations.

Financial expenses: Our financial expenses increased by 15.55% from Rs. 143.76 million in financial year 2004 to Rs. 166.11 in financial year 2005. This was primarily due to an increase in the amount of our loan from HDFC Bank by Rs. 115 million, which resulted in greater interest expense.

Depreciation: Our expenses relating to depreciation increased by 61.54% from Rs. 0.91 million in financial year 2004 to Rs. 1.47 in financial year 2005. This increase was primarily due to the acquisition of fixed assets.
Preliminary and other expenses written off: Our preliminary and other expenses written off were nearly zero.

Comparison of Financial Year 2004 and Financial Year 2003

Income

Our total income increased by 379.12% from Rs. 337.07 million in financial year 2003 to Rs. 1,614.97 million in financial year 2004. This increase was primarily due to an increase in sales.

Turnover: Our turnover decreased by 41.31% from Rs. 99.09 million in financial year 2003 to Rs. 58.16 million in financial year 2004. This was primarily due to fewer projects being completed during financial year 2004. The breakdown of turnover across these three items is set forth in the following table:

	Year ending March 31,			
	2004		**2003**	
	Amount (Rs. million)	**% of Total Income**	**Amount (Rs. million)**	**% of Total Income**
Sale of commercial and residential units	30.87	1.91%	99.09	29.40%
Sale of FSI/TDRs	27.29	1.69%	-	-
Sale of land and land development rights	-	-	-	-
Total Turnover	58.16	3.60%	99.09	29.40%

Sale of commercial and residential units: Our revenues from the sale of commercial and residential units decreased by 68.85% from Rs. 99.09 million in financial year 2003 to Rs. 30.87 million in financial year 2004. This was primarily due to fewer projects being completed during financial year 2004, although our increase in work-in-progress during the same period reflects projects to be completed in the future.

Sale of FSI/TDRs: Our revenues from the sale of FSI/TDRs increased from zero in financial year 2003 to Rs. 27.29 million in financial year 2004. This increase was due to the sale of TDRs generated by our Kaledonia, Andheri (E) slum rehabilitation project.
Sale of land: We had no revenues from the sale of land in either of these periods as we did not sell any land.

Other income: Other income increased by 183.73% from Rs. 5.53 million in financial year 2003 to Rs. 15.69 million in financial year 2004. This increase was primarily due to income from one of our partnerships, which recognized revenue on our Dheeraj Heritage project.

Stock in trade: Our stock in trade increased from Rs. (1.84) million in financial year 2003 to Rs. 24.37 million in financial year 2004. This increase was due to the completion of the Dheeraj Arcade project, which could not be immediately sold due to outstanding government permits and approvals.

Work-in-progress: Our work-in-progress increased by 541.25% from Rs. 234.29 million in financial year 2003 to Rs. 1,502.35 million in financial year 2004. This was primarily due to an increase in the cost of construction with respect to our Dheeraj Arma, Dheeraj Heritage, Kaledonia, Andheri (E) projects, as our construction activities increased generally, along with the purchase of land in Bhandup, Mulund, and Santacruz, all located in the Mumbai Metropolitan Region.

Cost of premises capitalised: Our cost of premises capitalised as fixed assets increased from zero in financial year 2003 to Rs. 14.40 million in financial year 2004. This increase was due to expenses incurred during financial year 2004 with respect to our head office premises at Dheeraj Arma.

Expenditure

Our total expenditure increased by 342.68% from Rs. 365.70 million in financial year 2003 to Rs. 1,618.87 million in financial year 2004. This increase was primarily due to certain purchases and financial expenses.

Purchases: Our expenses related to purchases increased by 1,056.94% from Rs. 108.21 million in financial year 2003 to Rs. 1,251.92 million in financial year 2004. This was primarily due to an increase in land purchases for our Dreams Bhandup, Mulund and Dheeraj Grande projects.
Operating and other expenses: Our operating and other expenses decreased by 1.92% from Rs. 214.37 million in financial year 2003 to Rs. 210.26 million in financial year 2004. This was primarily due to a lower level of construction costs for the Dheeraj Arma, Dheeraj Heritage and Kaledonia, Andheri (E) projects.

Employees' remuneration and welfare expenses: Our employees' remuneration and welfare expenses increased by 95.78% from Rs. 1.66 million in financial year 2003 to Rs. 3.25 million in financial year 2004. This was primarily due to an increase in the hiring of additional employees.

Administrative expenses: Our administrative expenses increased by 23.87% from Rs. 7.08 million in financial year 2003 to Rs. 8.77 million in financial year 2004. This was primarily due to increases in repairs and maintenance, corporate filing fees and travel expenses.

Financial expenses: Our financial expenses increased by 324.20% from Rs. 33.89 million in financial year 2003 to Rs. 143.76 million in financial year 2004. This was primarily due to higher interest expense as a result of the incurrence of additional indebtedness drawn during financial year 2004.

Depreciation: Our expenses relating to depreciation increased by 85.71% from Rs. 0.49 million in financial year 2003 to Rs. 0.91 million in financial year 2004. This increase was primarily due to the acquisition of fixed assets.

Preliminary and other expenses written off: Our preliminary and other expenses written off were almost zero.

Assets and Liabilities

Total Assets: Our total assets were Rs. 19,676.24 million, Rs. 8,011.38 million, Rs. 3,368.77 million, Rs. 2,043.07 million and Rs. 788.65 million as of March 31, 2007, 2006, 2005, 2004 and 2003, respectively Our total assets are comprised of fixed assets, investments, current assets and loans and advances.

Fixed Assets: Our fixed assets were Rs. 266.67 million and Rs. 62.94 million as of March 31, 2007 and 2006, respectively. This increase in fixed assets was mainly due to the capitalization of the ninth floor of our Dheeraj Arma commercial building, in which our head office is located, in the amount of Rs. 155.32 million. Our fixed assets were Rs. 36.66 million, Rs. 33.47 million, and Rs. 14.91 as of March 31, 2005, 2004 and 2003, respectively. Our fixed assets primarily are comprised of office premises and equipment, furniture and fixtures, computers and vehicles.

Investments: Our investments were Rs. 1,577.55 million, Rs. 1,087.81 million, Rs. 576.55 million, Rs. 326.49 million and Rs. 80.14 million as of March 31, 2007, 2006, 2005, 2004 and 2003, respectively. Our investments primarily consist of investments in Promoter Group companies, investments in immovable property and investments in partnerships. Our investments in partnerships have grown as the number of projects we have developed through partnerships has increased.

Current Assets, Loans and Advances: Our total current assets, loans and advances were Rs. 1,7820.90 million, Rs. 6,829.87 million, Rs. 2,759.40 million, Rs. 1,685.48 million and Rs. 695.06 million as of March 31, 2007, 2006, 2005, 2004 and 2003, respectively. Our current assets, loans and advances are comprised of inventory, sundry debtors, cash and bank balances and loans and advances.

Liabilities: Our total liabilities were Rs. 12,353.56 million, Rs. 6,159.58 million Rs. 2,657.98 million, Rs. 2,058.08 million and Rs. 799.70 million as of March 31, 2007, 2006, 2005, 2004 and 2003, respectively. Our liabilities primarily include secured loans unsecured loans, deferred tax liabilities, minority interest, current liabilities and provisions.

Net Worth: Our net worth was Rs. 7,322.68 million, Rs. 1,851.80 million, Rs. 710.79 million, Rs. (15.01) million and Rs. (11.05) million as of March 31, 2007, 2006, 2005, 2004 and 2003, respectively.

Financial Indebtedness

For details of our secured and unsecured loans see the section titled “Financial Indebtedness” on page 234.

Net Cash Flows

Our accounts have been consolidated with our subsidiary, PPIPL, for financial years 2006 and 2007. As a result, our cash flows for periods prior to financial year 2006 may not be directly comparable to our cash flows for subsequent periods.

The following table sets forth our restated consolidated cash flows for financial years 2007, 2006, 2005, 2004 and 2003:

Rs. million

	Year ending March 31,				
	2007	**2006**	**2005**	**2004**	**2003**
Net cash from/(used in) operating activities	(1,510.16)	664.41	(1,218.89)	905.14	(464.62)
Net cash from/(used in) investing activities	(613.91)	(550.99)	(253.14)	(264.83)	32.74
Net cash from/(used in) financing activities	1,741.50	275.73	1,485.73	(653.74)	446.49
Net increase/ (decrease) in cash and cash equivalents	(382.55)	389.15	13.70	(13.42)	14.61
Cash and cash equivalents at beginning of period	439.61	50.46	5.57	18.99	4.38
Cash and cash equivalents at end of period	57.06	439.61	19.27	5.57	18.99

Cash Flows from Operating Activities

Our operating profit before allocation for working capital was Rs. 6,231.35 million for financial year 2007 and Rs. 1,424.44 million for financial year 2006. Net cash flows used in operating activities was Rs. 1,510.16 million for financial year 2007 and was Rs. 664.41 million for financial year 2006. This primarily was due to an increase in our operations resulting in an increase in sundry debtors, loans and advances and inventories, partially offset by an increase in current liabilities. The increase in sundry debtors of Rs. 2,331.11 million in financial year 2007 relates to sales of units for which revenue was accrued but for which cash was not yet received. The increase in loans and advances of Rs. 566.60 million in financial year 2007 relates to advances recoverable in cash with respect to advances for supplies and land purchases. The increase in inventories of Rs. 8,475.69. million related to greater project activities, meaning we increased our work-in-progress, offset in part through the increase in current liabilities due to purchases on short term credit in the ordinary course of business.

Cash Flows from Investment Activities

Net cash used in investing activity primarily represents the sale and purchase of fixed assets and investments and the receipt of dividends. Our net cash used in investing activities was Rs. 613.91 million for financial year 2007 and Rs. 550.99 million for financial year 2006. This increase was attributable primarily to the addition in purchase of fixed assets, in particular software and other office equipment for our head office, as well as investment in our Dheeraj Arma commercial building in which our head office is located.

Cash Flows from Financing Activities

Our net cash used in financing activities is determined primarily by the level of principal and interest payments due on, and any additional incurrence of, indebtedness. Our net cash used in financing activities was Rs. 1,741.50 million for financial year 2007 and Rs. 275.73 million for financial year 2006, mainly as a result of an increase in the amount of secured loans by Rs. 1,792.20 million for financial year 2007.

Liquidity and Capital Resources

Historically, we have relied upon equity financing from our shareholders and retained earnings for land acquisition, project development and construction and other capital needs. We also occasionally incur secured debt financing from Indian banks to supplement our capital needs with respect to project development and construction. Such debt typically is secured by the underlying project to which such debt relates.
As of March 31, 2007:

Four of our projects under construction were financed by rupee-denominated debt facilities;

- we had Rs. 3,756.85 million of long term debt outstanding; and
- the ratio of our long term debt to our equity was 0.50.

Off-Balance Sheet Arrangements (Contingent Liabilities)

We sometimes grant security over certain of our assets as collateral guarantees we provide in respect of debt incurred by other companies in the Wadhawan Group. As of March 31, 2007, we had one such guarantee outstanding in the amount of Rs. 500 million, in respect of property being developed by Dinshaw Trapinex Builders Private Limited, which is secured by the third and fourth floors of our building at Dheeraj Arma.

We also have a contingent liability in the amount of Rs. 373.78 million in connection with a suit filed against us in the High Court, Bombay. The suit maintains that we failed to supply title with respect to certain multiplex properties to the claimant. As such, we have not recognized such amount as debt.

We have no off-balance sheet arrangements. We are a member of four partnerships firms, Heritage Housing Development Corporation, Nahur Residence Developers, D.S. Corporation and Agnel Developers. We are entitled to a 44%, 40%, 45% and 62% share of the profits for each of the partnerships, respectively. Under applicable Indian law, partners in such partnership firms are subject to unlimited liability.

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 secured loans, most of which bear interest at floating rates, totalled Rs. 3,751.27 million as of March 31, 2007 (excluding our loan from ICICI Bank, relating to an equitable mortgage and vehicle financing), with a weighted average rate of interest of approximately 12.78%.

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, tiles, cement and timber. The costs for these raw materials and components are fluctuating based on commodity prices. The costs of components 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.

We source materials from multiple suppliers and engage multiple contractors so that we are not overly dependent on any one supplier or contractor.

Effect of New Accounting Pronouncements

The following is an accounting pronouncement issued by the ICAI during the last three financial years that could affect on our financial reporting:

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 basis 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 2005 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.

Significant developments after March 31, 2007 that may affect our future results of operations

Save as stated elsewhere in this Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements included in this Red Herring Prospectus which we believe are likely to materially affect the trading or profitability of our Company, the value of our assets, or our ability to pay our liabilities over the next twelve months.

FINANCIAL INDEBTEDNESS

Our aggregate borrowings as of March 31, 2007, as per the consolidated restated statements of assets and liabilities are as follows;

In Rs. Million

S. No.	Nature of Borrowing	Amount
1.	Secured Borrowings	3,756.85

Set forth below is a brief summary of our aggregate borrowings as on March 31, 2007:

Secured borrowings:

S. No	Nature of borrowing/facility	Amount Sanctioned	Interest rate and repayment	Amount Outstanding as on March 31, 2007 (Rs. in millions)	Security
1.	Term Loan Agreement dated May 19, 2006 with Indian Overseas Bank (Lead Bank) and Indian Bank	Rs. 600,000,000 from Indian Overseas Bank and Rs. 400,000,000 from Indian Bank, aggregating Rs. 1,000,000,000	Indian Overseas Bank: BPLR with a minimum of 12.0 % p.a with monthly rests Indian Bank: BPLR + TP – 0.5 % with a minimum of 11.0 % p.a with monthly rests. Repayment: in quarterly instalments as per schedule provided commencing in December 2006 and ending in September 2009	556.44 370.48	First pari passu charge by mortgage/charge-cum-hypothecation of the project assets of the Company on a portion of land admeasuring 28,465.78 sq. metres. in village Bhandup, Mumbai). The project assets include the following: (i) The Company's share of sale area to be/ constructed together with the undivided pro rata right, interest or title of the Company in the land underneath comprising saleable area of 4,00,000 sq. feet. in the mall and 2,50,000 sq. feet. in the basement parking lot. (ii) construction material brought at site for the purpose of construction of the buildings. (iii) receivables which may be generated from the booking of free sale area from time to time
2.	Term Loan Agreement with Syndicate Bank dated February 23, 2006	Rs. 900,000,000	11 % p.a *Repayment*: For over draft facilities/ cash credit, by operating it briskly to the extent of	637.54	Registered mortgage of non-agricultural land of total area 6,887,741 sq. ft at village Dongre, Vasai district, Thane having a value of Rs. 1,377.6 million. Book debts, (present and future), outstanding monies,

S. No	Nature of borrowing/facility	Amount Sanctioned	Interest rate and repayment	Amount Outstanding as on March 31, 2007 (Rs. in millions)	Security
			limit/ drawing power fixed and bring it to credit at least once a year and closing it in time by the end of one year. For other facilities: To be repaid in half-yearly instalments of Rs. 112.5 million commencing from August 2006 with the last instalment payable in February 2010		receivables claims, bills, contracts, securities, investments, goodwill, rights and assets.
3.	Sanction Letter dated April 21, 2006 and deed of mortgage dated May 6, 2006 from Bank of India	Rs. 110,000,000	1% over BPLR, with a minimum of 12.25 % p.a. to be charged at monthly rests. Repayment in the form of 120 monthly instalments commencing from one month after first date of disbursement.	107.06	Charge over office premises at 5th Floor, Dheeraj Arma, Anant Kanekar Marg, Off. Western Express Highway, Bandra (East), Mumbai 400 051.
4.	Loan Agreement and Mortgage Deed dated September 14, 2006 with HDFC Bank Limited	Rs.240,000,000	Floating interest rate: 10 % p.a Repayment: in the form of EMIs.	226.20	Mortgage of unit no. 2 on first, unit no. 2 on fifth, seventh and eighth floors of Dheeraj Arma Building admeasuring 73,307 square feet.
5.	Loan Agreement dated September 29, 2006 with HDFC Bank Limited	Rs. 52,500,000	Floating interest rate: 10 % p.a Repayment: in the form of EMIs.	50.89	Mortgage of third floor of Dheeraj Arma Building, demand promissory note in favour of HDFC Bank Limited for the entire loan amount.
6.	Loan Agreement dated March 29,	Rs. 95,000,000	200 basis points over the applicable	82.58	Assignment of receivables of monthly compensation

S. No	Nature of borrowing/facility	Amount Sanctioned	Interest rate and repayment	Amount Outstanding as on March 31, 2007 (Rs. in millions)	Security
	2005 with HDFC Bank Limited		364 day T-Bill per annum plus interest tax as and when applicable with interest compounded at such rate as may be decided by HDFC Bank Limited. Repayment: in the form of EMIs, in 108 instalments commencing from April 2005		payable by the lessee of the second floor of Dheeraj Arma building; equitable mortgage of second floor of Dheeraj Arma Building admeasuring 22,242.66 square feet leased out to Food Corporation of India
7.	Term Loan agreement dated October 28, 2005 of with Punjab National Bank and Indian Overseas Bank	Rs 1,000,000,000 each aggregating to Rs. 2,000,000,000	PNB: BPLR + term premium – 0.50% which works out to 10.75% p.a payable monthly IOB: BPLR – 0.25% p.a with a minimum of 10.75% p.a with monthly rests. Repayment: In monthly instalments commencing in April 2006 and ending in December 2010.	642.59 817.38	First pari passu charge on free sale area constructed/ to be constructed together with undivided pro rata right, interest or title of the Company in land underneath being the Company's Kaledonia project as well as the right of sale/utilization of TDR generated from said Scheme, hypothecation of materials and movables at the construction site, hypothecation of book debts outstanding and money receivables.
8.	Vehicle loan dated September 29, 2005 from ICICI Bank Limited	Rs. 2,370,000	4.53 % Repayment: as per EMI schedule provided	1.18	Hypothecation of vehicle with Registration No. MH-06 AD 5000
9.	Vehicle loan dated September 29, 2005 from ICICI Bank Limited	Rs. 2,370,000	4.53 % Repayment: as per EMI schedule provided	1.18	Hypothecation of vehicle with Registration No. MH-43 L 9000

S. No	Nature of borrowing/facility	Amount Sanctioned	Interest rate and repayment	Amount Outstanding as on March 31, 2007 (Rs. in millions)	Security
10.	Vehicle Loan dated September 23, 2005 from ICICI Bank Limited	Rs. 2,000,000	4.53 % Repayment: as per EMI schedule provided	1.11	Hypothecation of vehicle with Registration No. MH 43 L 7000
11.	Vehicle Loan dated September 23, 2005 from ICICI Bank Limited	Rs. 2,000,000	4.53 % Repayment: as per EMI schedule provided	1.11	Hypothecation of vehicle with Registration No. MH 43 – L 6000
12.	Vehicle Loan dated October 7, 2005 from ICICI Bank Limited	Rs. 2,370,000	4.53% Repayment: as per EMI schedule provided	1.00	Hypothecation of vehicle with Registration No. MH-43 L 8000
13.	Term Loan Agreement dated December 29, 2006 from Syndicate Bank	Rs. 300,000,000	At PLR which was 11.50 on the date of the loan Repayment: as per EMI schedule provided	259.51	Registered mortgage of land measuring 19,665 square metres for shopping mall "The Harmony" at village Pahadi, Goregaon (West), Mumbai.

Corporate Actions:

Some of the corporate actions for which we require the prior written consent of our lenders include the following:

I. to change the capital structure of our Company;
II. to approach the capital market for mobilizing additional resources either in the form of debt or equity;
III. to affect any material change in shareholding/ownership/management of our Company;
IV. to declare or pay dividends when any amount due to the lenders is still outstanding;
V. to undertake or permit any merger, de-merger, consolidation, re-organization, dissolution, scheme or arrangement or compromise with our creditors or shareholders or effect any scheme of amalgamation or reconstruction;
VI. to amend or modify our constitutional documents;
VII. undertake guarantee obligations on behalf of any third party or any other company; and
VIII. revaluate its assets during the currency of the loan.

We have obtained the approvals for the Issue from all lenders from whom we require approvals under the respective loan documents:

1. Housing Development Finance Corporation (HDFC) Limited by letter dated January 15, 2007
2. Punjab National Bank by letter dated January 25, 2007
3. Bank of India by letter dated January 10, 2007
4. Indian Overseas Bank by letter dated January 27, 2007

5. Indian Bank by letter dated January 27, 2007
6. Syndicate Bank by letter dated January 31, 2007
7. Punjab and Maharashtra Co-operative Bank by letter dated February 6, 2007

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or civil proceedings, or criminal proceedings, or prosecutions, or tax liabilities by or against us, our Subsidiaries, against our Directors, or our Promoters or our Promoter Group, and there are no defaults, non-payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues payable to holders of any debentures, bonds or fixed deposits, and arrears on preference shares issued by the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ and other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act) that would result in material adverse effect on our consolidated business taken as a whole. None of the aforesaid persons / companies is on RBI's list of wilful defaulters.

Litigation Against the Company

Civil Proceedings

Before the High Court of Judicature at Bombay

1. Firoza Maksud Rizvi (Petitioner) has filed a writ petition (W.P. No. 2334/2006) in the High Court Bombay, against the Company and others. The Plaintiff has pleaded for relief which *inter alia* include an order from this High Court directing the Company and other parties to modify the list of slum dwellers who are entitled to benefits of the SRA Scheme (Annexure II) in relation to Plot No. 12 of the Bharat Nagar project, Bandra (E) (Suit Property) to reflect the occupants who are currently residing on Suit Property. The Plaintiff has also pleaded for an order directing the Company and other parties to add the name of the Petitioner in Annexure II and to restrain the Company from demolishing the premises of the Petitioner on the Suit Property. The High Court passed an Order dated September 19, 2006 (Order) where the Court granted two weeks time to the Petitioner to move the appropriate authorities and restrained the Company and other parties from demolishing the premises on Suit Property till October 2, 2006. This Order was not further extended by the Court. The Petitioner by a declaration dated October 4, 2006, has stated that the Petitioner has pursuant to an agreement for settlement of dispute has undertaken to withdraw the present writ petition. The matter is pending for formal withdrawal by the Petitioner.

2. Karia Shetty and others (Petitioners) have filed a writ petition (W.P. No. 1478/2006) in the High Court, Bombay alleging that the Company and other developers have committed illegalities in allotment of tenements in implementation of a slum rehabilitation project at Plot 'C' in Chunabhatti, Daulat Nagar, Santa Cruz (W), Mumbai. The Petitioners have asked for relief which *inter alia* include that the allotment list for the rehabilitation project is set aside and occupants who have been allotted both commercial and residential premises in the saleable units be evicted, the Company and other developers be directed to complete the project undertaken by them and allot permanent alternate accommodation to the Petitioners and other slum dwellers and an order for injunction against the Company and other developers from making further allotment or selling any tenement in the saleable units. The matter is pending.

3. Qari Mohammed Zakir Hussain and others (Plaintiffs) has filed a suit (Suit No. 2725/2004) in the High Court, Bombay against the Company and others. The Plaintiffs have alleged that they are the residents at CTS No. 1582, Lohia Nagar, Village Vile Parle (W), Mumbai (Suit Property) and that they had approached the Improvement Committee of MCGB for allotment of Suit Property for development purposes. The Plaintiffs have alleged that MCGB after having taken a decision to allot Suit Property to the Plaintiffs, they have not allotted the land pursuant to a report submitted by the Municipal Commissioner in the ground that the land was reserved for public purposes. The Plaintiffs have alleged that part of the Suit Property was allotted to the Company and other developers to construct buildings pursuant to a slum rehabilitation scheme. The Plaintiff has pleaded for relief which *inter alia* include a declaration from this High Court that the report submitted by the Municipal Commissioner is illegal in

law and should be set aside, an order directing the SRA and Deputy Collector (Encroachment) to allot Suit Property to the society formed by the Plaintiffs, an order for permanent injunction restraining the Company and other developers from entering and carrying on work at Suit Property, an order restraining grant of TDRs to the Company and other developers, a declaration that the LOI issued to the Company and other developers is illegal and unlawful, an order directing the Company and other developers to demolish structures that have been constructed by them on Suit Property. The matter is pending.

4. Nadir Khan Nashir Khan (Petitioner) has filed a writ petition (W.P. No. 2582/2004) in the High Court, Bombay against the Company and others alleging that the property at CTS No. 608(pt.), Survey No. 341 (pt.), Bandra (E), Mumbai (Suit Property) which belongs to MHADA was given to the Company by the Government of Maharashtra (State Government) without following the regular tendering process. It has been alleged that the Company had previously applied to the SRA for development of the Suit Property and the subsequent transfer of land to the Company by the State Government had resulted in a loss of about Rs. 820 million. The Petitioner has further alleged that BEST gave permission to the Company for reallocation of land in the Suit Property for construction of a bus depot without any objection. The Petitioner has pleaded for relief which *inter alia* include an order from this High Court to invalidate the sale of Suit Property to the Company and reallocation of land for construction of bus depot. The Petitioner has further pleaded that the plans for development and construction of buildings on suit property as approved by MHADA and SRA are illegal and should be set aside and the Company be restrained from further construction on Suit Property until final disposal of this case. The matter is pending.

5. Aziz Ahmedali Merchant (Petitioner) has filed a writ petition (W.P. No. 1722/2004) in the High Court, Bombay against the Company and others. The Petitioner has alleged that the Company on its own accord had made a proposal to SRA for redevelopment of land at S. No. 341 (Pt.), CTS No. 608 (Pt.), Bandra (E), A.K. Marg, Mumbai (Suit Property) which belongs to MHADA. The Petitioner has alleged that the Company has proposed to construct at its own cost 450 tenements to rehabilitate slum dwellers and 321 permanent transit tenements, and in consideration has sought permission to apply the FSI of the SRA Scheme to the redevelopment of the Suit Property. The Petitioner has alleged that the Company has paid Rs. 40 million to acquire the Suit Property and will make a profit of Rs. 820 million with the net area available for sale after redevelopment of the Suit Property. The Petitioner has pleaded for relief from this High Court which *inter alia* include the High Court to take action against those officers of the Government who have caused losses to MHADA and the State of Maharashtra in selling the Suit Property to the Company. The matter is pending.

6. Fazlur Rehman Mohamed Hussain (Petitioner) has filed a writ petition (W.P. No. 409/2004) in the High Court, Bombay against the Company and others. The Petitioner has alleged that the SRA has sanctioned a development scheme for premises at CTS No. 608 (Pt.), Survey No. 341 (Pt.), Village Bandra, Bandra (E), Mumbai (Suit Property) and has issued LOI and other approvals to the Company. The Petitioner has alleged that the Suit Property along with structures thereon have been illegally sold to the Company by MHADA for Rs. 40 million when the value for the Suit Property is Rs. 800 million. The Petitioner has further alleged that BEST gave permission to the Company for reallocation of land in the Suit Property for construction of a bus depot without any objection. The Petitioner has pleaded for relief from this High Court which *inter alia* include an order permanently restraining the Company from carrying on construction work on Suit Property and to declare that plans submitted for development and construction of buildings on Suit Property are void. The High Court in an order dated October 5, 2006 in Notice of Motion No. 357/2006 did not grant any interim relief to the Petitioners. The matter is pending.

7. Virendra Kumar Tripathi (Petitioner) has filed a writ petition (W.P. No. 2381/2003) in the High Court, Bombay against the Company and others (Respondents). The Petitioner has alleged that his premises at Ramshanker Tiwari Chawl, S.V. Road, Chunabhatti, Santa Cruz (W), Mumbai (Suit Property) was demolished by the Company pursuant to a slum rehabilitation scheme, without allotment of an alternate transit accommodation. The Petitioner has pleaded for relief which *inter alia* include an order from this High Court to declare that the Petitioner is entitled to an alternate permanent accommodation, an order directing the Respondents to allot transit accommodation, and an order to restrain the Company from carrying out further construction work on Suit Property. The matter is pending.

8. E-City Entertainment (India) Private Limited (E-City) has filed a suit (Suit No. 3113/2006) in the High Court, Bombay alleging that the Company has failed to hand over multi-plex premises at "Dreams The Mall" at Bhandup, Mumbai as provided for in a lease agreement entered into between E-City and the Company. E-City has asked for relief which inter alia include that the Company be specifically ordered to comply with the lease agreement or in the alternative, to pay a sum of Rs. 373.8 million with interest at the rate of 18% till payment is made. E-City had also asked for a Receiver to be appointed for the suit premises as well as an order for injunction against the Company from disposing, encumbering or alienating suit premises pending final hearing. The High Court by an Order dated November 16, 2006 in Notice of Motion No. 3789/2006 has appointed the Court Receiver, High Court, Bombay as receiver of suit property and has allowed E-City and the Company to bid for receiver's agent with respect to the suit premises. The High Court has further ordered the Company to maintain status quo with respect to the suit premises till Court Receiver takes possession of the same. The Court set aside the order dated November 16, 2006 in Appeal No. 891/2006 in Notice of Motion No. 3789/2006 on a statement made by the Company that it will not create third party rights or interest on Suit Property and that the Suit Property shall be retained by the Company. The matter is pending.

9. Relief Road Housing Societies Association and others (Petitioners) has filed a writ petition (W.P. No. 200/2002) in the High Court, Bombay against the SRA, the Government of Maharashtra and MCGB where the Company and other developers (Developers) has been made a party to the suit. The Plaintiffs have inter alia challenged the constitutionality and the validity of The Maharashtra Slum Areas Act, 1971, General Rehabilitation Scheme, and amendments made to certain Development Control Rules. The Petitioners have alleged that the present petition has been filed against the policy of the Government of Maharashtra, MCGB and SRA to build houses for the accommodation of slum dwellers, encroachers and trespassers on lands reserved for roads, gardens, recreation grounds and open spaces in TPS VI, Daulat Nagar, Santa Cruz (W), Mumbai. The Petitioners has pleaded for relief which inter alia include a declaration that the General Rehabilitation Scheme dated May 16, 1996 is void and unconstitutional, an order setting aside sanctions to building plans, commence certificates and other permissions granted by SRA for construction of buildings and structures on Plot No. 102, 106, 100 and on D.P. Roads in T.P. Scheme, Santracruz VI, appropriate writs directing SRA, Government of Maharashtra and MCGB not to erect any buildings or structures on lands reserved for roads, playgrounds, recreation grounds, open spaces or other public amenities in T.P. Scheme No. VI, Santacruz (W). The Petitioner had appealed to the Supreme Court of India (Supreme Court) through a special leave petition (SLP) (Civil No. 9758/2002) against an interim order of the High Court Bombay refusing to injunct the Developers from making construction on vacant land. The Supreme Court through an order dated September 17, 2002 dismissed the SLP but stated that the Developers cannot claim any equity on the basis of constructions to be made and that where the Developers have created third party interests, then it should be clearly stated in the instrument of transfer that it is subject to final declaration made by the High Court, Bombay in the writ petition. The Supreme Court also stated that in the event where High Court, Bombay finally determines that a particular portion of the land would lie vacant, then the Developers are bound to leave that portion as vacant and if any constructions have been made, then the Developers have to remove the same. The matter is pending.

10. Ashwin Becharbhai Patel (Petitioner) filed a writ petition (W.P. 701 of 2007) against the SRA, HDIL and others (Respondents). The Petitioner, through a partnership firm Shyamkarna Enterprises, was issued a letter of intent by the SRA for a development scheme for land bearing C.T.S. No. 7643(pt.), 5370, 5371, 5372, 5373 and 5390 in Village Kole Kalyan, Taluka Andheri situated at Plot Nos. 7, 8, 9 and 12 of MHADA Layout, Bharat Nagar, Bandra, Mumbai – 400 051. The Petitioner has alleged that the Petitioner's partner has in collusion with HDIIL forged documents and assigned all rights to develop the property to HDIIL under a forged agreement dated September 28, 2005 and has obtained a fresh letter of intent in favour of the architects of HDIIL. The Petitioner has pleaded for quashing of the letter of intent dated January 3, 2006, February 5, 2007 and redevelopment scheme dated February 5, 2007. An affidavit in reply has been filed by HDIIL. The matter is pending.

11. Mohammed Aslam Farooque and Others (Petitioners) filed a writ petition (W. P. Lodging No. 1020 of 2007) against MMRDA, BMC and the Company. The Petitioners are licensed municipal stall holders running stalls along the station road of Bhandup West, Mumbai. The Petitioners have alleged that under the guise of road widening the Petitioners were asked to evict the said property/ stalls and move to

alternate accommodation vide notices issued by the BMC and MMRDA and the property was instead given to the Company for construction of a mall. Further, the alternate tenements allotted to the Petitioners by the Company were smaller than the ones that were held by the Petitioners and were affecting the Petitioners' business. The Petitioners have pleaded for interim and ad-interim relief in the form of an injunction against the execution of the said notices issued by BMC and MMRDA. The matter is pending.

Before the City Civil Court, Bombay

1. Zuber Ahmed Usmani (Plaintiff) has filed a suit (S.C. No. 45/2007) in the City Civil Court, Bombay against the Company. The Plaintiff has alleged that he was in lawful use and occupation of premises being "New U.P. Great Restaurant" at Mohammed Estate, behind Mithi Nadi, near CST Road Gala No. 25, Santacruz (E), Mumbai (Suit Property) which was demolished by the Company pursuant to a slum rehabilitation scheme without providing for alternate premises. The Plaintiff has pleaded for relief which *inter alia* includes a declaration of this Court that the Company had no right or power to demolish the Suit Property, an order of permanent injunction restraining the Company from carrying out any construction work on the Suit Property, an order directing the Company to provide for transit accommodation to be followed by a permanent alternate accommodation and an order directing the Company to pay reasonable compensation. On January 28, 2007 the Court ordered the parties to maintain status quo till the next date of hearing. The matter is pending.

2. R.T. Kille (Plaintiff) has filed a suit (S.C. Suit No. 4239/2006) in the City Civil Court, Bombay against the Company and others including Mr. Rakesh Wadhawan and Mr. Waryam Singh, Directors of the Company. The Plaintiff has alleged he was given transit accommodation at Room No. 31 A and 40, White House, near Capri Building, Anant Kanekar Marg, Bandra (E), Mumbai by the Company when the Company had executed a development agreement for implementation of a slum rehabilitation scheme. The Plaintiff alleges that he was not allotted permanent premises and that the Company which is currently implementing a slum rehabilitation scheme in the area will demolish the premises of the Plaintiff on the Suit Property. The Plaintiff has pleaded for relief which *inter alia* include an order of injunction against the Company from demolishing or dispossessing the Plaintiff from his present premises on the Suit Property. The matter is pending.

3. Stany D'Souza (Plaintiff) has filed a suit (S.C. Suit No. 770/2006) in the City Civil Court, Bombay against the Company and others. The Plaintiff has alleged that the Company has been given an approval for a slum rehabilitation scheme and has undertaken to demolish the Plaintiff's premises at Room No. 68, CTS No. 4207 (pt.), Motilal Nehru Nagar, Santa Cruz (East), Mumbai (Suit Property). The Plaintiff has further alleged that the Company has taken forceful possession of the Suit Property. The Plaintiff has pleaded for relief which *inter alia* include an order for permanent injunction against the Company from dispossessing the Plaintiff of the Suit Property and an order to the Company to hand over the Suit Property to the Plaintiff. The Plaintiff has also pleaded for a Receiver to be appointed for the Suit Property and the Plaintiff be instituted as agent for the Suit Property. The Plaintiff has pleaded that pending final hearing and disposal of the matter, the Company be restrained from interfering and disturbing with peaceful possession and enjoyment of the Suit Property by the Plaintiff. The matter is pending.

4. Jatashankar Dukhi Gaud (Plaintiff) has filed a suit (L.C. Suit No. 4295/2006) in the City Civil Court, Bombay against the Company and others. The Plaintiff has pleaded for relief which *inter alia* includes an order for permanent injunction against the Company from carrying on construction work on Plot No. D-1A (Pt), Plot No. D-2 (Pt), Plot No. D-3 (Pt), Survey No. 161 (Pt) and CTS No. 1 (Pt) at Village Pahadi, Bhagat Singh Nagar No. 1, Link Road, Goregaon (W) (Suit Property), an order to the Municipal Corporation from issuing further permissions for carrying out construction work as well as an order to revoke all permissions that have been granted to the Company by the Municipal Corporation. This Court in an Order in Notice of Motion dated November 15, 2006 rejected the Plaintiff's motion for ad-interim relief. The Plaintiff by an agreement dated January 29, 2007 has settled the dispute with the Company and has withdrawn the suit on February 23, 2007.

5. Bharat Nagar Plot No. 7 Tenants Association (Plaintiff Association) has filed a suit (S.C. Suit No. 2369/2006) against the Company and others. The Plaintiff has alleged that members belonging to the Plaintiff Association are the lawful allottees and tenants with respective to their tenements at Open Plot No. 7, Bharat Nagar, Bandra Kurla Complex, Bandra (E), Mumbai (Suit Property). The Plaintiff Association has alleged that the Company has been threatening tenants on Suit Property and purchasing their tenements through benami transactions. The Plaintiff Association has alleged that neither a contract nor an agreement subsists between the Company and the tenants on Suit Property. The Plaintiff Association has further alleged that the Company desires to violate the terms and conditions of the slum rehabilitation scheme as approved by SRA such that instead of developing the property for the benefit of the tenants on Suit Property, the Company is carrying on construction work for developing commercial premises. The Plaintiff Association has pleaded for relief which *inter alia* include an order from this Court to the SRA to revoke and cancel plans for rehabilitation buildings, an order directing the SRA and MHADA to conduct enquiry proceedings regarding implementation of this project, an order restraining the Company from acting on approved plans and proceeding development of Suit Property and an order restraining the Company from acquiring or purchasing tenements using unlawful means from existing tenants on Suit Property. The Company has filed its written statement. The matter is pending.

6. Chaman Ramchandra Arora (Plaintiff) has filed a suit (S.C. Suit No. 617/2006) in the City Civil Court, Bombay against the Company. The Plaintiff has alleged that he is the owner of premises at Survey No. 174, Hissa No. 1 (Pt.) CTS No. 7243 (B), Village Kole Kalyan, Andheri, Mumbai (Suit Property). The Plaintiff has further alleged that the land adjacent to the Suit Property has been acquired by the Company for development and that the Company is trying to usurp the Suit Property. The Plaintiff has pleaded for relief from this Court which include an order for permanent injunction restraining the Plaintiff from encroaching or in any manner interfering with the rights and interest of the Plaintiff with respect to the Suit Property. The matter is pending.

7. Vandana Rajan Panikar (Plaintiff) has filed a suit (S.C. Suit No. 4093/2004) in the City Civil Court, Bombay against the Company, Mr. Rakesh Wadhawan, Director of the Company and Mr. Vasant D. Gawade, an ex-Director of the Company (Defendants). The Plaintiff has alleged that the Defendants had entered into an agreement with her for providing a permanent alternate accommodation pursuant to a slum rehabilitation scheme but had failed to do so. The Plaintiff has pleaded for relief which *inter alia* includes an order restraining the Defendants from demolishing or obstructing the Plaintiff from vacant and peaceful enjoyment of the premises at Room No. 149/6, Chawl No. 18, Hanuman Nagar, Hanuman Lane Bazar Road, Bandra (W), Mumbai. The matter is pending.

8. Khatoonbi Ismail Shaikh (Plaintiff) has filed a suit (S.C. Suit No. 3908/2004) in the City Civil Court, Bombay against the Company, SRA and others. The Plaintiff has alleged that she has leased the premises at Survey No. 310, P. P. Dias Compound, Natwar Nagar Road No. 1, Jogeshwari (E), Mumbai (Suit Property) from the owner in 1995 and has constructed rooms on the Suit Property which has been rented out. The Plaintiff has alleged that the Company has been visiting the Suit Property and has been persuading the Plaintiff's tenants to enter into a development agreement. The Plaintiff has also alleged that the Company has been trying up a sign board on the Suit Property. The Plaintiff has pleaded for relief from this Court which *inter alia* include a declaration that the Company has no right to encroach on Suit Property and put up a sign board, an order restraining SRA from sanctioning any plan submitted by the Company with respect to the Suit Property and an order restraining the Company from entering into development agreement with tenants of the Plaintiff residing on the Suit Property. The Company has filed its written statement.The matter is pending.

9. Pooja Associates (Plaintiff) has filed a suit (S.C. Suit No. 2293/2003) in the City Civil Court, Bombay against the Company and others including Mr. Rakesh Wadhawan, Director of the Company and Mr. Vasant D. Gawade, an ex-Director of the Company (Defendants). The Plaintiff has alleged that the property at CTS No. 791/A, Bandra (W), Mumbai (Suit Property) which is inhabited by slum dwellers, who have formed a cooperative housing society, had entered into a development agreement with the Plaintiff. The Plaintiffs allege that the Company has entered on to the Suit Property and have started construction work illegally. The Plaintiffs have pleaded for relief from this Court which *inter alia* include a decree of permanent injunction to restrain the Company from carrying out construction work on Suit Property. The Court through an order dated May 7, 2003 *inter alia* rejected the plea for ad-interim

relief and directed the Defendants to give written intimation to the Plaintiff when Defendants receive further commencement certificates to set up any additional buildings. The Plaintiff through its partner M. Saluke by an agreement March 19, 2005 has settled the claim and has agreed to withdraw the present suit. The matter is pending.

10. Kazi Zaheer Ahmed and others (Plaintiffs) have a filed a suit being suit no. 1248 of 2007 in the City Civil Court, Mumbai against the Company and others including Mr. Rakesh Wadhawan. The Plaintiffs have alleged that the Company put forth a SRA proposal for property bearing C.T.S. No.4207 of Village Kole-Kalyan, Taluka- Kurla and in pursuance to that obtained common consent from the members of the Shana-e-Mohamadi Vypari Welfare Society but applied for and obtained the Annexure II in the name of Kalina Kutir Udyog Nagar Co-operative Housing Society/ Motilal Nehru Kalina Kutir Udyog Nagar Co-operative Housing Society in order to avoid giving agreed alternate accommodation to the Plaintiffs and other slum dwellers and usurp the same in the names of their own persons. Further, MMRDA in collusion with the Company forcibly demolished the structures belonging to the Plaintiffs. The Plaintiffs have filed a Notice of Motion bearing No. 1182 of 2007 praying for relief which inter alia include directing the concerned authorities to process the SRA Scheme in the name of Shana-e-Mohamadi Vypari Welfare Society and restrain the concerned authorities from processing/ sanctioning any scheme in favour of the Company or Mr. Rakesh Wadhawan. No reply has been filed. The matter is pending.

Before the Court of Small Causes, Bombay

1. Prakash Dhondu Dhuri (Plaintiff) has filed a suit (RAD Suit No. 889/2006) before the Court of Small Causes, Bombay against the Company and others. The Plaintiff has alleged that he is a tenant and is in occupation of premises at Lilawati Mane Chawl, Ramnagar, Chincholi Bandar, Malad (W), Mumbai (Suit Property). The Plaintiff has alleged that the Company has started construction work next to the Suit Property which has directly affected the use, possession and enjoyment of Suit Property by the Plaintiff. The Plaintiff has pleaded for relief from this Court which *inter alia* include an order for temporary injunction, pending final hearing and disposal to restrain the Company from dispossessing, interfering and disturbing with the use and occupation of Suit Property by the Plaintiff, an order for temporary injunction, pending final hearing and disposal to restrain the Company from obstructing or interfering in the exclusive use of essential services as well as facilities for entering onto and leaving the Suit Property. The Company has filed an affidavit before the Court that the Company has no interest in relation to the Suit Property. The matter is pending.

2. Mrs. Eliza Mathias (Plaintiff) has filed a declaratory suit (R.A.D. Suit No. 116 of 2007) before the Court of Small Causes, Bandra, Mumbai against her landlord, D. S. Corporation and others (Defendants). The Plaintiff has alleged that she is a tenant of the premises known as Unity Compound/ Unity Hotel situated at Juhu Tara Road, Juhu Beach, Mumbai – 400054 since 1959 (suit premises) and the Plaintiff's sister has in collusion with the landlord and D. S. Corporation forged documents on behalf of the Plaintiff and demolished the suit premises in the Plaintiff's absence to enable D.S. Corporation to develop the plot on which the suit premises was standing. The Plaintiff has pleaded for relief which inter alia include a declaration from the Court that the Plaintiff is the lawful tenant of the suit premises, a temporary injunction against all the Defendants restraining the Defendants from dealing with the suit premises in any manner whatsoever and from interfering, obstructing or restraining the Plaintiff from entering the suit premises. The matter is pending.

Before the Consumer Dispute Redressal Forum

There is one claim pending before Consumer Dispute Redressal Forum against Dinshaw Trapinex Builders Pvt. Ltd. with respect to unfair trade practice of being denied an open car parking space. The total amount of compensation in this case aggregates to Rs. 0.3 million. This case is pending.

Litigation by the Company

The Company along with another party (Petitioners) has filed a writ petition (W.P. No. 2180/2004) in the High Court, Bombay against the Executive Engineer, Agricultural Construction Division; SRA and the State of

Maharashtra (Respondents). The Petitioners have claimed that they have been appointed as developers for a slum rehabilitation scheme at City Survey No 1623, being Final Plot No. 7 T.PS. VI of Santacruz (West), Mumbai (Suit Property). The Petitioners have claimed that the lay out for the scheme was approved by the SRA through letter no. SRA/ENG/194/HW/GL/LAY dated July 28, 2000 and that the Petitioner on basis of the scheme has entered into agreements with slum dwellers to provide them with accommodation. The Petitioners have claimed that they have constructed buildings, built transit camps and demolished structures on the Suit Property at their own costs and have also paid a sum of Rs. 0.02 million to the SRA for each tenement constructed for the slum dwellers. The Petitioners claim that they are entitled under the slum rehabilitation scheme to a 'free sale component' on the Suit Property that has been developed by them. The Petitioners have pleaded for relief from this High Court which *inter alia* include and order setting aside the action of the Respondents in derecognizing the Suit Property as a slum area and to allow the Petitioners to construct rehabilitation buildings for slum dwellers and 'free sale component' building in accordance with the slum rehabilitation scheme sanctioned in favour of the Petitioners with respect to the Suit Property. Notice of Motion No. 402/2006 was filed by the Petitioner which was dismissed by an Order dated June 23, 2006 by this High Court. The application for restoration of this suit is pending.

Litigation involving lands forming part of Ongoing and Planned Projects in which neither the Company nor the Directors are parties

1. A special leave petition (SLP No. 11446 of 2005) has been filed in the Supreme Court of India (Supreme Court) against an order of the High Court, Bombay (High Court) dated March 18, 2005 in a writ petition (W.P. No. 353 of 2005) with respect to property at C.S. No. 18/ 738, Carmichael Road, Mumbai. S.P. Building Corporation (Petitioner) in making the special leave petition has contended that Section 11 of the Land Acquisition Act will apply to acquisitions under Maharashtra Regional Town Planning Act and that the High Court has erred in solely relying on the judgement of the Supreme Court in the case of State of Maharashtra v Sant Joginder Singh Krishan Singh which has been doubted by a subsequent judgement of the Supreme Court in Girnar Traders v State of Maharashtra, and the SLP of Girnar Traders has been referred to a larger bench. The Petitioner has also alleged that the High Court has erred in holding that BMC had taken steps within time as stipulated under the Maharashtra Regional and Town Planning Act. The SLP is pending further hearing.

2. Nowraji J. Gamadia (Plaintiff) has filed a suit (Suit No. 783/1987) in the High Court, Bombay against Samarthmal P. Seth (Defendant) with respect to property at C.S. No. 18/738, Carmichael Road, Mumbai (Suit Property). The Plaintiff has pleaded for relief which *inter alia* includes a declaration from this Court that the partnership firm constituted by the Plaintiff and Defendant has been abandoned and that the Suit Property is not partnership property but absolute property of the Plaintiff. The Plaintiff has also pleaded for alternate relief by way of declaration from this Court that the partnership firm stands dissolved and for directions for taking accounts. The Court has appointed a Receiver, in Notice of Motion No. 481/1988 taken out by the Defendant, with respect to the Suit Property. The matter is pending.

3. Sandeep J. Kishore Gupta (Plaintiff) has filed a suit (Suit No. 1680/1987) in the High Court, Bombay against Vijaykumar Purshottam Kabali (HUF) and others. The Plaintiff has pleaded for relief which *inter alia* includes an order from this Court directing the Defendants to specifically perform their obligations under an Agreement dated May 11, 1983 entered into between the Plaintiff and one of the Defendants, in respect of 1/6th undivided right and title of the HUF's interest in property at Survey No. 111A, 111B, 111C, Village Ambivali, J.N. Road, Andheri (W), Mumbai (Suit Property). The Plaintiff has also pleaded for alternate relief which includes an order from this Court directing the Defendant to pay to the Plaintiff a sum of Rs. 81,299,999 in addition to refund of earnest money of Rs. 431,517 and interest of Rs. 25,000,000. The High Court in an order in a notice of motion restrained the Defendants from creating third party interests in Suit Property and has also restrained the Defendants and Lok Housing and Construction Limited to take further steps with respect to their agreement. The matter is pending.

4. Shreedhar B. Choube (Plaintiff) has filed a suit (Suit No. 1188/1984) in the High Court, Bombay against Indrajeet J. Thakker, Court Receiver of the High Court, Bombay and others (Defendants) with respect to property at Survey No. 111A, 111B, 111C of Village Ambivali, J.N. Road, Andheri West, Mumbai (Suit Property). The Plaintiff has pleaded for relief which *inter alia* includes an order of permanent injunction from this Court restraining the Defendants from dispossessing the Plaintiff from the Suit Property without due process of law. The High Court in an order in Notice of Motion No. 1251/1984 appointed a

Court Receiver to the Suit Property and appointed the Plaintiff as agent of the Receiver. The matter is pending.

Litigation Against Sole Proprietorships of the Company

Palghar Land Development Corporation

Outstanding Litigations: NIL
Contingent Liabilities not provided: NIL

R.T. Constructions

Before the High Court of Judicature, Bombay

Balwant Budhu Yadav has filed an appeal (First Appeal No. 2388/2005) in the High Court, Bombay against the order dated October 28, 2005 dismissing the suit (S.C. Suit No. 3839/2003) filed by the Plaintiff in the City Civil Court, Bombay against R.T. Constructions and others alleging that he is the sole allottee of flat being Room No. 1 at Bhagiseth Tabela, Sambhaji Nagar, Sahar Road, Village Ville Parle, Andheri (E), Mumbai 400 069 (Suit Property). The Plaintiff has pleaded for relief which *inter alia* include an order from the High Court to declare that the Plaintiff is the joint owner of the Suit Property with one of the defendants (Defendant No. 2) and an order restraining R.T. Constructions from handing over possession of the Suit Property to Defendant No. 2. The Appeal has been admitted and no-interim order has been passed. The matter is pending.

Before the City Civil Court, Bombay

1. Anita Lavate (Plaintiff) has filed a suit (S.C. Suit No. 4230/2006) in the City Civil Court, Bombay against R.T. Constructions and others (Defendants). The Plaintiff has pleaded for relief which inter alia include an order from this Court appointing a Receiver for Room No. T-2, 122, Gaubai Nigde Chawl, Sambhaji Nagar, Sahar Road, Koldogri, Andheri (E), Mumbai (Suit Property), an order for temporary injunction restraining the Defendants from creating any third party right on or disposing off the Suit Property and from providing for alternate accommodation in place of Suit Property. The Court receiver has been appointed. The matter is pending.

2. Rameshchand Prasad (Plaintiff) has filed a suit (Suit No. 3906/2006) in the City Civil Court, Bombay against R.T. Constructions and others. The Plaintiff has pleaded for relief which *inter alia* include an order from this Court for permanent injunction restraining R.T. Constructions from demolishing the Plaintiff's room at Bhagwandin Pal Chawl, Sambhaji Nagar, Sahar Road, Andheri (E), Mumbai without providing for alternate accommodation as per the slum rehabilitation scheme. The matter is pending.

3. Sonabai Babulal (Plaintiff) has filed a suit (Suit No. 2946/2006) in the City Civil Court, Bombay against R.T. Constructions and others. The Plaintiff has alleged that the premises located at Room No. 5, Sonabai Babulal Chawl, Sambhaji Nagar, Kol Dongri, Sahar Road, Andheri (E), Mumbai (Suit Property) is in use and possession by the Plaintiff and that Bhailal Sutar (Defendant No. 1) was a tenant of the Plaintiff with respect to the Suit Property. The Plaintiff has alleged that she had filed an eviction suit against Defendant No. 1 in the Court of Small Causes, Bombay which was decreed in favour of the Plaintiff. The Plaintiff has alleged that Defendant No. 1 has misrepresented to Chhatrapati Sambhaji Nagar Griha Nirman Sanstha (Society) and to R.T. Constructions as the occupant of the Suit Property and is claiming permanent alternate accommodation in lieu of Suit Property. The Plaintiff has pleaded for relief which *inter alia* include an order from this Court directing the Society, R.T. Constructions and SRA to allot permanent alternate accommodation to the Plaintiff in place of Suit Property, an order directing the Society and R.T. Constructions to reserve one permanent alternate accommodation in place of Suit Property for the Plaintiff pending final disposal of the Suit, an order of injunction restraining the Society, R.T. Constructions and SRA from demolishing or interfering with the Plaintiff's use and possession of the Suit Property pending final disposal of the suit and from allotting or handing over possession of the permanent alternate accommodation to Defendant No. 1. The Company has filed its reply. The matter is pending.

4. Vijaykumar Kesari (Plaintiff) has filed a suit (Suit No. 1798/2005) in the City Civil Court, Mumbai against R.T. Constructions The Plaintiff has alleged that R.T. Constructions had approached the plaintiff for handing over his premises at Newat Yadav Bhayya Chawl, Sambhaji Nagar, Koldongri, Sahar Road, Andheri (E), Mumbai (Suit Property) for purposes of development under the slum rehabilitation scheme. The Plaintiff has alleged that R.T. Constructions had undertaken to provide the Plaintiff with a residential flat cum shop in the building that would be constructed. The Plaintiff has also alleged that an agreement was entered into between the Plaintiff and R.T. Constructions and that he has not been provided with residential flat cum shop. The Plaintiff has pleaded for relief which *inter alia* include a declaration from this Court that the Plaintiff is entitled to the new residential flat cum shop, an order restraining R.T. Constructions from selling or transferring the new premises and an order appointing a Receiver to take possession of the same and hand over the premises to the Plaintiff. The matter is pending.

5. Omprakash Awadhnarayan Kesari (Plaintiff) has filed a suit (Suit No. 1780/2005) in the City Civil Court, Mumbai against R.T. Constructions. The Plaintiff has alleged that he has handed over possession of his premises at Sambhaji Nagar, Sahar Road, Andheri (E), Mumbai (Suit Property) to R.T. Constructions for development of Suit Property under the slum rehabilitation scheme. The Plaintiff has also alleged that R.T. Constructions has provided him with residential premises whereas he should have been provided with a residential flat cum shop in the new building that would be constructed. The Plaintiff has alleged that R.T. Constructions had demolished the Plaintiff's premises on the Suit Property but has not provided the Plaintiff with residential flat cum shop. The Plaintiff has pleaded for relief which *inter alia* include an order from this Court to restrain the Company from transferring, alienating or selling the Suit Property and to appoint a Receiver to take possession of the Suit Property. The notice of motion No. 1508/2005 by Plaintiff was dismissed on June 10, 2005. The matter is pending.

6. Vijay Shankar Yadav (Plaintiff) has filed a suit (Suit No. 5651/2004) in the City Civil Court, Bombay against R.T. Constructions and others. The Plaintiff has alleged that R.T. Constructions had entered into an agreement with one of the defendants (Defendant No. 1) to provide alternate accommodation in lieu of the room at Baijnath Mishra Chawl, Sambhaji Nagar, opposite Vijay Nagar Society, Swami Nityanand Marg, Andheri (E), Mumbai (Suit Property). The Plaintiff has alleged that Defendant No. 1 had no right, title or interest to transfer the room at Suit Property to R.T. Constructions. The Plaintiff has further alleged that the Plaintiff's name has not been submitted to competent authority and that Defendant No. 1 and R.T. Constructions have deprived the Plaintiff of his legal rights. The Plaintiff has pleaded for relief which *inter alia* include an order from this Court to restrain Defendant No. 1 from transferring possession of room on Suit Property to R.T. Constructions and restrain R.T. Constructions from demolishing the room on Suit Property. The Plaintiff has further pleaded for a Receiver to be appointed by this Court for the premises on the Suit Property. The matter is pending.

7. Suraj Gangadhar Yadav (Plaintiff) has filed a suit (Suit No. 2185/2004) in the City Civil Court, Bombay against R.T. Constructions and others. The Plaintiff has alleged that one of the Defendants (Defendant No. 1) did not have the right to enter into an agreement with R.T. Constructions with respect to the room at Baijnath Mishra Chawl Sambhaji Nagar, opposite Vijay Nagar Society, Swami Nityanand Marg, Andheri (E), Mumbai (Suit Property). The Plaintiff has pleaded for relief which *inter alia* include an order form this Court restraining the R.T. Constructions from handing over permanent alternate accommodation to the other defendants. The matter is pending.

8. Samarnath Meghu Yadav (Plaintiff) has filed a suit (S.C. Suit No. 6217/2002) in the City Civil Court, Bombay against R.T. Constructions. The Plaintiff has alleged that he is in the use and possession of room at Survey No. 33, Ville Parle, Bhagseth Chawl, Sambhaji Nagar, Swami Nityanand Marg, Andheri (E), Mumbai (Suit Property). The Plaintiff has alleged that R.T. Constructions has been threatening to demolish the premises of the Plaintiff to carry out development work on Suit Property. The Plaintiff has pleaded for relief which *inter alia* include a declaration from this Court that the Defendants have no right to demolish the room on Suit Property and an order permanently restraining R.T. Constructions from demolishing the room on Suit Property. The matter has been dismissed.

Before the Court of Small Causes, Bombay

Kashibai N. Gutkade (Plaintiff) has filed a suit (L.E. Suit No. 37/45 of 2003) in the Court of Small Causes, Bandra, Bombay against R.T. Constructions and others. The Plaintiff has alleged that she is the lawful tenant of Room No.4 Thomaskaka's Chawl, Sambhaji Nagar, Sahar Road, Andheri (E), Mumbai (Suit Property). The Plaintiff has alleged that Defendant No. 1 who was her tenant has forcefully refused to vacate from the Suit Property and has applied to Chhatrapati Sambhaji Nagar Cooperative Housing Society Limited (Co-operative) to register himself as a bona fide resident of the Suit Property. The Plaintiff has pleaded for relief which *inter alia* include an order from this Court directing Defendant No. 1 to vacate the Suit Property, an order directing the Co-operative not to register Defendant No. 1 as a member of the Co-operative and an order directing R.T. Constructions not to demolish the Suit Property and to refrain from development of Suit Property until final disposal of the suit. The Plaintiff applied to this Court for an order of injunction for an order restraining R.T. Constructions and other defendants from demolishing the Suit Property or to make any agreement/arrangements with respect to Suit Property, whereby this Court issued a show cause notice to R.T. Constructions and other defendants. The matter is pending.

Litigation Against Partnerships of the Company

Heritage Housing Development Corporation

Outstanding Litigations: NIL
Contingent Liabilities not provided: NIL

Nahur Residence Developers

Outstanding Litigations: NIL
Contingent Liabilities not provided: NIL

D.S. Corporation

Outstanding Litigations: NIL
Contingent Liabilities not provided: NIL

Agnel Developers

<u>Litigation Against Agnel Developers</u>

Before the High Court of Judicature, Bombay

Vinod Gokarna and others (Plaintiffs) have filed a suit (S.C. Suit No. 3665/2006) in the High Court, Bombay against Agnel Developers and others (Defendants). The Plaintiffs have alleged that they are the members of Pant Nagar Sagar Cooperative Housing Society (Defendant No. 6). The Plaintiffs have alleged that they live in various tenements in buildings constructed by MHADA at Survey No. 263A CTS No. 194 (pt.) of Pant Nagar, Ghatkopar (East), Mumbai (Suit Property) under the Economically Weaker Section Group Housing Scheme (Scheme). The Plaintiffs have alleged that they are original allottees under the Scheme and all such allottees had formed themselves into an association called the EWS Tenants Association (EWS) which became redundant after the allottees had formed themselves into 9 cooperative housing societies, of which Defendant No. 6 is one such cooperative society. The Plaintiffs have alleged that EWS claiming to act on behalf of the 9 cooperative housing societies entered into a MOU dated July 16, 2004 with Agnel Developers for redevelopment of Suit Property pursuant to which Agnel Developers was to enter into separate agreements with all residents on the Suit Property for alternate accommodation before re-housing them in the developed buildings. The Plaintiffs have pleaded for relief which *inter alia* include a declaration from this Court that EWS had no right to execute a MOU on behalf of Defendant No. 6 with Agnel Developers, a declaration that MOU between EWS and Agnel Developers is void, a declaration that development agreements entered into between Defendant No.6 and EWS along with Agnel Developers is void, an order restraining EWS and Agnel Developers from acting on the development agreement pending final disposal of the suit, an order restraining EWS and Agnel Developers from demolishing the building of Defendant No. 6 pending final disposal of suit, an order restraining EWS and Agnel Developers from coercing residents on the Suit Property to execute redevelopment agreements and an order restraining EWS and Agnel Developers from continuing with any redevelopment work on the Suit Property. The matter is pending.

Litigation Against Directors

1. Indrabhushan Shukla (Plaintiff) has filed a suit (S.C. Suit No. 3972/2006) in the City Civil Court, Bombay against Mr. Rakesh Wadhawan and Mr. Waryam Singh, Directors of the Company (Directors) and others. The Plaintiff has alleged that he was dispossessed of his premises at CTS No. 608, Village Bandra, Saikripa Zopadpatti, Behind Transit Camp No. 2, Station Road, Bandra (E), Mumbai (Suit Property) when the premises were taken up for development by the Directors. The Plaintiff has further alleged that the Directors had failed to provide for alternate accommodation. The Plaintiff has pleaded for relief which *inter alia* includes an order for permanent injunction against the Directors from demolishing the Suit Property and an order restraining the Directors from obstructing in the use and possession of the Suit Property by the Plaintiff. The matter is pending.

2. Pradeep T. Dhake (Plaintiff) has filed a suit (S.C. Suit No. 5179/2006) in the High Court, Bombay against Rakesh Wadhawan, a Director of the Company and Vasant D. Gawade, an ex-Director of the Company (Defendants). The Plaintiffs have alleged that they are the owners of land which the Defendants are developers through their partnership firm of Housing Development and Improvement Corporation. The Plaintiff has alleged that the Defendants have constructed buildings on the Plaintiff's land pursuant to agreements executed between the Plaintiff and the Defendants (Agreements). The Plaintiff has alleged that the Defendants have not performed the terms and conditions of the Agreements since they have given only four flats to the Plaintiffs but have not provided three covered garages and amounts as agreed. The Plaintiff has alleged that the Defendants have not delivered possession of three flats and three garages situated at CTS No. 319-A (pt.), 320 and 320/1-23, Village Mogra, Andheri, Mumbai (Suit Property). The Plaintiff has pleaded for relief which *inter alia* includes an order from this Court for permanent injunction restraining the Defendants from selling, disposing or creating any third party rights with respect to Suit Property, an order for injunction restraining the Defendants from selling, disposing or creating third party rights with respect to Suit Property. The matter is pending.

3. Shahid Ahmed (Complainant) has filed a criminal suit (C.C. No. 566/Misc/2005) in the Court of Additional Chief Magistrate, 9th Court, Bandra, Mumbai against Sarang Wadhawan, Managing Director of the Company and others (Accused). The Complainant has alleged that the Accused had verbally abused and had caused physical injuries to the Complainant and others. The Additional Chief Magistrate issued an order for process dated December 23, 2005 against the Accused under sections 143, 144, 147, 148, 149, 352, 447, 323, 324, 504 and 506(ii) of the Indian Penal Code. The case is pending.

4. Nandram R. Agrahari (Plaintiff) has filed a suit (S.C. Suit No. 5483/2005) in the City Civil Court, Bombay against Tungwa Developers, Waryam Singh and Dheeraj Wadhawan, Directors of the Company (Defendants). The Plaintiff has alleged that he is the owner of property situated at Survey No. 42, Hissa No. 1, CTS No. 107/1, Village Tungwa, Taluka Kurla, Link Road, Mumbai (Suit Property). The Plaintiff has alleged that the Defendants have been trying to encroach on the Suit Property. The Plaintiff has pleaded for relied which *inter alia* include a declaration from this Court that the Defendants have no right, title or interest in the Suit Property and an order for injunction against the Defendants from entering or carrying on any construction work on the Suit Property. The matter is pending.

5. P.T. Dhake (Complainant) has filed a criminal complaint (C.C. No. 3117(M)/2004) under sections 34, 406, 420 and 506 (ii) of the IPC in the Metropolitan Magistrate's Court, Andheri, Mumbai against Rakesh Wadhawan, a Director of the Company and V.D. Gawade, an ex-Director of the Company (Accused). The Complainants have alleged that the Accused had approached the Complainants for a no-objection certificate (NOC) for developing the Complainant's property at CTS No. 320, 320/1 to 320/23, near Ismail Yusuf College, Jogeshwari (E), Mumbai (Suit Property) pursuant to a slum rehabilitation scheme. It is alleged that the Accused had paid Rs. 5,00,000 to the Complainants and had also promised to pay a balance sum of Rs. 28,75,147 in addition to providing for three flats in the building that would be constructed on the Suit Property. The Complainants allege that the Accused have allotted tenements in the building but have failed to allot three flats to the Complainant or pay the balance amount. The case

is pending. The Complainant had previously filed one civil suit (S.C. 713/2004) before the City Civil Court, Bombay on the same subject matter as the present Complaint which was subsequently withdrawn.

6. Sitaram Gopal Shetty (Plaintiff) has filed a suit (S.C. Suit No. 1726/2003) in the City Civil Court, Bombay against Mr. Rakesh Wadhawan and Mr. Waryam Singh, Directors of the Company (Directors) and others. The Plaintiff has alleged that the premises at 'Prassadham Lunch Home' at Bandra Transit Camp, near MSEB, Anant Kanekar Marg, Bandra (E) (Suit Property) was illegally transferred to the Directors. The Plaintiff has pleaded for relief which *inter alia* include, that documents transferring the Suit Property to the Directors is void, a decree for possession of alternative premises in lieu of Plaintiff's Suit Property from the Directors, an order restraining the Directors from developing any premises in place of Suit Property, appointment of Receiver for Suit Property and an order directing the Directors to provide transit premises to the Plaintiff. The matter is pending.

7. Richard John Misquitte (Petitioner) has filed a contempt petition (C.P. No. 143/2001) in the High Court, Bombay against Mr. Waryam Singh, a director of the Company and others (Respondents) alleging that the Respondents are liable to held guilty for contempt of court as they had wilfully disobeyed Order of this High Court dated December 15, 2000 in Appeal from Order No. 686 of 2000. The order dated October 15, 2000 of this High Court restrains the Respondents from putting up any construction on petitioner's suit property at CTS No. 1582 (pt.), West Gaothan, St. Francis Road, Ville Parle (W), Mumbai. The relief asked for by the Petitioner *inter alia* includes that the Respondents be punished under section 12 of the Contempt of Courts Act, 1971 read with Article 215 of the Constitution of India by sentencing the Respondents to civil imprisonment and/or by imposing such fines as this High Court deems necessary. The Petitioners have also pleaded that a Receiver be appointed by this High Court for the suit property. The matter is pending.

Proceedings by Income Tax Authorities

1. The Additional Director of Income Tax (Inv.) Unit – IV issued a search warrant dated January 18, 2007 against Rakesh Kumar Wadhawan, Non-Executive Chairman of the Company and Sarang Wadhawan, Managing Director of the Company (Directors). The Assistant Director/Deputy Director of Income Tax pursuant to the search warrant searched the residences of the Directors located at 21/22/23/26 Seaview Palace, Pali Hill, Bandra (W), Mumbai on January 18, 2007 and January 22, 2007.

2. The Deputy Director of Income Tax (Inv.) Unit – IV pursuant to a search warrant dated January 22, 2007, issued by the Additional Director of Income Tax (Inv.) Unit – IV under section 132 of the Income Tax carried out a search in relation to promoter group individuals namely, Vanita Wadhawan, Anu Wadhawan, Malti Wadhawan, Pooja Wadhawan, Aruna Wadhawan and Damayanti Wadhawan.

3. A survey was conducted by the Department of Income Tax pursuant to section 133 (A) of the Income Tax Act at the Company's registered office on January 18, 2007.

Subsequent to the search and survey conducted by the department of Income Tax as mentioned in points1 and 3 above, the Company and Mr. Rakesh Kumar Wadhawan have paid advance tax aggregating approximately Rs. 80 million. The total amount of claims outstanding against the Company and the Directors in these cases is approximately Rs. 373.8 million.

Litigation involving Subsidiary

Privilege Power and Infrastructure Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Litigation against Promoters and Promoter Group

Dewan Housing Finance Corporation Limited (DHFL)

Litigation Against Dewan Housing Finance Corporation Limited

Before the High Court of Judicature, Bombay

Rajesh Builders (Plaintiff) has filed a suit (Suit No. 2860/2000) in the High Court, Bombay against DHFL and others. The Plaintiff has alleged that they had entered into an agreement for sale (Agreement) with Flora Fonseca of land at CTS No. F 616 and F 617, Village Pali, Bandra, Mumbai (Suit Property) on December 9, 1981. The Plaintiff has alleged that they had agreed to purchase the Suit Property for Rs. 2,55,000 of which they have already paid Rs. 2,45,000 and are willing to pay the balance amount of Rs. 10,000 on execution of the deed of conveyance (Deed). The Plaintiff has alleged that after the death of Flora Fonseca, her legal heirs, Ben Fonseca and Slubert Fonseca (Defendant No. 1 and Defendant No. 2) have wrongfully terminated the Agreement, even though the Plaintiff has been willing to pay the balance purchase amount of Rs. 10,000 on execution of the Deed. The Plaintiff has further alleged that Defendant No. 1 and Defendant No. 2 had entered into negotiations with DHFL who is trying to interfere with the Plaintiff's possession of Suit Property. The Plaintiff has pleaded for relief which *inter alia* include an order to restrain DHFL from entering upon and interfering with the Plaintiff's possession of the Suit Property, an order appointing a Receiver with respect to the Suit Property and an order of injunction restraining Defendant No. 1 and Defendant No. 2 from transferring or selling any third party rights in favour of DHFL with respect to the Suit Property. The Company has represented before the Court that it does not have any interest in relation to the suit matter. The matter is pending.

Before the City Civil Court, Bombay

Sandeep Naik (Plaintiff) has filed a suit (Suit No. 32/2004) in the City Civil Court, Bombay against DHFL and others. The Plaintiff has pleaded for relief which *inter alia* include an order from this Court for specific performance of agreement between the Plaintiff and seller of property for which loan was taken from DHFL and an order restraining DHFL from taking legal action against the Plaintiff. The matter is pending.

Before the City Civil Court, Kolkata

Dr. Gautam Singh (Plaintiff) has filed a suit (Suit No. 75/2005) in the City Civil Court, Kolkata. The Plaintiff has filed this suit against the builder of a property for not handing over possession of property after registered deed has been executed. The Plaintiff had taken a loan from DHFL to partially fund the acquisition of the property. DHFL has been a made a party to this suit. The matter is pending.

Before the High Court, Chennai

Mrs. A Julia (Petitioner) has filed a writ petition in the High Court of Judicature at Chennai against the company. The Petitioner has prayed for the relief in the nature of writ from the High Court, Chennai, by way of restraining the company for taking action against the house property of the Petitioner under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002. The company has filed the vakalatnama in the High Court, Chennai and the matter is pending.

Before the Debt Recovery Tribunal, Bangalore

Edwin D'souza (Applicant) has filed an application bearing No. 122/2007 in the DRT Bangalore against DHFL. The applicant has pleaded for relief in the application against the action taken by the company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002. The Presiding Officer of DRT, Bangalore has passed an interim order on the said application on May 10, 2007, where under an interim stay of all further proceedings such as taking physical possession and conducting sale etc until further order and the applicant is directed to deposit an amount of Rs. 50,000/- within 6 weeks. The matter is pending.

Cases before various District Courts

1. There is one case pending before the District Court, Trivandrum against DHFL for claim aggregating approximately to Rs 0.18 million which was decreed by this Court in a prior suit, in favour of DHFL. The matter has since been dismissed by the court.

2. There is one case pending before the District Court, Trivandrum against DHFL where the Plaintiff has pleaded for relief which *inter alia* include an order from this Court for prohibitory injunction against DHFL from taking any legal action for claiming to be owner of disputed property. The matter is pending.

3. There are four petitions pending before the District Courts, Trichy, Salem and Madurai where the Plaintiffs, also being debtors of DHFL have applied to be adjudged insolvent and have made DHFL a party to these petitions. The matters are pending.

4. There is one case pending before the District Court, Trichy against DHFL where the Plaintiff has pleaded for relief which *inter alia* include an order from this Court for specific performance for adjustment of insurance claim towards partial payment of outstanding loan. The matter has since been dismissed by the court.

5. There are two cases pending before the District Court, Coimbatore and Shimoga against DHFL where the Plaintiff being a lessee, of a borrower of DHFL (Borrower) has pleaded for relief which *inter alia* include an order from this Court for temporary injunction restraining the Borrower and DHFL from interfering with peaceful use and possession of property by the Plaintiff. The matter is pending.

6. There is one case pending before the District Court, Nagpur against DHFL and a borrower of DHFL where the Plaintiff has pleaded for relief which *inter alia* include an order from this Court restraining DHLF from interfering with the peaceful use and possession of disputed property by the Plaintiff.

7. There is one case pending before the District Court, Akola against a builder, where the Plaintiff, being a borrower of DHFL, has pleaded for relief which *inter alia* include an order from this Court directing the builder to refund earnest money paid pursuant to a sale agreement which is alleged to be cancelled. DHFL has been made a party to this suit. The matter is pending.

8. There is one case pending before the District Court, Thane against DHFL. The Plaintiff has pleaded for relief which *inter alia* include an order from this Court directing DHFL to refund processing fees aggregating approximately Rs. 0.14 million. The matter is pending.

9. There is one case pending before the Court of the Principal District Munsif, Nagarcoil against DHFL for a declaration that the Plaintiff has no liability to pay towards the loan taken from DHFL. The matter is pending.

10. There is one case pending before the Court of Civil Jude (S.D), Panvel, filed by Third Party (Plaintiff) against the Legal Heirs of the Borrower making DHFL as one of defendants and has pleaded for a declaration from the Court for claiming the right, title and interest over the property. The matter is pending

Labour Disputes

1. There is one claim pending before the Labour Commissioner, Indore against DHFL. The claimant being an ex-employee of DHFL has filed this claim for release of disputed gratuity amount aggregating approximately Rs. 0.20 million allegedly withheld by DHFL. The matter is pending.

Cases before Consumer Disputes Redressal Forums

1. There are 15 claims pending before various Consumer Disputes Redressal Forums against DHFL with respect to refund of processing fees and other miscellaneous claims. The total amount claimed as compensation in these cases aggregates approximately Rs. 0.38 million. These cases are pending.

2. There are 6 claims before various Consumer Disputes Redressal Forums against DHFL with respect to refund of prepayment charges and other miscellaneous claims. The total amount claimed as compensation in these cases aggregates approximately Rs. 0.35 million. These cases are pending.

3. There are 3 claims before various Consumer Disputes Redressal Forums against DHFL with respect to adjustment of insurance claims/surrender value with respect to loan liability. The total amount claimed as compensation in these cases aggregates approximately Rs. 0.20 million. These cases are pending.

4. There is one claim before the District Consumer Disputes Redressal Forum, Akola against DHFL with respect to wrong calculation of interest on loan availed. The total amount claimed as compensation in this case aggregates approximately Rs. 0.01 million. The case is pending.

5. There is one claim before the District Consumer Disputes Redressal Forum, Mumbai against DHFL with respect to loss of original agreement documentation. The total amount claimed as compensation in this case aggregates approximately Rs. 0.85 million. The case has been decided by the District Consumer Disputes Redressal Forum and DHFL has paid an amount of Rs. 0.02 million as per the order of this forum.

6. There is one claim before the District Consumer Disputes Redressal Forum, Mumbai against DHFL with respect to refund of interest tax. The total amount claimed as compensation in this case aggregates approximately Rs. 0.06 million. The case is pending.

7. There is one claim before the District Consumer Disputes Redressal Forum, Nagpur against DHFL and others for obtaining possession of property purchased by loan availed from DHFL. The total amount claimed as compensation in this case aggregates approximately Rs. 0.06 million. The case is pending.

Litigation By Dewan Housing Finance Corporation Limited

Before the City Civil Court, Bombay

Satyam Realtors Private Limited (Plaintiff No. 1) and DHFL (Plaintiff No. 2) (together 'Plaintiffs') have filed a suit (S.C. Suit No. 2755/2004) in the City Civil Court, Bombay against United Health Care Limited (United Health), MMRDA and the Metropolitan Commissioner, MMR (Defendants). Plaintiff No. 1 has alleged that MMRDA had granted lease of premises located at Plot No. C-4, Bandra Kurla Complex, Bandra (E), Mumbai to United Health pursuant to which United Health had constructed a building and sold half of the ground floor premises (Premises) to National Plastic Industries (National Plastic). Plaintiff No. 1 has alleged that National Plastic transferred title to the Premises to Plaintiff No. 1 through an agreement dated March 21, 1991. Plaintiff No. 1 has further alleged that they have allowed Plaintiff No. 2 to use the Premises as well. The Plaintiffs have alleged that MMRDA has issued a show cause notice stating that Plaintiff No. 2 had carried out modifications of the Premises which is not in accordance with permission granted by MMRDA and therefore Plaintiff No. 2 should demolish the unauthorised structure. The Plaintiffs allege that Plaintiff No. 2 made an application dated March 16, 2004 to MMRDA for regularisation of the Premises which was rejected by the Municipal Commissioner who passed an order dated May 31, 2004 (Order) stating that unauthorised structures at the Premises should be demolished. The Plaintiffs have pleaded for relief which *inter alia* include a declaration from this Court that the Order issued by the Metropolitan Commissioner is illegal and bad in law, an order staying the execution of the Order pending final disposal of the suit, an order restraining the officers of MMRDA from implementing the Order and carrying out demolition works in the Premises pending final disposal of the suit, an order directing MMRDA and the Metropolitan Commissioner to maintain status quo with respect to the Premises pending final disposal of the suit. The matter is pending.

Before the Debt Recovery Tribunal, Vishakhapatnam, Andhra Pradesh

The company has filed an application before the DRT, Vishakhapatnam, vide application No. 50/2007 for grant of stay of operation of all proceedings in pursuance to the action taken by the Vijay Bank, Vijayawada and against Y. B. Shivaramakrishna. The Presiding Officer of DRT, Vishakhapatnam has passed a Stay Order on April 4, 2007 for further proceedings and a stay has been granted against Vijay Bank. The matter is pending.

Cases before various District and City Civil Courts

DHFL has filed 28 cases in various District and City Civil Courts against defaulters for recovery of outstanding housing loans aggregating approximately Rs 6.71 million. These matters are pending.

Cases before various Criminal Courts

DHFL has filed 272 cases in various Criminal Courts under section 138 of the Negotiable Instruments Act for recovery of amount aggregating approximately Rs. 16.16 million. These matters are pending.

Cases under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002 (SRFAESI Act, 2002)

DHFL has filed 34 petitions under Section 14 of the SRFAESI Act, 2002 for recovery of dues aggregating approximately Rs. 31.46 million. The petitions are pending.

Dinshaw Trapinex Builders Private Limited

Before the City Civil Court, Bombay

1. Shivan Warrier (Plaintiff) has filed a suit (S.C. Suit No. 5621 of 2001) in the City Civil Court, Bombay against Dinshaw Trapinex Builders Private Limited (Dinshaw Trapinex) and others. The Plaintiff has alleged that he had purchased apartments in a building named as 'Dheeraj Garden' located at Survey No. 41 and Survey No. 42, Hissa No. 5 (pt.) City Survey No. 191/3, C.TS. No. 193 A (pt.), Village Majas, Poonam Nagar, Andheri (E), Mumbai (Suit Property) from Dinshaw Trapinex. The Plaintiff has alleged that Dinshaw Trapinex has made changes to the original building plan which was a part of the agreement for sale entered into between the Plaintiff and Dinshaw Trapinex such that a stilt parking space in the Suit Property has been converted to a shop. The Plaintiff has pleaded for relief which *inter alia* include a declaration from this Court that Dinshaw Trapinex has no right to make any alterations or additions in the structure of the Suit Property, an order for permanent injunction to Dinshaw Trapinex from making alterations to the Suit Property without written consent of the Plaintiff and other purchasers of flats in the Suit Property and an order directing the MCGB to demolish the shop which has been set up at the stilt parking space of the Suit Property. The matter is pending.

2. Sanjiva Rao has (Plaintiff) filed a suit (L.C. Suit No. 5524/2001) in the City Civil Court, Bombay against Dinshaw Trapinex Builders Private Limited (Dinshaw Trapinex). The Plaintiff has alleged that Dinshaw Trapinex sold premises for a shop (Suit Property) located at Dheeraj Garden, Poonam Nagar, Andheri (E), Mumbai (Building) which was in fact a spacing/stilt. The Plaintiff has alleged that he has received a notice from the Municipal Corporation of Mumbai (Municipality) asking the Plaintiff to cease construction of the stilt portion of the Building. The Plaintiff has alleged that Dinshaw Trapinex had informed the Plaintiff that in the original plan for the Building, the Suit Property was shown as stilt; however an application had been made to the Municipality to convert Suit Property into a shop. The Plaintiff has further alleged that he has been served a notice by the Municipality stating that the Plaintiff has constructed a room in the stilt portion of the Building and that the Municipality intends to demolish the Suit Property. The Plaintiff has pleaded for relief which *inter alia* include a declaration from this Court that the proposed demolition of the Suit Property be declared as illegal and inoperative, an order permanently restraining the Municipality from demolishing or destroying the Suit Property until a decision on the revised plan submitted by Dinshaw Trapinex is made by the Municipality. The matter is pending.

3. Firoz N. Khan has filed a Complaint No. 16 of 2007 against Dinshaw Trapinex Builders Private Limited (Dinshaw) in connection with a dispute he had with Dinshaw in relation to a parking place purchased by him. He has alleged unfair trade practices against Dinshaw and claimed an amount of Rs. 300,000. The matter is pending before the Consumer Redressal Forum, Mumbai Suburban District, Mumbai.

Prithvi Realtors & Hotels Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Dewan Realtors Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Libra Realtors Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Interactive Multimedia Technologies Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Privilege Distilleries Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Privilege Industries Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Privilege Airways Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Heritage Housing Development (India) Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Libra Hotels Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Dheeraj Consultancy Private Limited

Before the City Civil Court, Bombay

Robert L. Jacinto (Plaintiff) has filed a suit (S.C. Suit No. 4285/2005) in the City Civil Court, Bombay against Dheeraj Consultancy Private Limited (Dheeraj Consultancy) against Dheeraj Consultancy and others. The Plaintiff has alleged that he is the owner of $1/3^{rd}$ of the property located at Survey No. 175, Hissa No. 19, CTS No. 4207, Village Koli Kalyan, Andheri, Mumbai (Suit Property). The Plaintiff has alleged that the Suit Property was acquired by the State of Maharashtra and MMRDA (Government Authorities) for public purposes but compensation had not been paid to the Plaintiff for this acquisition. The Plaintiff has alleged that Matthew Jacinto (Defendant No. 4) had transferred the Suit Property to the Government Authorities though he did not have any title and right in the Suit Property for effecting such a transfer and has also received compensation for the same. The Plaintiff has alleged that Dheeraj Consultancy claims to have acquired the Suit Property from Government Authorities and has commenced construction activities on the Suit Property to utilise the same for commercial purposes. The Plaintiff has pleaded for relief which *inter alia* include a declaration from this Court that Defendant No. 4 had no right in the Suit Property along with the Government Authorities who have claimed their title to the Suit Property through Defendant No. 4, a declaration that Dheeraj Consultancy does not have a right to carry on construction work on Suit Property and an order for permanent injunction restraining the Government Authorities, Defendant No. 4 and Dheeraj Consultancy from claiming any right in and carrying out construction work on the Suit Property. The company has filed its written statement. The matter is pending.

Dinshaw Trapinex Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Dinshaw Trapinex Commercial Broker LLC

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

DHFL Vysya Housing Finance Limited (DVHFL)

Litigation by DHFL Vysya Housing Finance Limited

Cases before various Criminal Courts

DVHFL has filed 6 cases in various Criminal Courts under section 138 of the Negotiable Instruments Act for recovery of amount aggregating approximately Rs. 2.89million. These matters are pending.

Cases under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002 (SRFAESI Act, 2002)

DVHFL has filed 11 petitions under Section 14 of the SRFAESI Act, 2002 for recovery of dues aggregating approximately Rs. 6.63 million. The petitions are pending.

DHFL Venture Capital (I) Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

DHFL Venture Trustee Company Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

DHFL Property Services Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

DHFL Insurance Services Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Wadhawan Holdings Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Township Developers India Private Limited

Outstanding Litigations: NIL

Contingent Liabilities not provided as of March 31, 2006: NIL

Dish Hospitality Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: Rs. 9.84 million is the estimated value of contracts which remains to be executed on capital accounts.

Wadhawan Food Retail Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: Rs.19.17 million is the estimated value of contracts which remains to be executed on capital accounts.

Matrix Highlands Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Wadhawan Consolidated Holdings Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Wadhawan Realtors Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Wadhawan Retail Ventures Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Wadhawan Hospitality and Investment Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Guruashish Construction Private Limited

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Bassein Industrial Development Corporation

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Bassein Housing Development Corporation

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

Housing Development and Improvement Corporation

Outstanding Litigations: NIL

Contingent Liabilities not provided as of March 31, 2006: NIL

Tungwa Developers

Before the City Civil Court, Bombay

Jankibai Mangal Welfare Society (Plaintiff Society) has filed a suit (L.C. 1206/2006) in the City Civil Court, Bombay against Tungwa Developers and others including Indian Cork Mills Limited, MCGM and SRA. The Plaintiff Society has alleged that the members of the Plaintiff Society have their huts at CTS No. 90(P), 91(P), 92(P), 96 (P), 107 (P), Village Tungwa, Kurla, Mumbai (Suit Property). The Plaintiff has pleaded for relief which *inter alia* include a declaration from this Court that Tungwa Developers and Indian Cork Mills Limited are not entitled to carry out construction work at the Suit Property, a declaration that Tungwa Developers and Indian Cork Mills Limited is not entitled to interfere with possession and occupation of the huts of the members of the Plaintiff Society on Suit Property, an order directing Tungwa Developers and Indian Cork Mills Limited to remove construction work carried out at Suit Property, an order restraining Tungwa Developers and Indian Cork Mills Limited from damaging lavatory facilities on Suit Property, digging drains or raising the level of construction site on Suit Property. The matter is pending.

There are 42 cases pending before the City Civil Court, Mumbai against the Tungwa Developers and others. The Plaintiffs in each of these cases have alleged that they were in peaceful use and possession of their premises at CTS No. 107, Survey No. 42, Village Tungwa, Milind Nagar, Sakivihar Road, Powai, Mumbai (Suit Properties). The Plaintiffs have alleged that Indian Cork Mills Limited (Defendant No. 1 and owner of land on which Suit Properties are situated) had entered into an agreement to provide to the Plaintiffs alternate accommodation free of cost on ownership basis in place of Suit Properties (The Agreement). The Plaintiffs have alleged that Tungwa Developers along with Defendant No. 1 had demolished Suit Properties and commenced construction of buildings. The Plaintiffs allege that the Defendants had informed the Plaintiffs that SRA had granted permission to Tungwa Developers for development of Suit Properties in pursuance to The Agreement. The Plaintiff has alleged that Tungwa Developers and Defendant No. 1 do not want to honour the terms of The Agreement and have threatened the Plaintiffs so as to prevent them from asking for alternate accommodation. The Plaintiffs have pleaded for relief from this Court which *inter alia* include a declaration to the effect that the act of dishonouring the Agreement by Defendant No. 1 and Tungwa Developers is illegal and bad in law, an order of injunction restraining Defendants No. 1 and Tungwa Developers from disposing of premises which are to be provided to the Plaintiffs in accordance with terms of The Agreement and an order appointing an officer of this Court as Commissioner to visit Suit Properties and to submit a report before this Court. The matters are pending.

Mahul Construction

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

East End Construction

Outstanding Litigations: NIL
Contingent Liabilities not provided as of March 31, 2006: NIL

GOVERNMENT APPROVALS

Except as stated below, we have received the necessary approvals from the Government of Maharashtra and various governmental and regulatory authorities in relation to our projects under development and planned projects. No further approvals are required for conducting our present business other than as described below.

APPROVALS FOR THE ISSUE

The DIPP has by its letter no. 5(6)2000-FC (Pt.File) dated January 22, 2007 clarified to us that 'guidelines notified vide Press Note 2 (2005 Series) are applicable to investment made only under the FDI route and not applicable to investment by FIIs under the Portfolio Investment Scheme under the FEMA Regulations.'

The RBI by its letter dated June 1, 2007 has confirmed that FIIs are permitted to subscribe to equity shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in this Issue.

PROJECT-SPECIFIC APPROVALS

Described below are the approvals obtained and applied for in respect of our ongoing projects.

1. Grande

(i) Letter of Intent No. SRA/ENG/792/HW/Pl/LOI dated October 17, 2003 issued by the SRA.

(ii) Intimation of Approval No. SRA/Ch.E/NG/1052/HW/PL/AP dated March 5, 2004 for Sale Building No. 1 issued by the SRA valid upto June 4, 2004

(iii) Commencement Certificate No. SRA/ENG/1052/HW/PL/AP dated July 2, 2004 for work up to plinth level for Sale Building No. 1 and re-endorsed upto plinth level as per amended plans dated August 5, 2004 issued by the SRA.

In relation to the 2 rehabilitation buildings constructed for the rehabilitation of slum dwellers, we have obtained Intimation of Approval and Commencement Certificate for Building No. 1.

2. Bandra (W) SRS Scheme

(i) Letter of Intent No. SRA/Eng/466/HW/MHL/LOI dated May 17, 2000 issued by the SRA.

(ii) Intimation of Approval No. SRA/ENG/1403/HW/MHI/AP dated February 7, 2005 issued by the Slum Rehabilitation Authority valid upto May 6, 2005

In relation to the rehabilitation building constructed for the rehabilitation of slum dwellers, we have obtained Intimation of Approval, Commencement Certificate and part Occupation Certificate. Construction of the building is complete.

3. Santacruz Property

(i) Letter of Intent No. SRA/Eng/194/HW/GL/LAY dated September 20, 2000 issued by the SRA.

(ii) Intimation of Approval No. SRA/Ch.E/ENG/617/HW/GL/AP/2E dated September 30, 2000 issued by the SRA.

(iii) Intimation of Approval No. SRA/Ch.E/Eng/635/HW/GL/AP/2A dated September 30, 2000 in respect of Sale Building No. 2 A1 issued by the SRA.

(iv) Intimation of Approval No. SRA/Ch.E/Eng/637/HW/GL/AP/1-A1 dated October 12, 2000 issued by the SRA for Sale Building No. 1 A1

(v) Commencement Certificate No. SRA/ENG/617/HW/GL/AP_2E dated December 20, 2001 issued by the SRA in respect of Sale Building No. 2E

(vi) Commencement Certificate No. SRA/ENG/635/HW/GL/AP/2A dated October 7, 2000 issued by the SRA for work upto plinth level in respect of Sale Building No. 2A

(vii) Commencement Certificate No. SRA/ENG/637/HW/GL/AP/1-A1 dated October 13, 2000 issued by the SRA for work up to plinth level in respect of Sale Building No. 1 A1 and extended up to 6th floor as per amended plan approved on December 19, 2002

(viii) No-objection certificate No. FBL/S/400/330 dated December 27, 2002 issued by the Chief Fire Officer, Mumbai Fire Brigade, MCGM

4. Bandra (E) SRS Scheme No-2

(i) Revised Letter of Intent No. SRA/ENG/830/HE/MMRDA/LOI dated December 29, 2004 issued by the SRA.

(ii) Intimation of Approval No. SRA/Ch.E/Eng/1373/HE/MMRDA/AP dated February 10, 2005 in respect of Sale Building No. 18 issued by the SRA valid upto May 9, 2005

(iii) Commencement Certificate No. SRA/ENG/1373/HE/MMRDA/AP dated March 4, 2005 issued by the SRA for work up to plinth level in respect of Sale Building No. 18 and renewed for ground floor plus six floors on October 31, 2005

(iv) Intimation of Approval No. SRA/ENG/1645/HE/MMRDA/AP dated May 11, 2006 in respect of Sale Building No. 19 issued by the SRA

(v) No-objection Certificate No. FBM/S/505/453 dated September 2, 2005 from the Chief Fire Officer, Mumbai Fire Brigade, MCGM

In relation to the 17 rehabilitation buildings constructed for the rehabilitation of slum dwellers, we have obtained Intimations of Approval and Commencement Certificates for all 17 buildings. Buildings No. 1, 3, 5, 7, 8, 9, 17 are complete; and buildings No. 10, 11, 13 are under construction.

5. Kaledonia

(i) Letter of Intent No. SRA/Eng/595/KE/ML/GL/PL/LOI dated December 3, 2004 issued by the SRA

(ii) Intimation of Approval No. SRA/ENG/1552/KE/PL/AP dated April 26, 2006 in respect of Sale Building issued by the SRA

(iii) Commencement Certificate No. SRA/ENG/1552/KE/PL/AP dated April 26, 2006 issued by the SRA

In relation to the 7 rehabilitation buildings constructed for the rehabilitation of slum dwellers, we have obtained Intimations of Approval and Commencement Certificates for all 7 buildings. Construction of all 7 rehabilitation buildings is complete.

6. Andheri (W) SRS Scheme No-1

(i) Letter of Intent No. SRA/ENG/700/KW/MHL/LOI dated May 23, 2003 issued by the SRA.

(ii) Intimation of Approval No. SRA/Ch E/ 1022/KW/MHL/AP dated October 17, 2003 issued by the SRA

(iii) Commencement Certificates No. SRA/ENG/1022/KW/MHL/AP dated December 15, 2003 and SRA/ENG/1278/KW/MHL/AP dated December 30, 2004

7. Ghatkopar (E) Property

(i) Letter of Intent No. CO/MB/LOI/Pant Nagar/4728/2004 dated October 21, 2004 issued by the Mumbai Housing and Area Development Board.

(ii) Commencement Certificate No. CE/ 6350/BPES/AN dated July 26, 2006 issued by the Municipal Corporation of Greater Mumbai valid up to July 25, 2007.

(iii) Intimation of Disapproval No. CE/ 6350/BPES/AN dated March 6, 2006 issued by the Municipal Corporation of Greater Mumbai, valid upto March 5, 2007

In relation to the rehabilitation building, we have obtained Intimations of Approval and Commencement Certificates for all 9 wings of the building. Construction has begun on 4 wings.

8. Dreams, Bhandup

(i) Commencement Certificate No. CE/ 953/BPES/AS dated April 8, 2005 in respect of commercial building issued by the Municipal Corporation of Greater Mumbai, valid upto April 7, 2006

(ii) Intimation of Disapproval No. E.B./C.E/953/BS/AS dated June 29, 2004 in respect of residential building No. 1 issued by the Municipal Corporation of Greater Mumbai, valid upto June 28, 2005

(iii) No-objection Certificate No. FBM/S/505/881 dated April 4, 2005 from the Chief Fire Officer, Mumbai Fire Brigade, MCGM

(iv) Environmental Clearance No. J.12011/12/05-IA(CIE) from the Ministry of Environment and Forests, Government of India

9. Affaire

(i) Commencement Certificate No. CE/2068/BSII/WS/AH/AK dated March 13, 2006 issued by the Municipal Corporation of Greater Mumbai, valid upto March 12, 2007

(ii) Intimation of Disapproval No. EB/CE/2068/WS/AH dated December 26, 2005 issued by the Municipal Corporation of Greater Mumbai.

10. Multiplex

(i) Intimation of Disapproval No. E.B./CE/A-0990/BS/AR dated January 1, 1999 issued by the MCGM

(ii) Commencement Certificate No. CHE/A-0990/BP (WS)/AR dated June 7, 2003 issued for work up to top of basement, and extended for entire work i.e. two tier basement, ground and first upper floor on June 1, 2005

(iii) No-objection certificate No.FBM/S/504/383 dated April 21, 2005 issued by the Chief Fire Officer, Mumbai Fire Brigade, MCGM

11. Harmony

(i) Intimation of Disapproval No. E.B/CE/8850/BS/AD dated July 27, 2004 in respect of commercial building issued by the MCGM

(ii) Commencement Certificate No. CHE/8850/BP(WS)/AP dated December 3, 2004 in respect of Commercial Building up to plinth level, extended for Wing A i.e. upto 2nd (pt) upper floor and Wing B i.e. 3rd to 8th upper floor and Wing C i.e. 3rd to 7th Upper Floor on May 16, 2006

12. Bandra (E) SRS Scheme No-1

(i) Letter of Intent No. SRA/ENG/828/HE/MMRDA/LOI dated February 5, 2007 issued by the SRA in respect Rajiv Gandhi Nagar SRA CHS (prop), Navjeevan Nagar I and II CHS (prop), Janta Seva CHS (prop), Good Luck CHS (prop), Jay Hind CHS (prop)

(ii) Letter of Intent No. SRA/ENG/829/HE/MMRDA/LOI dated February 5, 2007 issued by the SRA in respect of Patthar Nagar CHS (prop)

(iii) Letter of Intent No. SRA/ENG/882/HE/MMRDA/LOI dated February 5, 2007 issued by the SRA in respect of Basera Co-operative Housing Society Limited and Islampura Co-operative Housing Society

(iv) Intimation of Approval No. SRA/ENG/1894/HE/MHL/AP dated April 16, 2007 issued by the SRA in respect of Basera Co-operative Housing Society Limited

(v) Intimation of Approval No. SRA/ENG/1893/HE/MHL/AP dated April 16, 2007 issued by the SRA in respect of Basera Co-operative Housing Society Limited

(vi) No objection Certificate No. SRA/ENG/1651/HE/MHL/AP dated March 3, 2007 by the SRA to carry out the work as per amended plans submitted by the Company in respect of rehab building number 1 at Basera Co-operative Housing Society Limited and Islampura Co-operative Housing Society

(vii) No objection Certificate No. SRA/ENG/1652/HE/MHL/AP dated March 3, 2007 by the SRA to carry out the work as per amended plans submitted by the Company in respect of rehab building number 2 at Basera Co-operative Housing Society Limited and Islampura Co-operative Housing Society

(viii) No objection Certificate No. SRA/ENG/1653/HE/MHL/AP dated March 3, 2007 by the SRA to carry out the work as per amended plans submitted by the Company in respect of rehab building number 3 at Basera Co-operative Housing Society Limited and Islampura Co-operative Housing Society

(ix) No objection Certificate No. SRA/ENG/1654/HE/MHL/AP dated March 3, 2007 by the SRA to carry out the work as per amended plans submitted by the Company in respect of rehab building number 4 at Basera Co-operative Housing Society Limited and Islampura Co-operative Housing Society

(x) No objection Certificate No. SRA/ENG/1655/HE/MHL/AP dated March 3, 2007 by the SRA to carry out the work as per amended plans submitted by the Company in respect of rehab building number 5 at Basera Co-operative Housing Society Limited and Islampura Co-operative Housing Society

(xi) No objection Certificate No. SRA/ENG/1373/HE/MMRDA/AP dated March 17, 2007 by the SRA to carry out the work as per amended plans submitted by the Company in respect of Motilal Nehru Nagar CHS

In relation to rehabilitation buildings, Intimations of Approval and Commencement Certificates have been obtained in respect of ten buildings.

13. Vasai Mall

Commencement Certificate No. CIDCO/VVSR/BP/ZCC-20/826 dated September 6, 1991 issued by City and Industrial Development Corporation of Maharashtra Limited.

SEZ APPROVALS

In-principle approval No. F.2/481/2006-SEZ dated November 14, 2006 issued by the Ministry of Commerce of Industry, Department of Commerce (SEZ Section), Government of India to the Company for the development, operation and maintenance of a sector-specific Special Economic Zone for multi-service sector at Thane, Maharashtra, valid for a period of one year subject to conditions stated therein.

PREMISES- SPECIFIC APPROVALS

Mumbai Office:

Certificate of registration dated December 1, 2006 under the Bombay Shops and Commercial Establishments Act, 1948 for the premises located at Dheeraj Arma, 9th Floor, Anant Kanekar Marg, Bandra (E).

EMPLOYEE-RELATED APPROVALS:

1. Letter No.B/Cov./RL-4718/31-48694-101 dated November 29, 2006 from the Employees State Insurance Corporation Office of the Regional Director, Maharashtra allotting Code No. 31-48694-101 requiring the Company to take steps for registration of its employees under the Employees State Insurance Act, 1948.

2. Letter No.MH/PF/APP/93979/Enf VIII/SAO-KNO/10981 dated December 16, 2005 from the Office of the Regional Provident Fund Commissioner, Maharashtra allotting Code No. MH/93979 requiring the Company to implement the provisions of the EPF Scheme, Family Pension Scheme and Deposit Linked Insurance Scheme.

TAX APPROVALS

Described below are the various tax registrations that we have obtained:

1. Permanent Account Number AAACH5443F
2. TAN Number MUMHO4302E

INTELLECTUAL PROPERTY APPROVALS

We have applied for the registration of the HDIL logo as a trademark in Class 37 in respect of Construction of Residential and Commercial Projects. Our application dated May 30, 2006 has been accorded Application No. 1455014 by the Trademarks Registry, Mumbai and is pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue and the Green Shoe Option has been authorised by the Board of Directors in their meeting on December 19, 2006 and further amended by the Board of Directors in their meeting held on January 23, 2007. The Issue and the Green Shoe Option has been authorised by the shareholders of our Company at an EGM held on January 27, 2007.

The DIPP has by its letter no. 5(6)2000-FC (Pt.File) dated January 22, 2007 clarified to us that 'guidelines notified vide Press Note 2 (2005 Series) are applicable to investment made only under the FDI route and not applicable to investment by FIIs under the Portfolio Investment Scheme under the FEMA Regulations.'

The RBI by its letter dated June 1, 2007 has confirmed that FIIs are permitted to subscribe to equity shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in this Issue.

Prohibition by SEBI

Our Company, our Directors, our Promoters, our Subsidiary, the Promoter Group, the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Prohibition by RBI

Our Company, our Directors, our Promoters, our Subsidiary, the Promoter Group, the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been declared as wilful defaulters by RBI or any other governmental authorities.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.2 of the SEBI Guidelines, which states as follows:

"*2.2.2 An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:*

(a) (i) *The issue is made through the book-building process, with at least 50% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.*

OR

(a)(ii) *The "project" has at least 15% participation by Financial Institutions/ Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded*

AND

(b) (i) *The minimum post-issue face value capital of the company shall be Rs. 10 crores.*

OR

(b) (ii) *There shall be a compulsory market-making for at least 2 years from the date of listing of the shares , subject to the following:*

(a) *Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;*

(b) *Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;*

(c) *The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5% of the proposed issue of the company.)*"

We are an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and are therefore required to meet both the conditions detailed in clause 2.2.2(a) and clause 2.2.2(b) of the SEBI Guidelines.

- We are complying with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 60% of the Net Issue are proposed to be allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- We are complying with the second proviso to Clause 11.3.5(i) of the SEBI Guidelines and Non-Institutional Bidders and Retail Individual Bidders will be allocated to 10% and 30% of the Net Issue respectively.

- We are also complying with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-issue face value capital of the Company shall be Rs. 2,100 million which is more than the minimum requirement of Rs. 10 crore (Rs. 100 million).

Hence, we are eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

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

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

- A minimum 2,000,000 Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;

- The Net Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and

- The Issue is made through the Book Building method with allocation of 60% of the Net Issue size to QIBs as specified by SEBI.

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 TO MEAN 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, 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 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE BOOK RUNNING LEAD MANAGERS KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND ENAM FINANCIAL CONSULTANTS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 8, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

(i) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(ii) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

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

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

(C) 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;

(D) 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; AND

WHEN UNDERWRITTEN WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITTERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF 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.

The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 or section 68 of the companies act or from the requirement of obtaining such statutory and/or 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 are being complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of 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 Registrar of Companies, Maharashtra, Mumbai in terms of section 56, section 60 and section 60B of the Companies Act.

Caution - Disclaimer from the 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 our instance and anyone placing reliance on any other source of information, including our web site www.hdil.in, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the MOU entered into between the BRLMs and us and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the 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, at bidding centres or elsewhere.

Neither us nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs and Eligible NRIs. This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI has provided its observations and the document has been filed with the ROC. 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 the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the 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.

Further, each Bidder where required must agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the United States of Securities Act, 1933.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. The BSE has given vide its letter dated March 2, 2007 permission to our Company to use the BSE's name in this Red Herring Prospectus as one of the stock exchanges on which our Company's securities are proposed to be listed. The BSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. The BSE does not in any manner:-

i) warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus; or
ii) warrant that our Company's securities will be listed or will continue to be listed on the BSE; or
iii) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company;

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

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. The NSE has given by its letter dated March 7, 2007 permission to our Company to use NSE's name in this Red Herring Prospectus as one of the stock exchanges on which our Company's securities are proposed to be listed. NSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the 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 Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE nor does it take any responsibility for the financial or other soundness of 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 securities of this Company 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 for any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the office of the Registrar of Companies, Maharashtra, Mumbai at Everest, 100 Marine Drive, Mumbai 400 002.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such 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 all the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

Undertaking in relation to our Land Reserves

The Company undertakes to make continuous disclosures on stages of development on the material agreements that have been disclosed in this document to NSE and BSE on a continuous basis for the purposes of public dissemination.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue, and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the Monitoring Agent, Legal Counsel to the Company, Legal Advisor to the Company and Legal Counsels to the Underwriters, the Advisors to the Issue, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus.

M/s. Thar & Co., Chartered Accountants, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus.

M/s. Thar & Co., Chartered Accountants, have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring prospectus and such consent and report has not been withdrawn up to the time of delivery of the Red Herring Prospectus.

Experts to the Issue

Expert to the Company for the Issue (in relation to land in Vasai-Virar)

We have obtained expert opinions dated January 27, 2007 from Shah Gattani Consultants Architects & Engineers and Mr. K.B. Kumare, Advocate in relation to land held by the Company in the Vasai-Virar region. Shah Gattani Consultants Architects & Engineers and Mr. K.B. Kumare, Advocate have given their written consent to act as an Expert to the Company for the Issue, in relation to land in Vasai-Virar and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus.

Expert to the Company for the Issue (in relation to saleable area of the Ongoing and Planned Projects)

We have obtained an expert opinion dated February 7, 2007 from Messrs. Nimesh Mehta & Associates, Architects, in relation to saleable area for the Ongoing and Planned Projects. Messrs. Nimesh Mehta & Associates has given his written consent to act as an Expert to the Company for the Issue, in relation to land in saleable area of the Ongoing and Planned Projects and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [•] million. 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. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

Rs.in million

Activity	Expenses *	Percentage of the Issue Expenses	Percentage of the Issue Size
Lead management, underwriting and selling commission	[•]	[•]	[•]
Advertising and Marketing expenses	[•]	[•]	[•]
Printing and stationery	[•]	[•]	[•]
Others (Monitoring agency fees, Registrar's fee, legal fee, listing fee, etc.)	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

**To be completed after finalization of issue price*

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the Book Running Lead Managers and the Syndicate Members will be as per the engagement letter dated December 18, 2006 with the BRLMs, issued by our Company, a copy of which is available for inspection at our registered office.

Fees Payable to the CBRLM

The total fees payable to the Co-Book Running Lead Manager will be as per the engagement letter dated February 8, 2007 with the CBRLM, issued by our Company, a copy of which is available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company 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 the per the MOU between our Company and the Registrar to the Issue dated March 20, 2007.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Previous Rights and Public Issues

We have not made any public or rights issues in India or abroad in the five years preceding the date of this Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page 25 of the Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the Same Management

There is no other company under the same management within the meaning of the erstwhile Section 370(1B) of the Companies Act, other than the subsidiaries, joint ventures and the Promoter Group companies as provided in the sections "History and Corporate Structure" and "Promoter and Promoter Group" on page 95 and 116 respectively of this Red Herring Prospectus.

Promise v. Performance – Promoter Group

There has been no public issue by any of the Promoter Group companies in the past except as mentioned in the section "Promoter and Promoter Group" on page 116 of this Red Herring Prospectus.

Outstanding Debentures, Bonds or Preference Shares

We have no debentures, bonds or preference shares outstanding.

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and 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, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances

Our Company or the Registrar to the Issue shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. Amitabh Verma, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

Mr. Amitabh Verma
9-01, Dheeraj Arma, Anant Kanekar Marg
Station Road, Bandra (East)
Mumbai 400 051
Tel: (91 22) 2658 3500
Fax: (91 22) 2658 3535
Email: compliance.officer@hdil.in

Change in Auditors

There has been no change in our auditors during the last three years.

Capitalization of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as stated in the section titled "Capital Structure" on page 25 of this Red Herring Prospectus.

Revaluation of Assets

We have not revalued our assets in the last five years.

Purchase of Property

Other than as disclosed in this Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or
- The amount of the purchase money is not material.

Except as stated elsewhere in this Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

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

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue and the Green Shoe Option has been authorised by a resolution of our Board dated December 19, 2006 which was further amended by a resolution of the Board at their meeting held on January 23, 2007, and by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at an extraordinary general meeting of the shareholders of our Company held on January 27, 2007.

The DIPP has by its letter no. 5(6)2000-FC (Pt.File) dated January 22, 2007 clarified to us that 'guidelines notified vide Press Note 2 (2005 Series) are applicable to investment made only under the FDI route and not applicable to investment by FIIs under the Portfolio Investment Scheme under the FEMA Regulations.'

The RBI by its letter dated June 1, 2007 has confirmed that FIIs are permitted to subscribe to equity shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in this Issue.

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 with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see the section "Main Provisions of the Articles of Association" on page 309 of this Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends to our shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of the price band is Rs. 430 per Equity Share and at the higher end of the price band is Rs. 500. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

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; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of the Articles of Association" on page 309 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of 14 Equity Shares subject to a minimum Allotment of 14 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of 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 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 to the Registrar and Transfer Agents of our Company.

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

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change their 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, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

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

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. See "Main Provisions of our Articles of Association" on page 309 of this Red Herring Prospectus.

ISSUE STRUCTURE

Issue of 29,700,000 Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] million. The Issue comprises a Net Issue to the public of 29,100,000 Equity Shares and an Employee Reservation Portion of up to 600,000 Equity Shares. There will also be a Green Shoe Option of up to 4,455,000 Equity Shares for cash at a price of Rs. [•] per Equity Share aggregating to Rs. [•] million. The Net Issue will constitute 13.86% of the fully diluted post Issue paid up capital of the Company assuming that the Green Shoe Option is not exercised and 15.65% assuming that the Green Shoe Option is exercised in full.

The Issue is being made through the 100% Book Building Process.

	Eligible Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares in the event that the Green Shoe Option is exercised in full*	Up to 600,000 Equity Shares	At least 20,133,000Equity Shares	3,355,500Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	10,066,500 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Number of Equity Shares in the event that the Green Shoe Option is not exercised *	Up to 600,000 Equity Shares	At least 17,460,000Equity Shares	Up to 2,910,000 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 8,730,000 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	Up to 2.02% of size of the Issue, in the event that the Green Shoe Option is not exercised.	At least 60% of Net Issue being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Up to 10% of Net Issue or Net Issue less allocation to QIB and Retail Individual Bidders	Up to 30% of Net Issue or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate	Proportionate as follows: (a) 873,000 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 16,587,000 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	14 Equity Shares	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	14 Equity Shares.

	Eligible Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Maximum Bid	Such number of Equity Shares in multiples of 14 Equity Shares	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised mode	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid/Allotment Lot	14 Equity Shares in multiples of 14 Equity Shares	14 Equity Shares in multiples of 14 Equity Shares	14 Equity Shares in multiples of 14 Equity Shares	14 Equity Shares in multiples of 14 Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	All or any of the following: Permanent employees of the Company and its Subsidiary including the directors thereof who are Indian nationals based in India and are present in India on the date of submission of Bid-cum-Application Form. However, the Directors who are the Promoters and forming part of the Promoter Group of the Company shall not be considered to be Eligible Employees.	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta)
Terms of Payment	Margin Amount applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.

	Eligible Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Margin Amount	Full Bid Amount on bidding	At least 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding

* Subject to valid Bids being received at or above the Issue Price. In accordance with Rule 19 (2) (b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than 873,000 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Additional Allotment to each of these categories would be made on a pro rata basis to the extent of the Green Shoe Option Portion. Undersubscription, if any, in the Employee Reservation Portion would be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Portion in the ratio of 50:50. In case of undersubscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.

** 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 Enam Financial Consultants Private Limited as the Stabilising Agent. The Green Shoe Option consists of an option to overallot up to 4,455,000 Equity Shares at the Issue Price, aggregating Rs. [•] million.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason therefore.

Bidding/Issue Programme

BID/ISSUE OPENS ON	**June 28, 2007**
BID/ISSUE CLOSES ON	**July 3, 2007**

Bids and any revision in Bids will only be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned in the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees Bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days.

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for such number of days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs 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 Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the members of the Syndicate. In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such Bidder 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 will be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid 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 authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs and FIIs applying on a repatriation basis	Blue
Bidders in the Employee Reservation Portion	Pink

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- 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;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;

- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable);
- FIIs registered with SEBI;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares; and
- Eligible Employees.

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

Participation by Associates of BRLMs and Syndicate Members

The BRLMs and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. Assuming that the Green Shoe Option is not exercised and in the event that the demand is greater than 873,000 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at our Registered Office and with members of the Syndicate.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 210,000,000 Equity Shares of Rs. 10 each). 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 our total issued capital in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the Board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

The DIPP has by its letter no. 5(6)2000-FC (Pt.File) dated January 22, 2007 clarified to us that 'guidelines notified vide Press Note 2 (2005 Series) are applicable to investment made only under the FDI route and not applicable to investment by FIIs under the Portfolio Investment Scheme under the FEMA Regulations.'

The RBI by its letter dated June 1, 2007 has confirmed that FIIs are permitted to subscribe to equity shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in this Issue.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in 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 SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and

ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of 14 Equity Shares and in multiples of 14 Equity Share thereafter, so as to ensure that the Bid Price 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 Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 14 Equity Shares thereafter. A Bid cannot be submitted for more than the Net Issue. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(c) For Bidders in the Employee Reservation Portion

The Bid must be for a minimum of 14 Equity Shares and in multiples of 14 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.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (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 our registered office or from any of the members of the Syndicate.

(d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids.

(e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate will be rejected.

Method and Process of Bidding

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band in the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Schedule XX–A of the SEBI guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 date January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed seven working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) 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/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another 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 paragraph titled "Build up of the Book and Revision of Bids".

(f) 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.

(g) During the Bid/Issue Period, Bidders may approach the members 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 the Red Herring Prospectus.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page 286.

Bids at Different Price Levels and Revision of Bids

(a) The Price Band has been fixed at Rs. 430 to Rs. 500 per Equity Share, Rs. 430 being the Floor Price and Rs. 500 being the Cap Price. The Bidders can bid at any price with in the Price Band, in multiples of Re. 1 (One).

(b) Our Company, in consultation with the BRLMs reserves the right to revise the Price Band, during the Bid/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

(c) Our Company, 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.

(d) 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 may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders who bid at the Cut-Off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut- Off Price agree that they shall purchase or subscribe the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price and Eligible Employees bidding under the Employee Reservation Portion at Cut- Off Price shall deposit the Bid Amount based on the cap of the Price Band in the Escrow Account. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at the Cut off Price and Eligible 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.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders, if such Bidder wants to continue to bid at Cut-off Price), with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders the Bid 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 higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible 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.

Escrow Mechanism

Our Company and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category 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 Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. 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 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 Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Members of 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 with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the applicable Margin Amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the section titled "Issue Procedure-Payment Instructions" on page 295 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide its QIB Margin Amount only to a BRLM or Syndicate Members duly authorised by the BRLM in this regard. Bid um Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders until 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 Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. On the Designated Date and no later than 15 (fifteen) days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible 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 under the section titled "Issue Structure" on page 276 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/allotted 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 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. QIBs will be required to deposit a margin of 10% at the time of submitting of their Bids.

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 applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

Where the Bidder has been allocated/allotted lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation/Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company 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 BSE and 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 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 authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres 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 investor.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- Numbers of Equity Shares bid for.
- Bid price.
- Bid cum Application Form number.
- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of QIB Bidders, Members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds mentioned on page 298.

(h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and 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 the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or 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 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 Amount 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 revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(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 the 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/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the Company in consultation with the BRLMs based on the physical records of Bid 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 and discuss the pricing strategy with the Company.

(b) The Company in consultation with the BRLMs shall finalise the Issue Price.

(c) The allocation to QIBs will be at least 60% of the Issue and allocation to Non-Institutional and Retail Individual Bidders will be 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(d) Undersubscription, if any, in the Employee Reservation Portion would be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Portion in the ratio of 50:50. In case of undersubscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion. Under-subscription, if any, in the Non-Institutional Portion and the Retail Portion would be met with spill over from any other category at the discretion of our Company in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 873,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

(e) Allocation to Non Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(f) 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.

(g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on 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, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on the Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in two widely circulated newspapers (one each in English and Hindi) and a Marathi newspaper.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("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/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLMs or members of the Syndicate will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount 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 his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is subject to "Notice to QIBs - Allotment Reconciliation and Revised CANs" as set forth under the section "Issue Procedure" on page 280 of this Red Herring Prospectus.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. 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 (fifteen) days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company would ensure the credit to the successful Bidders depository account within two working days of the date of allotment.

(b) In accordance with the SEBI Guidelines, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted 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/allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non Resident Bid cum Application Form (blue in colour) as the case may be;

c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be 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 Demographic Details (as defined hereinbelow) are updated, true and correct in all respects;

i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. 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.

Don'ts:

(a) Do not bid for lower than the minimum Bid size;

(b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Price 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 and Non-Institutional Bidders and Bidders bidding under the Employee Reservation Portion, for bid amount in excess of 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 colour or blue colour).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of 14 Equity Shares and in multiples of 14 thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 14 Equity Shares thereafter. Bids cannot be made for more than the 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.

(e) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(f) For Bidders bidding under the Employee Reservation Portion, the Bid must be for a minimum of 14 Equity Shares and in multiples of 14 Equity Shares thereafter.

(g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Registrar to the Issue nor the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME

SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, Escrow Collection Banks 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, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

Permanent employees of the Company and its Subsidiary including the directors thereof who are Indian nationals based in India and are present in India on the date of submission of Bid-cum-Application Form. However, the Directors who are the Promoters and forming part of the Promoter Group of the Company shall not be considered to be Eligible Employees.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
- The sole/ first Bidder should be Eligible Employees.
- Only Eligible 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.
- Eligible Employees can apply at Cut-Off Price if the Bid Amount does not exceed Rs. 100,000.
- Bid by Eligible 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 600,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Undersubscription, if any, in the Employee Reservation Portion would be included in the Net Issue and added back to the Non-Institutional Portion and the Retail Potion in the ratio of 50:50. In case of

undersubscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.

- If the aggregate demand in this category is greater than 600,000 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 Allotment" on page 301 of this Red Herring Prospectus.

Bids by Non Residents including NRIs and FIIs registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

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 a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

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 of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by mutual fund registered with SEBI and venture capital fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

Payment Instructions

Our Company 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/Allotment in the Issue.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

1. The Bidders for whom the applicable Margin Amount 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.

2. 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.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: “Escrow Account – HDIL Public Issue – QIB - R”

   (b) In case of Non Resident QIB Bidders: “Escrow Account – HDIL Public Issue – QIB - NR”

   (c) In case of Resident Bidders: “Escrow Account – HDIL Public Issue - R”

   (d) In case of Non Resident Bidders: “Escrow Account – HDIL Public Issue - NR”

   (e) In case of Eligible Employees: "Escrow Account- HDIL Public Issue - Eligible Employee"

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.

5. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign

exchange in India, along with documentary evidence in support of the remittance~~.~~ or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

6. In case of Bids by FIIs the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

8. 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 Public Issue Account with the Bankers to the Issue.

9. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

10. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payment by Stockinvest

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. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid Cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall 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 the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) 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, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of 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. The applications with same name and same address will be treated as multiple applications.

5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids made by Eligible 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 our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the 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), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61, as the case may be.**

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 vide its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs.100,000 to Rs.500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs.500, 000 and 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.

Our Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Bidders in the Employee Reservation Portion, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN photocopy/PAN communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders.
- Bids for number of Equity Shares which are not in multiples of 14;
- Category not ticked;
- Multiple Bids as defined in this Red Herring Prospectus;

- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- 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 Depositary Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by international QIB`s not submitted through the BRLMs or their affiliates;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under he Securities Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and
- Bids by Eligible 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 Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

(a) Agreement dated April 12, 2007 with NSDL, the Company and the Registrar to the Issue;

(b) Agreement dated April 12, 2007 with CDSL, the Company and the 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 either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid-cum-Application Form or Revision Form.

(c) Allotment 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 in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(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) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

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

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and

- The Company shall pay interest at 15% (fifteen) per annum for any delay beyond the 15 (fifteen)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Impersonation

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

"Any person who:

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

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 8,730,000 Equity Shares (assuming the Green Shoe Option is not exercised) 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 aggregate demand in this category is greater than 8,730,000 Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 8,730,000 Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment 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 aggregate demand in this category is less than or equal to 2,910,000 Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 2,910,000 Equity Shares (assuming the Green Shoe Option is not exercised) at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 2,910,000 Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

    (i) 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 for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment 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 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.

- The aggregate Allotment to QIB Bidders shall not be less than 17,460,000 Equity Shares (assuming the Green Shoe Option is not exercised).

D. For Employee Reservation Portion

- Bids received from the Eligible 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 Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to 600,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than 600,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 600,000 Equity Shares. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees (as defined above) are eligible to apply under Employee Reservation Portion.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorized according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) 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.

d) In all Bids where the proportionate Allotment is less than 14 Equity Shares per Bidder, the Allotment shall be made as follows:

    - 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; and
    - Each successful Bidder shall be allotted a minimum of 14 Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than 14 but is not a multiple of 1 (which is the marketable 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. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares 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 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.

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 (60%)	120 million equity shares
	Of which:	
	a. Allocation to MF (5%)	6 million equity shares
	b. Balance for all QIBs including MFs	114 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), 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
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:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 276.

2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 114 million Equity Shares (i.e. 120 - 6 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. 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)= No. of shares bid for (i.e. in column II) 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 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.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen 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. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible

applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalization of basis of allotment. Applicants residing at fifteen centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our 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 at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date; and

- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

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

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank 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.

UNDERTAKINGS

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously;

- 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 funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time; and

- no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc. except as stated in this Red Herring Prospectus.

The Company 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.

Utilisation of Issue proceeds

Our Board of Directors certify 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 Issue shall be disclosed under an appropriate 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 the balance sheet indicating the form in which such unutilised monies have been invested;

- Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Industrial Policy, 1991 and the FEMA regulate foreign investment in Indian securities. The Industrial Policy, 1991 stipulates the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy. The FEMA further regulates foreign investment by prescribing 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 investment. As per current foreign investment policies, foreign investment in the real estate sector is permitted under the automatic route in relation to investments by NRIs.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Foreign Investment in the Real Estate Sector

Press Note 2 of 2005

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:

1. 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.
2. 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.
3. Further, the investment is not permitted to be repatriated before 3 years from completion of minimum capitalization except with prior approval from FIPB.
4. 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 DIPP has by its letter no. 5(6)2000-FC (Pt.File) dated January 22, 2007 clarified to us that 'guidelines notified vide Press Note 2 (2005 Series) are applicable to investment made only under the FDI route and not applicable to investment by FIIs under the Portfolio Investment Scheme under the FEMA Regulations.'

The RBI by its letter dated June 1, 2007 has confirmed that FIIs are permitted to subscribe to equity shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in this Issue.

Note

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have meaning that has been given to such terms in the Articles of Association of HDIL.

Pursuant to Schedule II of the Companies Act and SEBI Guidelines, the main provisions of the Articles of Association of HDIL are set forth below:

APPLICABILITY OF TABLE A

Article 1 provides that “The Regulations contained in Table ‘A’ of Schedule - I to the Act shall apply in so far as and to the extent they are not inconsistent with any of the provisions in these Articles.”

SHARE CAPITAL

Further Issue of Capital

(1) Article 7 provides that, “Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

(a) such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstance admits, to the capital paid up on those shares at that date;

(b) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time, not being less than fifteen days from the date of the offer, within which the offer if not accepted, will be deemed to have been declined;

(c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

(d) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to t the company.

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in General meeting, or

(b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote, in person or where proxies are allowed, by proxy, exceed the votes, if any ,cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of clause (1) hereof shall be deemed;

(a) To extend the time within which the offer should be accepted; or

(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the loans.

Reduction of Capital

Article 13 provides that, "The Company may subject to the provisions of Section 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorize by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise."

Power to Issue Preference Shares

Article 9 provides that, "Subject to the provisions of Section 80 and other applicable provision of the Act, the Company shall have power to issue Preference Shares of such face value with such rights, privileges, and conditions to security, redemption, conversion into Equity shares, rate of dividend right of accumulation of dividend, etc, as the Board of Directors of the Company may deem fit."

Article 10 provides that, "Provided Company may issue any Preference shares, which is redeemable within a period of ten years from date of its issue.

(a) No such shares shall be redeemed except out of the profit of the Company, which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.

(b) No such shares shall be redeemed unless they are fully paid

(c) The premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company's Share Premium Account, before the shares are redeemed; and

(d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares to be redeemed, and the provisions of the Act relating to the reduction of the share capital of a company shall, except as provided under section 80 of the Act apply, as if the Capital Redemption Reserve Account were paid up share capital of the Company."

Power to Issue Sweat Equity Shares

(a) Article 8 provides that, "(a) Notwithstanding anything contained in Section 79, the Company may issue Sweat Equity Shares of a class of shares already issued if the following conditions are fulfilled, namely:

(i) the issue of Sweat Equity Shares is authorized by a Special Resolution passed by the Company in the General Meeting.

(ii) the Resolution specifying, the number of shares, current market price, consideration, if any, and the class or classes of Director(s) or Employees to whom such Equity Shares are to be issued;

(iii) the Sweat Equity shares of the Company are issued in accordance with the Regulations made from time to time in this behalf

(b) All the limitations, restrictions and provisions relating to the Equity shares shall be applicable to such Sweat Equity Shares issued as in sub-clause (a) hereinabove."

New Capital same as Original Capital

Article 11 provides that, "Except so far so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares, shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender voting and otherwise."

Shares at the disposal of Directors

Article 5 provides that, "Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of the them to such person, in such proportion and on such terms and conditions either at a premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time think fit and proper and, with the sanction of the company in the 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 directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so 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 of shares shall not be given to any person or persons without the sanction of the company in the General Meeting."

CONSOLIDATED AND DIVISION OF CAPITAL

Article 14 provides that, "The company may in general meeting alter the conditions of its Memorandum of Association as follows:

(a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.

(b) Sub-divide its shares, or any of them into shares of smaller amount so however, that in the sub-division the proportion between the amount paid and 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.

(c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the mount of the shares so cancelled a cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

Sale of Fractional Shares

Article 15 provides that, "If and whenever as the result of issue of new shares of any consolidation or sub-division of shares, any share become held by member in fractions, the Board shall, subject to the provisions of the Act and the articles and to the directions of the Company in General Meeting, if any, sell these shares which members hold in factious for the best prices reasonable obtainable and shall pay and distribute to and among the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorize any person to transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with the reference to the sale."

Modification of Rights

Article 16 provides that, "Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges, attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be modified, commuted affected or abrogated, or deal with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holds of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a resolution passed by the votes of not less than three-fourths of the votes of not less than three-fourths of the holders of the shares of the class at a separate general meeting the holders of the shares of that class and all the provision contained in these Articles at its general meeting shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power the Company would have if this Articles omitted."

No issue with disproportionate rights

Article 18, provides that, "The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares)."

SHARES AND CERTIFICATES

Register and Index of Members

Article 20 provides that, "The Company shall keep a register of members in accordance with Section 150 and 151 of the Act, and the Companies (Issue of Share Certificates) Rules, 1960, and any modifications thereof. Every member who changes his name or address shall give notice of the change of name or address to the Company."

Shares to be numbered progressively

Article 21 provides that, "The shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned no share shall be sub-divided."

Application of Premium

Article 23 provides that,

"(1) Where the Company issued shares at a premium, whether for cash or otherwise, a sum equal to the aggregate shall be transferred to an account, to be called "Share Premium Account" and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this clause, apply as if the share premium account were paid-up share capital of the Company.

(2) The Share premium account may, notwithstanding sub clause (1) hereof be applied by the company :

(a) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.
(b) in writing off the preliminary expenses of the Company.

(c) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company
(d) in providing for the premium payable on the redemption of any redeemable preference shares or any debenture of the Company.

Deposits and call etc, to be a debt payable immediately

Article 26 provides that, "The money (if any) which the Board of Directors shall, on the allotment of any shares being made by it, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by it, shall immediately on the inspection of the name of the allottee in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly."

Company's Lien on Shares/Debentures

Article 26A provides that, "The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interests in any shares shall be created except upon the footing and condition that this Article will have effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause."

Limitation of time for issue of Certificates

Article 28 provides that, "Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so 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 with in two months of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificates 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 directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder."

Renewal of Share Certificates

Article 29 provides that, "A certificate of shares may be renewed or a duplicate issued in accordance with the provisions of Act, and the Companies (Issue of Share Certificate) Rules, 1960 and any modification thereof."

Issue of new Certificate in place of one defaced, lost or destroyed

Article 29 A provides that, "If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2 for each certificate) as the Director shall prescribe. Provided that no fee shall be charged for issue of new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts

(Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The Provision of this Article shall mutatis mutandis apply to debentures of the Company.

DEMATERIALISATION OF SECURITIES

Article 30 provides that,

"(a) *"Beneficial Owner"* means a person whose name is recorded as such with a Depository.

"Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force.

"Bye-Laws" means byelaws made by a Depository under Section 26 of the Depositories Act.

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

"Debenture holder" means the duly registered holders from time to time of the debentures of the Company.

"Participant" means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulation made by SEBI in relation to the Depositories Act.

"Security" as defined in Companies Act, 1956

"Words" imparting the singular number only include the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act shall have the same meaning respectively assigned to them in that Act.

(b) Company to recognize interest in dematerialized securities under Depositories Act

Either the Company or the investor in securities of the company may exercise an option to issue, deal in, hold the Securities, (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected herewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

(c) Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities, rematerialize its securities held in the Depositories and/or offer its fresh securities in a dematerialized form pursuant to the Depositories Act and the rules framed there under, if any.

(d) Option to receive security certificates or hold securities with Depository.

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allotted as the Beneficial Owner of the security.

(e) Securities in Depositories to be in Fungible Form

All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372 of the Companies Act, 1956, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

(f) Right of Depositories and Beneficial Owners

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.

(c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

(g) Beneficial Owner deemed as absolute owner

Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor/s of them

(h) Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

(i) Cancellation of certificates upon surrender by a person

Upon receipt of certificate if securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

(j) Option to opt out in respect of any security

If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.

The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.

The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(k) Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(l) Provisions of Articles to apply to shares held in Depository

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

(m) Allotment of Securities dealt with in a Depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(n) Distinctive number of Securities held in a Depository

The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally by distinguished.

(o) Register and Index of Beneficial Owners

The Company shall cause to be kept a register and index of Members and a Register and index of Debenture holders in accordance with Sections 151 and 152 and other applicable provisions of the Companies Act, 1956, and the Depositories Act, 1996, with details of Shares and Debentures held in material and dematerialized forms in any media as maybe permitted by law including in any form of electronic media. The Register and index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996, shall deem to be Register and index of Members and Register and index of Debenture holders, as the case may be, for the purposes of the Act.

The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.

(p) Register of Transfers

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form."

JOINT HOLDERS OF SHARES

Article 31 provides that, "If any share stands in the name of two or more persons, the person first named in the Register of Members, shall, as regards receipt of dividends or bonus or services of notice and / or any other matter connected with the Company, except voting at meeting and the transfer of the shares, be deemed the sole holder thereof, but the joint holders of a share be, severally as well as jointly, liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to these Articles."

UNDERWRITING AND BROKERAGE

Article 34 provides that, "The Company may, subject to the provision of Section 76 and other applicable provision if any of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share in, or debenture of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares of debenture or partly in the other way and partly in other."

Article 35 provides that, "The Company may pay a reasonable sum for brokerage on any issue of shares and debentures."

CALLS

Director may make calls

Article 37 provides that, "The Board of Directors may, from time to time, by a resolution passed at a meeting of the Board (and not be circular resolution) make such call as it may thin fit upon the members in respect of all money unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time, and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments."

Calls on Shares of the same Class to be made on uniform basis

Article 38 provides that, "Where any calls for further share capital are made on shares such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Articles, shares of the same nominal value on which different amounts have been paid up, shall not be deemed to fall under the same class."

Notice of Calls

Article 39 provides that, "'Fifteen days' notice at least of every calls payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that the Board may, at its discretion, revoke the call or postpone it."

Calls to carry interest after due date

Article 42 provides that, "If any member fails to pay to call due from him on the day appointed for payment thereof, or any such extension thereof as a aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors but nothing in this Articles shall render it compulsory upon the Board of Directors to demand or recover any interest from such member."

Profit on trial in suit for money due on shares

Article 43 provides that, "Subject to the provision of the Act and these Articles 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 debt or 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 share 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 sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received 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 sued in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors, who made such call not that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt."

Payment in anticipation of calls may carry interest

Article 44 provides that, "The Board of Directors may, if it thinks 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 satisfied 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 such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profit or dividend. The Directors 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 provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company."

FORFEITURE

i) Article 44 A provides that "(i) if any member fails to pay any call or installment of a call in respect of any share on or before the day appointed for the payment of the same, the Board may, at any time hereafter, during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission, requiring him to pay the same, together with any interest that my have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

ii) The notice shall name a 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 money, including the call or installment and such interest and expenses as aforesaid, is to be paid. The notice shall also state that in the event on non payment on or before the time and at the place appointed, the shares in respects of which the calls was made or installment was payable, will be liable to be forfeited.

iii) If the requisitions of any such notice as aforesaid are not compiled with any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture.

iv) When any share shall have been so forfeited notice of the resolution 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 Member provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

v) Forfeited shares to be become property of the Company Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, reallot or otherwise dispose of the same in such manner as it thinks fit."

TRANSFER AND TRANSMISSION OF SHARES

Register of Transfer

Article 45 provides that, "The Company shall keep a book to be called the Register of Transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share."

Execution of Transfer

Article 46 provides that, "Subject to the provisions of the Act and these Articles, no transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and buy or on behalf of the transferee and specifying the name, address and occupation, if any of the transferee has been delivered to the Company along with the certificate is in existence along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instruments of transfer."

Instrument of Transfer

Article 47 provides that, "The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act , 1956 and any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof."

Directors may refuse to register transfer

Article 48 provides that, "Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal."

Provided that the 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 where the Company has a lien on shares."

Transfer of Shares

Article 50 provides that,

"(1) An application for the registration of transfer of shares may be made either by the transferor or by the transferee.

(2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee made no objection to the transfer within two weeks from the receipt of the notice.

(3) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

(4) If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which the instrument of transfer, or the intimation of transmission as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may

be.

(5) Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law."

When transfer to be retained

Article 52 provides that, "The Company shall retain all instruments of transfer, which are registered, but any instrument of transfer, which the Board declines to register, shall on demand be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than six years at it may determine."

Death of one or more joint holders of shares

Article 54 provides that, "In the case of death of any one or more of the persons, named in the Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person."

Title of shares or deceased holder

Article 55 provides that, "Subject to Article 54, the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate or letters of administration of succession certificate."

Transmission of shares

Article 56 provides that, "Subject to the provisions of the Act, and these Articles, any person becoming entitled to a share in consequence of death, 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 as the Board thinks sufficient either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such 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 of the share in accordance with the provisions, herein contained and until he does so he shall not be freed from any liability in respect of the share."

Board may refuse to transmit

Article 57 provides that, "The Board shall, subject to the provisions of Articles 48 hereof have the same right to refuse to register a person entitled by transmission to any share, or his nominee, as if he was the transferee named in any ordinary transfer presented for registration."

Certificate of Transfer

Article 60 provides that, "The certification by the Company of any instrument of transfer of shares in or debenture of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company and documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfers but not as a representation that the transferor has any title to the shares or debentures."

DIRECTORS

Number of Directors

Article 64 provides that, “Until otherwise determined by a general meeting of the Company, and subject to the provisions of Section 252 of the Act, the number of directors shall not be less than three and not more than twelve.”

Power of Directors to appoint additional Directors and fill casual vacancies

Article 66 provides that, “Subject to the provision of Section 260,263,264 and 284(6) of the Act and subject of these Article, the Directors shall have power at any time to time appoint any other person as a Director either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed.”

Nominee Directors

Article 67 provides that, “Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial Institutions, or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company, the Board shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have it and to the extent provided by the terms of such agreement or contract the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract and that such Director or Director may not be liable to retire by rotation nor be required to hold any qualification shares. The Board may also agree that any such Directors or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer, may appoint another or others in his or their place and also fill any vacancy which may occur as a result or any Director or Directors appointed or nominated under this Articles shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the other Directors of the Company, including payment of remuneration and travelling expenses to such Directors or Directors as may be agreed by the Company with the appointer.”

Debenture Directors

Article 68 provides that, “If it is provided by the trust Deed securing or otherwise in connection with any issue of debentures of the Company, that any person or person shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or person having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. The person may remove a Debenture Director from office at any time or person in whom from the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.”

Remuneration of Directors

Article 70 provides that,

“(a) Subject to the provisions of the Act, a Managing Director or Directors, who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits, of the Company or partly by one way and partly by the other.

(b) Subject to the provisions of the Act, a Director, who is neither in the whole time employment nor a Managing Director may be paid remuneration.

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government or
(ii) by way of commission if the Company by a special resolution authorizes such payment.

(c) The fees payable to a Director for attending a meeting of the Board or Committee thereof shall not exceed such maximum sum as may be prescribed under the Act or by central Government from time to time.

(d) If any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors) the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided."

General Powers of the Board

Article 70 provides that, "(1) Subject to the provisions of the Act, and these articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and thins as the Company is authorized to exercise and do.

Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other Act or by the Memorandum of Association of the Company or these articles or otherwise, to be exercised or done by the Company in general meeting.

Provided further that in exercising any such power or doing any such act or thing the board shall be subject to the provisions contained in this behalf in Act or in any other Act or in the Memorandum of Association or in any regulations not inconsistent therewith and duly made there under including regulations made by the Company in general meeting.

(2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board, which would have been valid, if that regulation had not been made."

Restriction on Powers of the Board

Article 72 provides that, "The Board may exercise all such powers of the Company and do all such acts and things as are not restricted by the Act or any other act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in general meeting, subject nevertheless to these articles to the provisions of the Act, or any other act and to such regulation being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in general meeting."

(a) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking.

(b) Invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertakings and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.

(c) Borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid – up capital of the Company and its free reserves that is to say reserves not set apart from any specific purpose. Provided further that the powers specified in Section 292 of the Act, shall subject to these articles be exercised only at meetings of the Board unless the same be delegated to the extent therein stated, or

(d) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the act during three financial years immediacy preceding whichever is greater

Power to Borrow

Article 73 provides that, "Subject to the provisions of Section 292 and 293 of the Act, the Board may, from time to time, at its discretion and by means of the resolution passed at its meeting accept deposits from members either in advance of call or otherwise and generally, raise or borrow or secure the payment of, any sum or sums of money for the purpose of the Company."

Terms of Issue of Debentures

Article 75 provides that, "Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on conditions that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting of the Company, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting by a special resolution."

Certain Powers of the Board

Article 77 provides that, "Without prejudice to the powers conferred by these Articles and Section 191 of the Act, so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers.

(1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation establishment and registration of the Company.

(2) Subject to Sections 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company, assets including properties movable and/or immovable rights, or privileges of another Company/ies, which the Company is authorized to acquire at or for such price or considerations and generally on such terms and conditions as it may think fit, and in any such purchase and/or acquisition accept such title, rights and/or privileges as the Board may believe or may be advised to be reasonably satisfactory.

(3) At its discretion and subject to the provisions of the Act, to pay for any property rights or privileges, acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages, or other securities may be either specifically charged upon al or any part of the property of the Company including its uncalled capital or not so charged.

(4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as it may think fit.

(5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees, for permanent, temporary or special serves as it may from time to time think fit, and to determine their powers and duties and fix their salaries, emoluments or remuneration and to require security in such instances and of such amounts as it may think fit.

(6) To accept from any members, subject to the provisions of the Act a surrender of his share or any part thereof on such terms and conditions as shall be agreed.

(7) To appoint any person or persons (whether incorporate or not) to accept and hold in trust for the Company

any property belonging to the Company, or in which it is interested or for any other purpose, and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.

(8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company, and to refer any difference to arbitration and observe the terms of any awards made therein either according to Indian Law or according to foreign law and either in India or aboard and observe and perform or challenge and award made therein.

(9) To refer any claims or demands by or against the Company or any difference to arbitration, and observe and perform the awards.

(10) To act on behalf of the Company in all matters relating of bankrupts and insolvents.

(11) To make and give receipts releases and other discharges for money payable to the Company and for the claims ad demands of the Company.

(12) To open and operate Bank Accounts to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes receipts, acceptance, endorsements, cheques, dividend warrants, releases contracts and documents and to give the necessary authority for such purpose.

(13) Subject to the provisions of the Acts and these articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit, and in particular to appoint any person to be the attorneys or agents of the Company with such persons (including the power to sub delegate) and upon such terms as may be thought fit.

(14) Subject to the provisions of Section 291, 292, 293, 295, 372A, 373 and other applicable provisions of the Acts and these articles to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit, and from time to time vary or release such investments save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

(15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company Such mortgages of the Company's property (present and future) as it thinks fit and any such other powers covenants and provisions as shall be agreed upon.

(16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company., and to give to any director, officer or other person employed by the Company a commission on the profits of any particulars business or traction and to charge such bonus or commission as a part of working expenses of the Company.

(17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributions to the building of houses, dwelling or chawls or by grants of money, pensions, gratuity, annuities, allowance, bonuses or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions funds, or trusts and by providing or subscribing or contributing towards places of instruction or recreation, hospitals and dispensaries, medical, and other attendance and other assistance as the Board shall think fit.

(18) To subscribe, incur, expenditure, or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other instructions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation of public and general utility or otherwise.

(19) Before recommending any dividend, to set aside out of the profits of the Company such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingences to repay debentures or for debenture stock or for special dividends or for equalizing dividends, or for repairing, improving, extending and maintaining any of the property of the Company and for such other purpose (including the purposes referred to in the last two preceding clauses) as the Board of Directors may in its absolute discretion, think conducive to the interest of the Company , and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments, (other than shares of this Company) as it may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board of Directors, in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be maters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund and with full power to employ the assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock and what without being bound to keep the same separate from the other assets, and without being bound to pay interest on the same, with power however to however to the Board of Directors at its discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper.

(20) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Section 76 and 208 of the Act and of the provisions contained in these presents.

(21) From time to time make vary, and repeal byelaws for regulation of the business of the Company, its officers and servants.

(22) To redeem redeemable preference shares.

(23) Subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such act, deeds and things in the name and on behalf of the Company as it may consider expedient for or in the relation to any of the matters aforesaid or otherwise for the purpose of the Company.

(24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit, and to keep in abeyance any such branch or kind or business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business."

MANAGING DIRECTORS

Board may appoint Managing Director

Article 78 provides that, "Subject to the provision of Section 267, 268, 269, 309, 310, 311, 316, 317 and other applicable provisions, if any, of the Act, the Board of Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors or whole time Directors or whole time Director of the Company on a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places."

Remuneration of Managing Directors

Article 80 provides that, "Subject to the provisions of the Act and to the approval of the Company at the General Meeting, the remuneration of a Managing Director shall from time to time be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Section 198 and 309 of the Act."

Directors may confer power on Managing Director

Article 81 provides that, "Subject to the provision of the Act and to the restrictions contained in these articles Board may, from time to tome, entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board, under these articles as it may think fit and may confer such powers for such times and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient and it may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke withdraw, alter or vary all or any of such powers."

Managing Director not to exercise certain powers

Article 83 provides that, "The Managing Director or Managing Directors shall not exercise the powers to: -

(a) make calls on shareholders in respect of money unpaid on the shares of the Company.
(b) issue debenture , and
(c) except as may be delegated by the Board under Section 292 of the Act, invest the funds of the Company, or make loans or borrow moneys

DIVIDENDS

Profits of the Company to be first for preference dividend and then for dividend on equity capital

Article 89 provides that, "The profits of the Company which it shall from time to time determine, subject to the provisions of Section 205 of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid upon the equity shares."

Apportionment of Dividends

Article 91 provides that, "All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividing as from a particular date, such share shall rank for dividend accordingly."

Declaration of Dividends

Article 92 provides that, "The Company in general meeting may subject to the provisions of Section 205 of the Act declare a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment."

Restriction on amount of Dividend

Article 93 provides that, "No larger dividend shall be declared that is recommended by the Board but the Company in general meeting may declare a smaller dividend."

Dividend out of profits only and not to carry interest. What is to be deemed net profits.

Article 94 provides that, "(1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 205 of the Act.

(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive."

Interim Dividends

Article 95 provides that, "The Board of Directors may from time to time pay to the members such interim dividends as in its judgment the position of the Company justifies."

No member to receive interest or dividend whilst indebted to the Company and company's right to Reimbursement

Article 100 provides that, "No member shall be entitled to received payment of an interest or dividend in respect of his own share or share whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise however either alone or jointly with any other person or person and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due, from him to the Company."

Unpaid or Unclaimed Dividend

Article 102 provides that, "Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days to a Special Account to be opened by the Company in that behalf in any Scheduled Bank to be called,

"The unpaid Dividend Account of Housing Development And Infrastructure Limited.".

Any money transferred to the unpaid dividend account of a Company in pursuance of this Section, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under Section 205 C of the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board."

INDEMNITY

Company may Indemnify

Article 109 provides that, "Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or any person (whether officer of the Company or not) employed by the Company, or as auditor, or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay out of the funds of the Company all cost, charges, losses and expense which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such director. Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court."

Liability of Directors

Article 110 provides that, "Subject to the provision of Section 201 of the Act no director, Manager or other officer of the Company shall be liable for the acts, receipt or other act for conformity or for any loss of expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board or on behalf of the Company, or the insufficiency or deficiency of any security in or upon which any of the money of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortuous act deposited or for any loss occasion by an error of judgment, omission default or oversight, on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty."

SECRECY CLAUSE

Article 112 provides that, "No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board it would be inexpedient in the interest of the Company to disclose."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by 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 have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company 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 to the Issue

1. Letters of appointment dated December 18, 2006 from our Company appointing the BRLMs.

2. Letters of appointment dated February 8, 2007 from our Company appointing the CBRLM.

3. Memorandum of Understanding between our Company, the BRLMs and the CBRLM dated February 8, 2007.

4. Memorandum of Understanding between our Company and the Registrar to the Issue dated March 20, 007.

5. Escrow Agreement dated [•] between the Company, the BRLMs, the CBRLM, the Escrow Banks and the Registrar to the Issue.

6. Syndicate Agreement dated [•] between the Company, the BRLMs, CBRLM and the Syndicate Members.

7. Underwriting Agreement dated [•] between the Company, the BRLMs, CBRLM and the Syndicate Members.

8. Monitoring Agency Agreement dated May 23, 2007 between the Company and the Monitoring Agent.

9. Stabilisation Agreement dated February 8, 2007 between the Company, the Green Shoe Lender and the Stabilising Agent.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.

2. Our Certificate of Incorporation.

3. Board resolutions in relation to the Issue.

4. Shareholders' resolutions in relation to the Issue.

5. Statements of Assets and Liabilities, Statement of Profits and Losses, as Restated and Cash Flows, as Restated, under Indian GAAP as at and for the Years Ended March 31, 2007, 2006, 2005, 2004 and 2003 audited by Thar and Co., Chartered Accountants and their audit report on the same, dated June 1, 2007.

6. Statement of Tax Benefits from, Thar and Co, Chartered Accountants dated June 1, 2007 – Auditor's Report on possible Income-tax benefits available to the Company and its shareholders.

7. Copies of annual reports of our Company for the years ended March 31, 2003, 2004, 2005, 2006 and 2007.

8. General powers of attorney executed by our Directors in favour of person(s) for signing and making necessary changes to this Red Herring Prospectus and other related documents.

9. Shareholders resolution dated March 20, 2006 in relation to the appointment of and the terms of employment of Mr. Sarang Wadhawan, Managing Director of our Company.

10. Consents of Bankers to the Company, BRLMs, CBRLM, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Advisor to the Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Directors of the Company, Company Secretary and Compliance Officer, financial advisor to the Company, as referred to, in their respective capacities.

11. Initial listing applications dated February 13, 2007 and February 13, 2007 filed with BSE and NSE respectively.

12. In-principle listing approval dated March 2, 2007 and March 7, 2007 from BSE and NSE respectively.

13. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated April 12, 2007.

14. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated April 12, 2007.

15. Due diligence certificate dated February 8, 2007 to SEBI from the BRLMs.

16. Clarification from the DIPP bearing letter no. 5(6)2000-FC (Pt.File) dated January 22, 2007.

17. Application dated January 23, 2007 to the RBI.

18. RBI letter number FE.CO.FID/27503/10.02.000/2006-07 dated June 1, 2007 confirming that FIIs are permitted to subscribe to equity shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in this Issue.

19. SEBI observation letter No. CFD/DIL/ISSUES/NB/EB/94839/2007 dated May 30, 2007 and our in-seriatim reply dated June 5, 2007.

20. Opinion and consent from Mr. K.B. Kumare, Advocate in relation to land held by the Company in the Vasai-Virar region.

21. Opinion and consent from Shah Gattani Consultants Architects & Engineers in relation to land held by the Company in the Vasai-Virar region.

22. Opinion and consent from Messrs Nimesh Mehta & Associates, Architects in relation to saleable area for the Ongoing and Planned Projects.

23. Opinion dated June 8, 2007 from M/s Haribhakti & Co., Chartered Accountants.

24. Share Subscription Agreement with Bennett, Coleman & Company Limited dated June 16, 2007.

25. Sanction letter dated May 11, 2007 from Bank of Baroda

26. Sanction letter dated June18, 2007 from Dewan Housing Finance Corporation Limited.

Land Related Material Agreements

1. Dreams: Development Agreement with API (owner) and SICAL (confirming party) dated March 22, 2004.

2. Versova

- Purchase Agreement dated February 9, 2005 with Mulraj Purshottam Kabali (the vendor), Lok Holdings & Construction Limited (successor of Lok Holdings and the confirming party), shareholders of Lok Holdings & Construction Limited (also the confirming parties) for an amount of Rs. 117.8 million;
- Purchase Agreement dated August 16, 2005 with heirs of Chandrasinh Kabali being Champabai Dilipkumar Kabali, Gayatri Kabali, Jayshri Kabali, Kamla Kabali (the vendors), Lok Holdings & Construction Limited (successor of Lok Holdings and the confirming party), shareholders of Lok Holdings & Construction Limited (as a confirming party) for an amount of Rs. 20.0 million.
- Assignment Agreement (which has been registered) dated August 12, 2005 with Lok Holdings & Construction Limited as the assignor (being successor of erstwhile partnership firm known as Lok Holdings) for Rs. 540.0 million
- Assignment Agreement (which has been registered) with Pranav Kabali (as the manager and karta of Vijaykumar alias Vishnu Kabali (HUF) dated May 11, 2006 for Rs. 39.2 million.

3. Carmicheal Property

- Memorandum of Understanding (MOU) dated July 14, 2006 with M/s. S.P. Building Corporation and Mr. Samratmal Phoolchand Seth (Owners) for development/purchase of the property.

4. Hyderabad Property

- Agreement for Sale dated December 19, 2006 with M/s. Anish Construction Co. and M/s My Palace Mutually Aided Cooperative Housing Society (Vendors).
- Joint Development Agreement dated December 19, 2006 with M/s Anish Construction Co. and M/s My Palace Mutually Aided Cooperative Housing Society.

5. Panvel Property

- Agreement dated June 15, 2005 with Mr. Satishbhai Babubhai Shah and Mr. Harsh Satishbhai Shah (Vendors).

6. Kochi Property

- Memorandum of Understanding dated January 16, 2007.

7. Worli

- Sub-development agreement dated December 14, 2005 with M/s. Sapphire Land Developments Private Limited, Recondo Limited and M/s. Delegate Finvest and Development Private Limited

8. Virar (East), Dongre Phase I, Dongre Phase II, Sasunavghar Property, Mega Township I, Mega Township II, Dewan Mann and Agashi

- Opinion from Mr. K.B. Kumare, Advocate in relation to land held by the Company in the Vasai-Virar region; and

- Opinion from Shah Gattani Consultants Architects & Engineers in relation to land held by the Company in the Vasai-Virar region.

9. Palghar

- Deed of Dissolution dated October 15, 2005 entered into by the partners of Palghar Land Development Corporation dissolving the company and transferring all the assets and liabilities to the Company with effect from October 15, 2005; and Deed of Modification dated October 19, 2005.

10. Harmony

- Development agreement with M/s. Awas Developers & Construction Private Limited dated December 28, 2006.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Rakesh Kumar Wadhawan, Chairman

Mr. Sarang Wadhawan, Managing Director

Mr. Kapil Wadhawan

Mr. Dheeraj Wadhawan

Mr. Waryam Singh

Mr. Ashok Kumar Gupta

Mr. Satya Pal Talwar

Mr. Shyam Sunder Dawra

Mr. Lalit Mohan Mehta

Mr. Sunil Behari Mathur

Mr. Surinder Kumar Soni

Mr. Joseph Pattathu

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Signed by the Chief Financial Officer
Mr. K.P.Devassy

Date: June 18, 2007

Place: Mumbai