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RED HERRING PROSPECTUS
Dated April 16, 2010
Please read Sections 60 and 60B of the Companies Act, 1956
100% Book Building Issue

Nitesh™ ESTATES

NITESH ESTATES LIMITED

Our Company was originally incorporated as Nitesh Estates Private Limited on February 20, 2004 as a private limited company under the provisions of the Companies Act, 1956 in Bengaluru. We became a public limited company on November 3, 2009 and our name was changed to Nitesh Estates Limited pursuant to a certificate for change of name on November 3, 2009. For details of changes in name and registered office, see "History and Corporate Structure" on page 174.

Registered Office: Nitesh Timesquare, 7th Floor, No. 8, M.G. Road, Bengaluru 560 001, Karnataka, India; **Tel:** (91 80) 4017 4000; **Fax**: (91 80) 2555 0825;
Company Secretary and Compliance Officer: Mr. M. Ganapathi Joshy; **Website**: www.niteshestates.com; **Email**: investor@niteshestates.com.

Promoters: Our Company is promoted by Mr. Nitesh Shetty, Ms. Pushpalatha V. Shetty and Nitesh Industries Private Limited.

PUBLIC ISSUE OF [●] EQUITY SHARES OF Rs. 10 EACH OF NITESH ESTATES LIMITED (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 UP TO Rs. 4,050.00 MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY.

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE RS. 10 EACH
THE FLOOR PRICE IS [●] TIMES THE FACE VALUE AND THE CAP PRICE IS [●] TIMES THE FACE VALUE

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding/Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers ("BRLMs") and at the terminals of the other members of the Syndicate.

The Issue is being made through the 100% Book Building Process wherein at least 50% of the Net offer to Public will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), ("QIB Portion"). Provided that our Company may allocate up to 30% of the QIB Portion, to Anchor Investors, on a discretionary basis ("Anchor Investor Portion"). For details, see "Issue Procedure" on page 398. Further 5% of the QIB Portion less Anchor Investor Portion 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 including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 50% of the Net offer to Public cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Net offer to Public will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net offer to Public 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.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 10 each. The Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Price Band (has been determined and justified by the BRLMs and the Issuer as stated under the paragraph on "Basis for Issue Price") should not be taken to be indicative of the market price of the Equity Shares after they are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by CRISIL as 2/5, indicating below average fundamentals through its letter dated February 25, 2010. The IPO Grading is assigned on a five -point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For details, see "General Information" on page 72.

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 the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 12.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING ARRANGEMENT

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received the in-principle approval from BSE and NSE for the listing of our Equity Shares pursuant to their letters dated January 5, 2010 and January 13, 2010, respectively. For the purposes of this Issue, the Designated Stock Exchange shall be **BSE.**

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
ICICI Securities	ENAM	kotak® Investment Banking	JM FINANCIAL	KARVY Karvy Computershare Private Limited
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020 Maharashtra, India Tel : (91 22) 2288 2460 Fax : (91 22) 2282 6580 E-mail : projectgrandslam@icicisecurities.com Investor Grievance Email : customercare@icicisecurities.com Website : www.icicisecurities.com Contact Person: Mr. Mangesh Ghogle Registration No: INM000011179	**Enam Securities Private Limited** 801, Dalamal Towers Nariman Point, Mumbai 400 021 Maharashtra, India Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 Email: niteshipo@enam.com Investor Grievance Email: complaints@enam.com Website: www.enam.com Contact Person: Mr. Sonal Sinha SEBI Registration No.: INM000006856	**Kotak Mahindra Capital Company Limited** First Floor, 229, Bakhtawar, Nariman Point, Mumbai 400 021 Maharashtra, India Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: nitesh.ipo@kotak.com Investor Grievance Email: kmccredressal@kotak.com Website: www. kmcc.co.in Contact Person: Mr. Chandrakant Bhole SEBI Registration No.: INM000008704	**JM Financial Consultants Private Limited*** 141, Maker Chambers III Nariman Point, Mumbai 400 021 Maharashtra, India Tel: (91 22) 6630 3030 Fax: (91 22) 22047185 Email: niteshipo@jmfinancial.in Investor Grievance Email: grievance@jmfinancial.in Website: www.jmfinancial.in Contact Person: Ms. Lakshmi Lakshmanan SEBI Registration No.: INM000010361	**Karvy Computershare Private Limited** Plot nos 17-24, Vithal Rao Nagar Madhapur, Hyderabad 500 081 Andhra Pradesh, India Tel: (91 40) 2342 0818 Fax: (91 40) 2342 1551 Email: nitesh.ipo@karvy.com Website: http://karisma.karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration Number: INR 000000221

BID/ISSUE PROGRAMME	
BID/ISSUE OPENS ON : APRIL 23, 2010	**BID/ISSUE CLOSES ON : APRIL 27, 2010**

The Company may consider participation by Anchor Investor. Anchor Investor Bid /Issue Period shall be one day prior to the Bid/Issue Opening Date
* *In compliance with the proviso to regulation 21A (1) and explanation (iii) to regulation 21A (1) of the SEBI (Merchant Bankers) Regulations, 1992, read with Regulation 110 and Schedule XX of the SEBI Regulations, JM Financial would be involved only in the marketing of the Issue.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Red Herring Prospectus, and references to any statute or regulations or policies shall include amendments thereto, from time to time:

Term	Description
"We", or "us", or "our"	Unless the context otherwise requires, refers to Nitesh Estates Limited, its Subsidiaries, the Joint Venture and the Associate Company on a consolidated basis
"Nitesh Estates", "Issuer", "the Company", "our Company" or "NEL"	Nitesh Estates Limited, a public limited company incorporated under the Companies Act having its registered office at Nitesh Timesquare, 7th Floor, No. 8, M.G. Road, Bengaluru 560 001, Karnataka, India
"Our Directors"	The directors on the Board of the Issuer named herein.

Company Related Terms

Term	Description
Articles/Articles of Association	The articles of association of our Company
Auditors	The statutory auditors of our Company namely S.R. Batliboi & Associates
Audit Committee	A committee constituted by the Board pursuant to a resolution of the Board dated October 7, 2009
Associate Company	Nitesh Residency Hotels Private Limited or Nitesh Residency or NRHPL, a private limited company incorporated under the Companies Act, having its registered office at 25/A II Floor, Imperial Court, Cunningham Road, Bengaluru 560 052, Karnataka, India
Board of Directors/Board	The board of directors of our Company or a committee constituted thereof
BETL	Brand Equity Treaties Limited
Citi Property Investors	CPI India I Limited
Completed Projects	Projects where project construction has been completed, water and electricity connections have been received, annual taxes have been paid, and occupancy certificates are in the process of being obtained/have been obtained
Corporate Promoter	Nitesh Industries Private Limited
Developable Area	Total area which we develop in each property including carpet area, common area, service and storage area, as well as other open area and car parking
Forthcoming Projects	Projects in which the necessary legal documents relating to acquisition of land or development rights have been executed, key land related approvals are being obtained and management has prepared an initial design plan of the project or an architect has been appointed and a detailed architect plan is in the process of being prepared
Forthcoming Residential Projects	Nitesh Fischer Island, Nitesh Key Biscayne and Nitesh Roland Garros
Grass Outdoor (formerly known as Serve & Volley Media)	Grass Outdoor Media Private Limited
Group Entities/ Group Companies	Includes those companies, firms, ventures, etc. promoted by the promoters of the issuer, irrespective of whether such entities are covered under section 370 (1)(B) of the Companies Act
HDFC AMC	HDFC Asset Management Company Limited
Healthcare	Nitesh Healthcare (in the nature of a sole proprietorship)
Individual Promoters	Mr. Nitesh Shetty and Ms. Pushpalatha V. Shetty
Joint Venture	Nitesh Estates – Whitefield (in the nature of an association of persons)
Key Management Personnel	The officers vested with executive powers and the officers at the level immediately below the Board of Directors and includes any other person whom the Issuer may declare as a key management personnel
Land Parcels Available for Future Development	The land parcels for which our Company has entered into memorandum of understanding or JDA or agreement to sell with various owners where key land related approvals have not been obtained and management has not prepared an initial design plan of the project or an architect has not been appointed.
Land Reserves	Lands to which our Company and/or our Subsidiaries/Joint Ventures/Associate Company or other entities in which we have a stake, have title, development rights or other interest. These also include lands from which our Company can derive economic benefits through a documented framework or lands in relation to which our Company

Term	Description
	and/or our Subsidiaries/Joint Ventures/Associate Company or other entities in which we have a stake, have executed a Joint Development Agreement or an MoU to enter into a Joint Development Agreement or an agreement to sell
Lob Media	Lob Media Private Limited
Madison Developers	Madison Developers Private Limited
Memorandum/ Memorandum of Association	The memorandum of association of our Company
Nitesh Agrico	Nitesh Agrico Private Limited
Nitesh Airways	Nitesh Airways Private Limited
Nitesh Boat Club	Nitesh Boat Club Development Private Limited
Nitesh Devanahalli	Nitesh Devanahalli Township Private Limited
Nitesh Energy	Nitesh Energy Private Limited
Nitesh Healthcare	Nitesh Healthcare Private Limited
Nitesh Hospitals	Nitesh Hospitals Private Limited
Nitesh Housing/NHDPL	Nitesh Housing Developers Private Limited
Nitesh Indiranagar/NIRPL	Nitesh Indiranagar Retail Private Limited
Nitesh Infra	Nitesh Infrastructure and Construction
Nitesh Infrastructure	Nitesh Infrastructure Private Limited
Nitesh Kochi	Nitesh Kochi projects and Developers Private Limited
Nitesh Land	Nitesh Landholdings Private Limited
Nitesh Media	Nitesh Media Private Limited
Nitesh Mylapore	Nitesh Mylapore Developers Private Limited
Nitesh Pharmacy	Nitesh Pharmacy Private Limited
Nitesh Projects	Nitesh Estates Projects Private Limited
Nitesh Publishers	Nitesh Publishers Private Limited
Nitesh Residency	Nitesh Residency Hotels Private Limited
Nitesh Telecom	Nitesh Telecom Private Limited
NISCO Ventures	NISCO Ventures Private Limited
Nitesh Warehousing	Nitesh Warehousing Private Limited
Nitstone	Nitstone Environnement Private Limited
Ongoing Projects	Projects in which the necessary land or development rights have been acquired and key land related approvals have been obtained and one or more of the following activities are being undertaken: (a) architect plans have been prepared and finalized; (b) we have received regulatory approvals to commence construction of the project; (c) project launch activity, which includes the construction of a sample flat, sales office and other supporting infrastructure at the project site has commenced; or (d) on-site construction of the project has commenced
Ongoing Residential Projects	Nitesh Forest Hills, Nitesh Flushing Meadows, Nitesh Wimbledon Gardens Residential, Nitesh Hyde Park and Nitesh Columbus Square
Promoter(s)	The promoters of our Company, namely, Mr. Nitesh Shetty, Ms. Pushpalatha V. Shetty and Nitesh Industries Private Limited
Promoter Group	Includes such persons and entities constituting our promoter group pursuant to Regulation 2(zb) of the ICDR Regulations
Registered Office	The registered office of the Company, located at Nitesh Timesquare, 7th Floor, No. 8, M.G. Road, Bengaluru 560 001, Karnataka, India
Remuneration Committee	A committee constituted by the Board pursuant to a resolution of the Board dated October 7, 2009
Saleable Area	That part of the Developable Area relating to our economic interests
Serve & Volley Holdings	Serve & Volley Holdings Private Limited
Serve & Volley Outdoor	Serve & Volley Outdoor Advertising Private Limited
Serve & Volley Signages	Serve & Volley Signages Private Limited
Shareholders Grievance Committee	A committee constituted by the Board pursuant to a resolution of the Board dated October 7, 2009
Subsidiaries	Nitesh Indiranagar Retail Private Limited (or "Nitesh Indiranagar"), a private limited company incorporated under the Companies Act having its registered office at Nitesh Timesquare, 7th Floor, No. 8, M.G. Road, Bengaluru 560 001, Karnataka, India Nitesh Housing Developers Private Limited (or "Nitesh Housing"), a private limited

Term	Description
	company incorporated under the Companies Act having its registered office at Nitesh Timesquare, 7th Floor, No. 8, M.G. Road, Bengaluru 560 001, Karnataka, India

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	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
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category,who has Bid for Equity Shares amounting to at least Rs. 100.00 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the BRLMs prior to the Bid Opening Date
Anchor Investor Bid/Issue Period	The date one day prior to the Bid/Issue Opening Date on which bidding by Anchor Investors shall open and shall be completed
Anchor Investor Bidding Date	The date one day prior to the Bid Opening Date, prior to or after which the Syndicate will not accept any Bids from Anchor Investors
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs prior to the Bid Opening Date
Anchor Investor Margin Amount	An amount representing 25.0% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	Up to 30.0% of the QIB Portion which may be allocated by our Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic mutual funds, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by a Bidder (other than a QIB) to make a Bid authorising the SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Account	Bank account utilised by the ASBA Bidder
ASBA Bidder	Any Bidder (other than a QIB) who intends to apply through ASBA
ASBA Bid cum Application Form or ASBA BCAF	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous revision form(s)
ASBA Public Issue Account	A bank account of our Company, under Section 73 of the Act where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Banker(s) to the Issue/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, in this case being HDFC Bank Limited, ABN AMRO Bank, Kotak Mahinda Bank Limited, ICICI Bank Limited, The Dhanalakshmi Bank Limited and HSBC Limited.
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 424
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. For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a Bidder (other than a QIB) pursuant to the submission of an ASBA Bid cum Application Form including all revisions and modifications thereto to subscribe to the Equity Shares of the Company
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form
Bid /Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Kannada newspaper, each with wide circulation

Term	Description
Bid /Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Kannada newspaper, each 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, including an ASBA Bidder and Anchor Investor
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 process as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which this Issue is being made
BRLMs/ Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being ICICI Securities, Enam, Kotak and JM Financial
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allocation Note	Except in relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSB which coordinates with the BRLMs, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on www.sebi.gov.in
Cut-off Price	Issue Price, finalised by our Company in consultation with the BRLMs. Only Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000 are entitled to Bid at the Cut Off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated November 25, 2009 issued in accordance with Section 60B of the Companies Act and the ICDR Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of number of equity shares) 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
Enam	Enam Securities Private Limited
Equity Shares	Equity shares of the Company of face value of Rs. 10 each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) 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, the 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 (excluding the ASBA 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 with be opened and in this case being HDFC Bank Limited, ABN AMRO Bank, Kotak Mahindra Bank Limited, ICICI Bank Limited, The Dhanalakshmi Bank Limited and HSBC Limited

Term	Description
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
ICICI Securities	ICICI Securities Limited
Issue	This public issue of [●] Equity Shares of Rs. 10 each at the Issue Price by our Company aggregating up to Rs. 4050.00 million.
Issue Agreement	The agreement entered into on November 25, 2009 between our Company and the BRLMs and the amended agreement dated April 16, 2010
Issue Price	The final price at which Equity Shares will be issued and Allotted to the Bidder, which may be higher than the Anchor Investor Issue Price, in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
JM Financial	JM Financial Consultants Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10.0% to 100.0% of the Bid Amount
Mutual Fund Portion	5.0% of the QIB Portion or [●] 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 offer to Public	An offer of specified securities to the public but does not include reservations
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see the section titled “Objects of the Issue” on page 93
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors, being a minimum of [●] Equity Shares to be Allotted to QIBs on a proportionate basis
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 Issue being not less than [●] Equity Shares available for allocation to Non-Institutional Bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	The period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date
Pre-IPO Investor	BETL
Pre-IPO Placement	Preferential Allotment of 1,049,000 Equity Shares of Rs. 10 each at a premium of Rs. 133 per share aggregating to Rs. 150,007,000 after filing of the Draft Red Herring Prospectus with SEBI, to Pre-IPO Investor
Price Band	Price Band of a minimum price of Rs. [●] (Floor Price) and the maximum price of Rs. [●] (Cap Price) and include revisions thereof. The price band will be decided by the Company in consultation with the Book Running Lead Managers and advertised at least two (2) working days prior to the Bid/Issue Opening Date
Pricing Date	The date on which the 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 10.0% of the Bid Amount, paid by QIB bidders at the time of submission of their bid
QIB Portion	The portion of the Issue being at least [●] 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, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered

Term	Description
	with SEBI, other than which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs. 25 Crores, pension fund with minimum corpus of Rs. 25 crores and National Investment Fund set up by Government of India, insurance funds set up and managed by Army, Navy or Air Force of the Union of India.
Red Herring Prospectus or RHP	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 three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidder) shall be made
Refund Banker(s)	HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar/Registrar to the Issue	Karvy Computershare Private Limited
Resident Retail Individual Bidder or RRIB	Retail Individual Bidder who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their karta, Eligible NRIs and Resident Retail Individual Bidders) who have not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than [●] Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding ASBA 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)
Self Certified Syndicate Bank or SCSB	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in
Stock Exchanges	The BSE and the NSE
Syndicate	The BRLMs 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 (excluding Bids from the ASBA Bidders)
Syndicate Members	Kotak Securities Limited, JM Financial Services Private Limited and Edelweiss Securities Limited
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
TRS/Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and the Company to be entered into on or after the Pricing Date

Conventional and General Terms/Abbreviations

Term	Description
Act or Companies Act	Companies Act, 1956, as amended from time to time
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BBMP	Bruhat Bengaluru Mahanagara Palike
BDA Act	Bangalore Development Authority Act, 1976
BESCOM	Bangalore Electricity Supply Company Limited
BIAAPA	Bangalore International Airport Area Planning Authority
BMICAPA	Bangalore Mysore Infrastructure Corridor Area Planning Authority
BMP Bye Laws	Bangalore Mahanagara Palike Building Bye Laws – 2003
BMRDA Act	Bangalore Metropolitan Region Development Authority Act, 1985

Term	Description
BSE	Bombay Stock Exchange Limited
BSNL	Bharat Sanchar Nigam Limited
BWSSB	Bangalore Water Supply and Sewage Board
CCMC Act	Chennai City Municipal Corporation Act, 1919
CDP	Comprehensive Development Plan
CDPM	Comprehensive Development Plan for Mysore
CDSL	Central Depository Services (India) Limited
CMDA	Chennai Metropolitan Development Authority
Construction Workers Act	Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
CPLR	Corporate Prime Lending Rate
CRISIL	Credit Rating Information Services of India Limited
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's Identity
Easements Act	Easements Act, 1882
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share
FAR	Floors Area Ratio
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
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
HDFC	Housing Development Finance Corporation
HSBC	The Hongkong and Shanghai Banking Corporation Limited
HUF	Hindu Undivided Family
ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IRR	Internal Rate of Return
JDA	Joint Development Agreement
JV	Joint Venture
KAO Act	Karnataka Apartment Ownership Act, 1972
KFF Act	Kerala Fire Force Act, 1962
KLD Act	Kerala Land Development Act, 1963
KLR Act	Karnataka Land Revenue Act, 1964
KLRA Act	Kerala Land Reforms Act, 1963
KLRC Act	Kerala (Lease & Rent Control) Act, 1965
KM Act	Kerala Municipalities Act, 1994
KMB Rules	Kerala Municipality Building Rules, 1999
KMC Act	Karnataka Municipal Corporation Act, 1976
KSA	Karnataka Stamp Act, 1957
KSB Act	Kerala Survey and Boundaries Act, 1961
KSPCB	Karnataka State Pollution Control Board
KTCP Act	Karnataka Town and Country Planning Act, 1961

Term	Description
LHIMC	Luxury Hotels International Management Company B.V
Minimum Wages Act	The Minimum Wages Act, 1948
Mn	Million
MoEF	Ministry of Environment and Forests
MoU	Memorandum of Understanding
MUDA	Mysore Urban Development Authority
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
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 up to 60.0% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
OCRPS	Optionally Convertible Redeemable Non-Cumulative Preference Shares
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
Re.	One Indian Rupee
Registration Act	Registration Act, 1908
Rent Act	Karnataka Rent Control Act, 1999
RoC	The Registrar of Companies, Karnataka
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI Regulations	The guidelines and regulations framed by SEBI pursuant to the powers conferred upon it under the SEBI Act that are currently in force.
SEZ Policy	Special Economic Policy of the Government of India
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SPV	Special Purpose Vehicle
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
TNAO Act	Tamil Nadu Apartment Ownership Act, 1994
TN Building Rules	Tamil Nadu District Municipalities Building Rules, 1972
TNDM Act	Tamil Nadu District Municipalities Act, 1920
TNFS Act	Tamil Nadu Fire Services Act, 1985
TNLRC Act	Tamil Nadu Buildings (Lease and Rent Control) Act, 1960
TNTCP	The Tamil Nadu Town and Country Planning Act, 1971
T.P. Act	Transfer of Property Act, 1882
UIN	Unique Identification Number
U.K.	United Kingdom
U.S./USA	United States of America

Term	Description
UNCITRAL	United Nations Commission on International Trade Law
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996

Technical/Industry Related Terms

Term	Description
AAI	Airport Authority of India
Acre	Equals 43,560 sq. ft.
FSI	Floor Space Index
Gunta	Equals 1089 sq. ft.
IT	Information Technology
ITES	Information Technology Enabled Services
MSL	Mean Sea Level
sq. ft.	Square Feet

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Land Reserves

In this Red Herring Prospectus, references to our "Land Reserves" are lands to which our Company and/or our Subsidiaries/Joint Venture/Associate Company or other entities in which we have a stake, have title, development rights or other interest. These also include lands from which our Company can derive economic benefits through a documented framework or lands in relation to which our Company and/or our Subsidiaries/Joint Venture/Associate Company or other entities in which we have a stake, have executed a JDA or an MoU to enter into a JDA or an agreement to sell.

All areas in relation to our Land Reserves are reflected in acres and all areas in relation to our Ongoing and Forthcoming Projects are mentioned in sq. ft.

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from either our restated consolidated financial statements or the restated unconsolidated financial statements, prepared in accordance with Indian GAAP and the ICDR Regulations, which are included in this Red Herring Prospectus, and set out in "Financial Statements" on page 215. Our financial year commences on April 1 of every year and ends on March 31 of the next year.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, US GAAP and IFRS. 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 GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Currency and Units of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "U.S.$" or "US$" or United States Dollars or "USD" are to the official currency of the United States of America. Except where specified, in this Red Herring Prospectus, all figures have been expressed in "Rs. million".

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. 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.

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", "is in the process of", "objective", "plan", "project", "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 that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- general, political, social and economic conditions in India and elsewhere;
- accidents, natural disasters or outbreaks of diseases;
- the performance of the real estate market in southern India, particularly the real estate market of Bengaluru, Karnataka and the availability of real estate financing in India;
- success of joint development, joint venture and similar such arrangements entered in respect of our projects;
- our ability to complete the execution of documents in relation to our Projects and complete the development of our Ongoing and Forthcoming Projects in a timely manner;
- the extent to which sale proceeds differ from our land valuations;
- our ability to manage our growth effectively;
- our ability to finance our business and growth, and obtain financing on favourable terms;
- our ability to replenish our land reserves and identify suitable projects;
- the extent to which our projects qualify for percentage of completion revenue recognition;
- impairment of our title to land;
- our ability to compete effectively, particularly in new markets and businesses;
- our ability to anticipate trends and suitably expand our current business lines;
- raw material costs;
- our dependence on key personnel;
- the outcome of legal or regulatory proceedings that we are or might become involved in;
- contingent liabilities, environmental problems and uninsured losses;
- government approvals;
- our ability to obtain relevant government approvals in relation to our projects;
- changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- our ability to manage risks that arise from these factors.

For a further discussion of factors that could cause our actual results to differ, see "Risk Factors" on page 12. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors, any member of the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLMs and our Company will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in equity shares involves a high 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 the Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additionally risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any one or some combination of the following risks or other risks that are currently not known or are now deemed immaterial were to occur, our business, results of operations and financial condition may suffer, and the price of the Equity Shares may decline and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However there are risk factors where the effect is not quantifiable and hence has not been disclosed. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and the risks involved.

Risks in Relation to our Business

1. ***We are heavily dependent on the performance of the real estate markets in southern India, particularly the real estate market of Bengaluru and any adverse changes in the conditions affecting these markets can adversely impact our business, financial condition , results of operations and cash flows.***

Our business is heavily dependent on the performance of the real estate market in southern India, particularly Bengaluru. While we have expanded our operations to Chennai, Kochi, Goa and Hyderabad, our projects portfolio has been and continues to be concentrated in Bengaluru. As of March 20, 2010, our seven Ongoing Projects and four Forthcoming Projects comprised a combined Saleable Area of 3.64 million sq. ft., out of which 2.65 million sq. ft. or 72.8% was located in Bengaluru. In the event of a regional slowdown in construction activity in Bengaluru or factors such as a slowdown in the IT/ITES sectors, or any developments that make projects in Bengaluru less economically beneficial, we may experience more pronounced effects on our financial condition, results of operations and cash flows than if we had further diversified our portfolio across different sections in different geographical locations. Our business, financial condition, results of operations and cash flows have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting, the real estate market in Bengaluru.

The real estate markets in southern India may perform differently from, and be subject to, market and regulatory developments that are different from the real estate markets in other parts of India. We cannot assure you that the demand for our properties in southern India will grow, or will not decrease, in the future. Real estate properties take a substantial amount of time to develop and we could incur losses if we purchase land during periods when land prices are high, and we are forced to sell or lease our developed properties when land prices are relatively lower. Further the markets for land and developed properties are relatively illiquid in that there may be high transaction costs as well as little or insufficient demand for land or developed properties at the expected rental or sale prices, as the case may be, which may limit our ability to respond promptly to market events. The real estate market is affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates among other factors, which may negatively affect the demand for and the valuation of our Ongoing Projects and our Forthcoming Projects. These and other factors may negatively contribute to changes in real estate prices, the demand for and valuation of our current and future properties under development, may restrict the availability of land in southern India and may adversely affect our business, financial condition, results of operations and cash flows. If property prices fall in southern India, our business, financial condition, results of operations and cash flows may be adversely affected.

2. ***Our business is heavily dependent on the availability of real estate financing, which may not be available on terms acceptable to us or at all.***

Our business is capital intensive and requires significant expenditure for land acquisition and development. As of March 31, 2009 and December 31, 2009, we had total borrowings on a consolidated basis of Rs. 1,397.30 million and Rs. 1,940.10 million, respectively. For the financial year 2009 and nine months ended December 31, 2009, we had interest expenses (net of amount inventorised/capitalised) of Rs. 20.02 million and Rs. 98.45 million respectively. See "Financial Indebtedness" on page 352.

As we intend to pursue a strategy of continued investment in our development activities, we will incur additional expenditure in the current and future financial years. We propose to fund such expenditure through a combination of debt, equity and internal accruals. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment. Recent changes in the global and Indian credit and financial markets have led to significantly diminished availability of credit and an increase in the cost of financing. Further events similar to this may lead to similar effects. In many cases, the markets have exerted downward pressure on the availability of liquidity and credit capacity.

The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our projects, change in business plans due to prevailing economic conditions, unanticipated expenses, regulatory changes and engineering design changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. We may have difficulty accessing the capital markets, which may make it more difficult or expensive to obtain financing in the future. Additional equity financing could dilute our earnings per share and could adversely impact our share price. In addition, the Indian regulations on foreign investment in housing, built-up infrastructure and construction and development projects impose significant restrictions on our ability to raise foreign debt or equity. Currently, for example, except for certain limited purposes, external commercial borrowings cannot be raised for investment in real estate and banks are required to increase provide greater risk weightage in respect to loans extended to real estate sector, which may further restrict our ability to obtain necessary financing. Moreover, certain of our loan documents contain provisions that may limit our ability to incur future debt, make certain payments or take certain actions. In addition, the availability of borrowed funds for our business may be greatly reduced, and lenders may require us to invest increased amounts of funds in a property or require increased security coverage in connection with both new loans and the extension of facilities under existing loans.

We may not be successful in obtaining these additional funds in a timely manner, or on favourable terms or at all. Without sufficient liquidity, we may not be able to purchase additional land or develop additional projects, which would adversely affect our results of operations. If we do not have access to additional capital, we may be required to delay, postpone or abandon some or all of our projects or reduce capital expenditures and the size of our operations, any of which may adversely affect our business, financial condition and results of operations.

3. ***Our Company's auditors for the respective financial years have highlighted certain matters of emphasis or qualified their audit report with respect to certain matters specified in the Companies (Auditors' Report) Order, 2003 on the financial statements for the financial years 2009, 2008 and 2007.***

Our Company's auditors for the respective financial years have highlighted certain matters of emphasis or qualified their audit report with respect to certain matters specified in the Companies (Auditors' Report) Order, 2003 on the financial statements for the financial years 2009, 2008 and 2007:

Financial Year 2009

- the pledge of an investment of Rs. 115.00 million made by our Company in the equity shares of Nitesh Indiranagar, a subsidiary of our Company, as security against a loan of Rs. 500.00 million taken by Nitesh Indiranagar from another company (the "Lender"). Nitesh Indiranagar had not paid the aforesaid loan to the Lender in accordance with the terms of the loan agreement resulting in an event of default. In accordance with the terms of the share pledge agreement, in an event of default by Nitesh Indiranagar, the rights to exercise all voting and other rights of the equity shares of Nitesh Indiranagar held by our Company vested with the Lender. Our Company had sought a waiver of such rights from the Lender.

  Subsequently, our Company has entered into a supplement to the loan agreement with the lender, thereby releasing the pledge on the aforesaid equity shares and restructuring the terms of the aforesaid loan. Further, our Company has invested an additional sum of Rs. 101.00 million in Nitesh Indiranagar as share application money pending allotment. Our Company and Nitesh Indiranagar are also in the process of evaluating additional means of financing for the repayment of the loan when it falls due.

- the auditors were unable to comment on whether certain related party transactions were made at prevailing market prices at the relevant time, in view of the absence of comparable prices having regard to the unique and specialised nature of the items involved in such related party transactions.
- there were significant delays in a few cases involving the deposit of value-added tax and service-tax dues.
- our Company was irregular in the deposit of income-tax, fringe benefits tax and withholding tax dues with significant delays in a large number of cases.
- there were defaults in the repayment of dues to banks and financial institutions.
- guarantees were given by our Company in respect of loans availed by other entities from banks and financial institutions in respect of which no commission was charged.
- utilisation of a loan of Rs. 500.00 million for purposes other than for which it was obtained from a financial institution.

Financial Year 2008

- certain transactions and agreements were entered into by our Company without getting affirmative approvals from investors under the shareholders' agreement and the articles of association and no adjustments were made pending receipt of such approvals.
- certain transactions and agreements were entered into by our Company with related parties without getting prior approvals from the Central Government under section 297 of the Companies Act and no adjustments were made to the financial statements pending receipt of such approvals.
- inadequate internal control system for the purchase of inventory and fixed assets and there was a continuous failure to correct major weaknesses in a few cases.
- the auditor were unable to comment on whether certain related party transactions were made at prevailing market prices at the relevant time, in view of the absence of comparable prices having regard to the unique and specialised nature of the items involved in such related party transactions.
- inadequate internal audit system requiring enlargement in scope and coverage to be commensurate with the size and nature of our Company's business.
- significant delays in the deposit of income tax and service tax in a large number of cases.
- guarantees were given by our Company in respect of loans availed by other entities from banks in respect of which no commission was charged.

Financial Year 2007

- although our Company had not granted loans to companies or other parties listed in the Register maintained under section 301 of the Companies Act, there were financial transactions with such parties accounted as advances, where those transactions did not carry any interest and were in the nature of current account transactions.

Nitesh Indiranagar did not have any income for the nine months ended December 31, 2009 and for the financial year 2009. For a discussion on industry debt to equity ratios, see "Basis for Issue Price" on page 106.

Though we believe that we have been able to resolve these issues during the nine months ended December 31, 2009, if such matters of emphasis are highlighted or such qualifications are contained in future audit reports, the price of our Equity Shares may be adversely impacted.

4. The total area of land registered in the name of our Company is 4.05 acres, which is less than 2.0% of our total land comprising our Ongoing Projects, Forthcoming Projects and Land Parcels Available for Future Development.

Since we primarily undertake development of real estate through the joint-development model, currently, we have 4.05 acres registered in the name of the Company, which constitutes less than 2.0% of our total land comprising our Ongoing Projects, Forthcoming Projects and Land Parcels Available for Future Development. The majority of land on which our Ongoing Projects are located and our Forthcoming Projects are proposed to be developed are held through our joint-development agreements. Completion risk is inherent in executor contracts and rising land prices may encourage our counterparties to violate such arrangements, resulting in the possibility of expensive disputes of uncertain outcome, which may adversely affect our business, financial condition and results of operations.

5. Our entering into a lease agreement pursuant to a memorandum of understanding dated November 12, 2007 executed with the Archdiocese of Madras, is subject to the sanction and final order of the High Court of Madras.

Mr. John D'Monte originally owned the land parcel situated in Chennai admeasuring 8.26 acres (the "**Bens Garden property**"). Mr. John D'Monte directed the Trust represented by its trustee, the Archdiocese of Madras to hold a portion of his property (including the Bens Garden property) in trust for commercial purposes and utilise the revenues for charitable purposes. Subsequently, the Archdiocese of Madras leased the property. Mr. L.M. Menezes, a third-party with no interest in the land, and others, filed a petition in the High Court of Madras challenging the Archdiocese's decision to enter into these lease agreements with the objective of preventing the land of the Archdiocese being used for commercial purposes. The High Court of Madras dismissed the petition and thereafter, Mr. Menezes and others filed a special leave petition in the Supreme Court, challenging the dismissal of the petition by the High Court of Madras. The Supreme Court granted a stay of the High Court's order but declined to intervene in the matter, instead directing the High Court of Madras to pass a final order on the commercial exploitation of the property by the Archdiocese.

Thereafter, the Archdiocese issued a public notice inviting bids from potential developers to develop the Bens Garden property on a leasehold basis. Our Company was confirmed as the highest bidder by the Archdiocese. Consequently, the Archdiocese and our Company executed a memorandum of understanding dated November 12, 2007, to develop the Bens Garden property by granting a lease for a period of 66 years in favour of our Company, subject to the sanction and final order of the High Court of Madras. We are required to pay an aggregate amount Rs. 6,300.00 million as an interest free non-refundable security deposit under this memorandum of understanding. As of March 20, 2010, we have paid a sum of Rs. 50.00 million with the remaining balance of Rs. 6,250.00 million to be paid upon the execution of the lease agreement. We are in the process of obtaining financing for the balance amount for the development of this project.

Further, as indicated above, our Company will enter into a valid lease agreement with the Archdiocese to develop the Bens Garden property upon receipt of the sanction and final order of the High Court of Madras and upon receipt of a clear title report certifying that the Bens Garden property shall be free and marketable and that the Archdiocese has the right to grant the Bens Garden property on long term lease in favour of our Company. In addition the Archdiocese have indicated to the Company through their letter dated October 19, 2009, that they shall make an application to the High Court of Madras to seek their approval for entering into the lease agreement with our Company only after our Company has received commitment from its lenders to finance the deposit payment under the MoU for the development of the property.

We cannot assure you that we will secure the required financing in a timely manner or at all. Furthermore, after securing any financing, we cannot assure you that the High Court of Madras will pass the order in our favour in a timely manner or at all. Thus, we may be unable to complete this project in a timely manner or at all and any such delay may adversely impact our business.

6. The real estate industry has undergone a significant downturn recently, which has, and may continue to, adversely affect our business, liquidity and results of operations.

Economic developments within and outside India adversely affected the property market in India and our overall business in the recent past. Through the second half of 2007, the whole of 2008 and a substantial part of 2009, the global credit markets experienced, and may continue to experience, significant volatility which have originated from the adverse developments within the United States and the European Union credit and sub-prime residential mortgage markets. These and other related events, such as the collapse of a number of financial institutions, had and may continue to have a significant adverse effect on the availability and cost of credit and the confidence of the global and domestic financial markets.

In light of such events, the real estate industry experienced and may continue to experience a significant downturn. It resulted in an industry-wide softening of demand for property due to a lack of consumer confidence, decreased affordability, decreased availability of mortgage financing, and large supplies of resale and new inventories. Through 2008 and more than half of 2009, we witnessed a lack of availability of financing for real estate projects, consequent construction delays and a drop in demand for our products. There is no assurance that such events will not continue or take place in the future.

Though the global credit market and the Indian real estate market are showing signs of recovery, economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in the real estate industry. These effects include, but are not limited to, decreases in the sales of, or market rates for, our projects, delays in the release of certain of our projects in order to take advantage of future periods of more robust real estate demand, and the inability of our customers and our key contractors to obtain credit to finance the purchase of our properties or obtain working capital, respectively. We cannot assure you that Government responses to the disruptions in the financial markets will restore consumer confidence, stabilise the markets or increase liquidity and the availability of credit. Worsening or continuance of this downturn or general economic conditions may have an adverse effect on our business, liquidity position, financial condition and results of operations.

7. ***Sales of our projects may be adversely affected by the ability of our prospective customers to purchase property and the availability of financing to potential customers, particularly buyers of residential properties.***

In the past, lower interest rates on financing from India's retail banks and housing finance companies, particularly for residential real estate, combined with the favourable tax treatment of loans, helped to fuel the growth of the Indian real estate market. More recently, on account of the prevailing conditions of the global and Indian credit markets, it is expected that the buyers of property will remain cautious, rentals of commercial properties are expected to continue to face downward pressure and consumer sentiment and market spending may turn more cautious in the near-term. Additionally, any changes in the tax treatment with respect to the repayment of principal on housing loans and interest paid on housing loans may further affect demand for residential real estate. There are various tax benefits under the Income Tax Act which are available to the purchasers of residential premises who utilise loans from banks or financial institutions. Our customers may not be able to avail these benefits pursuant to the Direct Tax Code introduced by the Government which is expected to come into effect from the financial year 2012. Under the proposed Direct Tax Code, the interest component on home loan for self-occupied property is considered to be ineligible for deduction for calculating income from house property. This could adversely affect the ability or willingness of our potential customers to purchase residential apartments.

Further, 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 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. Any changes in the home loans market, making home loans less attractive to our customers may adversely affect our business, future growth and results of operations.

8. ***Our Company, one of our Promoter Directors and some of our Group Entities are party to certain legal proceedings and unfavourable outcomes in such proceedings may have an adverse effect on our business, reputation, financial condition and results of operations.***

Our Company, one of our Promoter Directors Mr. Nitesh Shetty and some of our Group Entities are involved in certain other legal proceedings and claims in relation to taxation matters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which may increase our expenses and our current liabilities. We can give no assurance that these legal proceedings will be decided in our favour. Further, we may also not be able to quantify all the claims in which we or any of our Group Entities are involved. Any adverse decision may have a significant effect on our business, reputation, financial condition and results of operations. The details of the outstanding litigations are provided below:

Cases filed against the Company, Promoters, Group Entities, Directors and Subsidiaries

Sl.No.	Name of entity/person	Civil case (including consumer cases)	Criminal case	Amount claimed (in Rs. million)
	Company	2	**-**	**-**
	Group Entities			
1	Serve & Volley Outdoor	1	-	0.40
2	Serve & Volley Signages	4	-	1.94
3	Nitesh Projects	1	-	-
	Other Development Entities			
1	Nitesh Infra	2	-	39.83
	Joint Ventures			
1	Nitesh Estates - Whitefield	3	-	0.33
	Total			**42.50**

We are also involved in a service tax matter with a claim of Rs. 15.58 million and an income tax matter with a claim of Rs. 0.41 million.

Cases filed by the Company, Promoters, Group Entities, Directors and Subsidiaries

Sl.No.	Name of entity/person	Civil case	Criminal case	Amount claimed (in Rs. Million)
	Company	3	1	90.71
	Group Entities			
1	Nitesh Projects	2	-	66.56
2	Nitesh Residency	1	-	25.50
3	NISCO Ventures	1	-	16.28
4	Serve & Volley Outdoor	9	2	22.28
5	Nitesh Healthcare	1	-	-
6	Grass Outdoor	1	-	1.30
	Other Development Entities			
1	Nitesh Infra	1	-	-
	Total			**222.63**

For more information regarding all of the above litigations, see section titled “Outstanding Litigation and Material Developments” on page 357.

9. An encumbrance has been created over some of our Ongoing Projects and one of our Forthcoming Projects and may be invoked if we were unable to service the related debt facilities, which may adversely affect our liquidity and cash flows.

The debt facilities availed by our Company have been secured against a mortgage over some of our Ongoing Projects such as Nitesh Forest Hills, Nitesh Flushing Meadows, Nitesh Wimbledon Gardens (Residential) and Nitesh Wimbledon Gardens (Commercial) and one of our Forthcoming Projects, Nitesh Key Biscayne. For further details, see “Financial Indebtedness” on page 352. In the event our Company is unable to repay such debt facilities on time, the mortgage on these projects may be invoked by the lenders, which may adversely affect our liquidity and cash flows.

10. One of our Directors, Mr. Darius E. Udwadia, is a party to criminal proceedings filed against ADF Foods Limited and all its directors

Mr. Darius E. Udwadia is a non-executive independent director of ADF Foods Limited, a listed company. Two criminal proceedings have been filed against that company and all of its eight directors in the Magistrate's Court, Nadiad, Gujarat. Both these criminal proceedings have been filed under section 2(ix) (k), section 7(ii) and (v) of the Prevention of Food Adulteration Act, 1954 and Rule 32(e) and (f) thereunder. ADF Foods Limited has filed proceedings in the High Court at Ahmedabad for quashing the criminal proceedings, against it and its directors, which are pending hearing.

11. ***We are currently undertaking several projects in collaboration with third parties, who may not perform their obligations in accordance with their agreements with us and whose interests may differ from us, which may have an adverse effect on our business, financial condition and our results of operations.***

We have entered into joint-development, joint venture and similar agreements with respect to all our Ongoing and Forthcoming Projects. For further details on such agreements, see “Our Business – Ongoing Residential Projects” on page 139, “Our Business – Forthcoming Residential Projects” on page 141, “Our Business – Hospitality Projects” on page 142, “Our Business – Office Projects” on page 143 and “Our Business – Shopping Mall Projects” on page 143. The success of our business collaboration depends significantly on the satisfactory performance by our partners of their contractual and other obligations. As we do not control our partners, we face the risk that they may not perform their obligations, and we may be unable to intervene and procure adequate performance from them. If a partner fails to perform its obligations satisfactorily, we may be unable to perform adequately or successfully complete the intended project on the intended timetable, at the intended cost, or at all. In such circumstances, we may be required to make additional investments or become liable for our partners’ obligations, which may result in reduced profits or in some cases, significant losses. As we rely on such arrangements and depend on such parties, we cannot assure you of their performance. For example, our Company’s agent entered into an agreement for sale with landowners in connection with the Land Parcel Available for Future Development located at Bolghatty, Kochi. Pursuant to an assignment deed dated March 18, 2010, such agreement for sale has since been assigned to our Company. As of the date of this Red Herring Prospectus, the landowners have failed to meet their obligations under such agreement for sale. We cannot assure you that they will meet such obligations in a timely manner or at all. Further, with respect to parties with whom we collaborate to set up special purpose vehicles, we cannot assure you that they will not face financial or legal difficulties, which may mean that we may be required to bear increased or possibly sole responsibility for the relevant projects.

Our collaboration with third parties may face difficulties in their operations due to a variety of circumstances, which may have an adverse effect on our business, financial condition and results of operations. In some cases, in accordance with the terms of the agreements with our partners, we, along with our partners, undertake to provide additional financing such entities. We cannot assure you that our partners will provide these additional funds at the appropriate time and in the manner specified in such agreements. Further, in accordance with the terms of certain agreements or memoranda of understanding with some of our partners, we may only realise our share of revenue or take possession and freely transfer our share of the built-up area for a particular project, upon our delivery, to our partners, of their whole and completely constructed share of that project.

If the interests of our partners conflict with our interests, our business may be adversely affected. Arrangements governing our collaboration with third parties may permit us only partial control over the operations of the project under certain circumstances. If we are a minority participant, there may exist inherent potential conflicts of interest with our majority partner, who may make significant decisions without our consent, such as delaying project execution timetables. Where we hold a majority interest, it may be necessary for us to obtain consent from our partner before we can make or implement a particular business development decision or to distribute profits to us in relation to the project. These and other factors may cause our partners to act in a manner contrary to our interests, or otherwise be unwilling to fulfil their obligations under our arrangements with them. Any of the foregoing may have an adverse effect on our business, reputation, financial condition and results of operations.

12. ***We are party to joint-development agreements in respect of most of our projects for which we are required to make refundable and/or non-refundable, non-interest bearing deposits with the respective land owners. If we are not able to develop the projects in a timely manner resulting in penalties or recover these deposits, our business, financial condition and results of operations may be adversely affected.***

We enter into joint-development agreements with third parties and land owners for the construction and development of many of our properties. Currently, we are developing all of our Ongoing Projects and plan to develop our Forthcoming Projects through joint-development or joint venture arrangements. We do not own any of these lands under joint-development. However, we are required to pay non-refundable or refundable deposits to the owners of the land for this development which are expected to be returned upon the completion of the development of the property in accordance with the terms of such joint-development agreements or credited against payments made to owners of the land. Our undivided share in these lands is transferred only when the development is complete. As of December 31, 2009, we have paid advances/deposits in respect of land aggregating to Rs. 1,768.42 million. We cannot assure you that these lands are validly held under law by the persons with whom we enter into joint-development or joint venture agreements. Further, we cannot assure you whether we will obtain the relevant approvals in time or at all for the development of these lands. Under these joint-development agreements, in the event of any delay in the completion of the property within the time frame specified, we may be required to indemnify such parties with whom we have joint-development agreements and pay certain penalties as specified in these agreements. If we are required to pay penalties pursuant to such agreements and we are unable to do so, we may not be able to recover the deposits made by us to the owners of the land. For example, under the second supplementary MoU dated March 29, 2010 relating to the Nitesh Mall, one of our Forthcoming Projects, our initial non-refundable interest free deposit of Rs. 355.00 million is not refundable under any circumstances. In addition, we are required to pay a deposit of Rs. 495.00 million by April 30, 2010, or pay such deposit with additional interest of 15.0% per annum by June 30, 2010. Moreover, the landowner of the land parcel in respect of the Nitesh Mall, may exercise his right to terminate the arrangement if the parties fail to enter into a joint-development arrangement by June 30, 2010, and we will lose all development rights over the land. Generally, if, for any reason, any of our joint-development agreements are terminated or the development of property is delayed or cancelled, we may not be able to recover such deposits. Payment of penalties or our failure to recover the deposits made by us may have an adverse effect on our business, financial condition and results of operation.

13. *We have experienced negative cash flows in prior periods and any negative cash flows in the future could adversely affect our financial condition and the trading price of our Equity Shares.*

We experienced negative cash flows (only negative flows are indicated for each period):

	Nine Months Ended December 31, 2009 (Rs. in million) (on a consolidated basis)	Financial Year 2009 (Rs. in million) (on a consolidated basis)	Financial Year 2008 (Rs. in million) (on an unconsolidated basis)	Financial Year 2007 (Rs. in million) (on an unconsolidated basis)
Net cash from/(used in) Operating Activities	(741.30)	(116.02)	(403.38)	(188.27)
Net cash from/(used in) Investing Activities	-	(552.99)	(240.61)	(90.01)
Net cash from/(used in) Financing Activities	-	-	-	-

Any negative cash flows in the future could adversely affect our financial condition and the trading price of the Equity Shares. During the course of our business, we have entered into various capital commitments. In the event that the proposed Issue is not completed or is delayed and we are unable to make other alternative arrangements to raise funds to meet our cash flows requirements, it would have an adverse effect on our business, financial condition and results of operations.

14. *Our contingent liabilities that have not been provided for in our financial statements may adversely impact our financial condition.*

Our contingent liabilities not provided for, as of December 31, 2009, based on our restated consolidated financial statements included the following:

(Rs. in million)

Particulars	Amount
Guarantees given by the Company*	225.95
Claims not acknowledged as debts in respect of sales tax and income tax	1.35

**The guarantees have been given with respect to our Group Entities.*

In addition, certain amounts relating to the investments made by our Company in Sagar Nitesh Projects Private Limited are under dispute and there is a potential interest liability on account of uncertainty with respect to the redemption or conversion of debentures issued NHDPL. For more details, see "Financial Statements – Notes to Accounts – Liabilities" on page 228. These contingent liabilities may adversely affect our financial condition.

15. Many of our Group Entities are loss making entities and have negative net worth in the last three years.

One of our Group Entities, Nitesh Estates Projects Private Limited, which conducts a similar line of business to our Company, has negative net worth and has incurred losses in two of the last three financial years. In addition, many of our Group Entities are non operating entities and some of our Group Entities have incurred losses during the last three financial years. Continued losses and negative net worth of these Group Entities could result in business interruption, adversely affecting our reputation. The details of our loss making Group Entities and the losses incurred by the Group Entities are as follows:

(Rs.in million)

Name of the Group Entity	Financial Year 2009	Financial Year 2008	Financial Year 2007
Nitesh Agrico	(4.06)	(11.08)	(6.31)
Nitesh Pharmacy	(0.02)	(0.03)	(0.46)
Nitesh Media	(0.04)	(0.03)	-
Nitesh Projects	(128.62)	5.82	(28.52)
Nitesh Residency	(6.47)	(11.63)	-
Serve & Volley Holdings Private Limited	(0.07)	-	-
Serve & Volley Outdoor	(28.31)	0.84	0.54
Grass Outdoor	(7.16)	0.10	(0.90)
Serve & Volley Signages	(0.20)	(0.09)	0.31
Nitesh Airways	(0.01)	-	-
Lob Media	(0.01)	(0.03)	-
Nitesh Healthcare	(0.08)	(0.06)	-
Nitesh Industries	(0.60)	(0.09)	-
Nisco Ventures	1.14	4.64	0.13
Nitesh Infrastructure	0.30	0.92	4.42
Nitesh Warehousing	(0.02)	(0.02)	-
Nitesh Infra	(1.71)	(8.47)	(6.12)

16. Our Promoters and one of our Group Entities, Nitesh Land, have pledged and may continue to pledge a portion of their Equity Shares in favour of our lenders, who may exercise their rights under the respective pledge agreements in events of default.

Our Promoters and one of our Group Entities, Nitesh Land, have pledged and may continue to pledge a certain percentage of their Equity Shares in favour of our lenders, as security for the loans provided by such lenders to us. As of March 20, 2010, 30,121,990 Equity Shares, or 42.0% of our pre-Issue equity share capital was pledged by our Promoters under these debt arrangements. Any default on our part under the financing documents may result in the lenders invoking the respective pledges. The lenders may choose to sell the Equity Shares in the open market, thereby diluting the shareholding of our Promoters. The sale of such Equity Shares, or the perception that such sales may occur, may adversely affect the trading price of the Equity Shares.

17. Our Company has not derived any income from property development for the nine months ended December 31, 2009 and the financial years 2009 and 2008.

Our Company did not derive any income from property development for the nine months ended December 31, 2009 and the financial years 2009 and 2008. A substantial portion of our Company's income from operations for these periods was derived from income from contractual activity, which represented income from the Nitesh Garden Enclave project (formerly referred to as Nitesh Long Island), which we developed for ITC Limited. We cannot assure you that we will be able to derive income from property development in the future. If we are unable to derive any income from property development for a particular accounting period, our results of operations and financial condition may be adversely affected.

18. Other income constituted 27.2% of our total income for the nine months ended December 31, 2009 on a consolidated basis. Our losses for the period would have been significantly higher, if we had not recorded such other income. Further, if we are unable to increase our income from operations in the future, our financial condition may be adversely affected.

For the nine months ended December 31, 2009, we had a consolidated total income of Rs. 665.66 million, out of which Rs. 181.09 million, or 27.2 % was other income. This other income was derived from profit on the sale of equity shares in our Subsidiary, NHDPL, to HDFC AMC. As this transaction is not recurring in nature, we may not be able to derive income from such transactions in the future. Our loss would have been significantly higher and we would have incurred negative cash flows for the nine months ended December 31, 2009 if this transaction had not taken place. If we are unable to increase our income from operations in the future, our financial condition and results of operations may be adversely affected.

19. One of our projects is proposed to be funded solely through equity. Thus, we may be more exposed to the disadvantages of equity financing than other companies that may employ a traditional mix of debt and equity financing.

One of our Ongoing Projects, Nitesh Columbus Square, is proposed to be funded solely through equity. The cost of funding a project solely through equity may be more expensive than the cost of funding a project through a combination of equity and debt. Additionally by committing funds in a project in the form of equity, we may not have the flexibility to invest in other opportunities that may arise to us.

20. We are yet to execute JDAs with various land owners for most of our Forthcoming Projects and Land Parcels Available for Future Development and hence, we may not be in a position to avail financing in respect of these projects. Consequently, we may not be able to commence these projects in a timely manner or at all.

We have executed MoUs to enter into JDAs with various land owners for most of our Forthcoming Projects and Land Parcels Available for Future Development. Once the JDAs have been executed with the land owners and our interest in these lands are secured, we will be in a position to apply to the relevant government authority for the approval of the development plan in order to commence the construction of such projects and avail financing for the development costs for these projects. Further, we will be in a position to collect payments from customers in the form of booking advances only after we have launched these projects. In addition, a portion of the advances that we may receive from customers on the launch of our Forthcoming Shopping Mall Project, would be in the form of lease deposits, which are refundable in nature.

We cannot guarantee that we will be able to enter into JDAs with the land owners in respect of our Forthcoming Projects and Land Parcels Available for Future Development. If we are not able to enter into such JDAs, we may not be able to launch our Forthcoming Projects in a timely manner or at all, which may have an adverse effect on our business, financial condition, results of operations and cash flows.

21. If we are unable to successfully complete the Issue by June 30, 2010, we may not be in a position to comply with our obligations under the MoU entered into by our Subsidiary, NIRPL with Mr. George Thangiah and consequently there may be an adverse impact on the profitability and net worth of NIRPL and the Company

Our Subsidiary, NIRPL has entered into a second supplementary memorandum of understanding dated March 29, 2010 in relation to the Nitesh Mall with Mr. George Thangiah. Pursuant to an earlier MoU entered into between the parties dated October 19, 2007, a sum of Rs. 355.00 million was already paid by us to Mr. Thangiah as a non-refundable amount and subsequently pursuant to the second supplementary MoU dated March 29, 2010, it was agreed between the parties that, in addition to the aforesaid sum of Rs. 355.00 million, a total sum of Rs. 745.00 million shall have to be paid by us to Mr. Thangiah again, non-refundable, but in four installments. The Parties have agreed that in the event that NIRPL is not able to pay the amount of Rs. 495.00 million on or before by June 30, 2010 as specified under the MoU dated March 29, 2010, the owner of the land shall have the right not to enter into the joint development agreement and the aforesaid amount of Rs. 355.00 million would not be recoverable. Further, in the event that the amounts as specified under the second supplementary MoU dated March 29, 2010 are not paid as per the schedule, NIRPL shall also be required to pay interest at rate of 15% per annum. In addition to the non refundable amount payable under the second supplementary MoU dated March 29, 2010 there are also additional costs that are to be paid by NIRPL to Mr. George Thangiah such as reimbursements of property tax, insurance tax, maintenance costs and for any additional land that he may contribute. Further, NIRPL is also required to make adequate project-specific financial arrangements prior to the execution of the joint development agreement. In light of the conditions prescribed in the second supplementary MoU dated March 29, 2010, in the event that the proposed Issue is not completed and NIRPL is unable to make other alternative arrangements to raise funds to pay the amounts due on or before June 30, 2010, NIRPL would have to provide for in its books of account, the amount of Rs. 355.00 million paid to the land owners and also provide for Rs. 210.60 million of other expenses capitalized towards the project which will have adverse impact on the profitability and net worth of NIRPL and the Company. In the absence of the ability to utilize or raise the funds from the proposed IPO, the Company would have to explore alternative funding arrangements from private equity funds or other investors or lenders to satisfy the obligations under the second supplementary MoU dated March 29, 2010 and to complete the project. However, there can be no guarantee that the Company will be able to organize such funding, or it may not be possible on terms that would be acceptable to NIRPL and consequently there may be an adverse impact on the profitability and net worth of NIRPL and the Company

22. ***The construction activity in respect of two of our Ongoing Projects, Wimbledon Gardens (Residential) and Wimbledon Gardens (Commercial), has been suspended as we are currently in the process of redesigning the development plans. If we are not able to recommence such construction, our business, results of operations, cash flows and financial condition may be adversely affected.***

We commenced the construction of two of our Ongoing Projects, Wimbledon Gardens (Residential) and Wimbledon Gardens (Commercial), in April 2008, which are being developed under a joint-venture agreement with third parties. In terms of saleable area, Wimbledon Gardens constitutes 33.7% of the Ongoing Projects in our residential portfolio and 100.0% of the Ongoing Projects in our commercial portfolio, respectively. Due to unfavourable changes in market conditions, we suspended construction activity during the financial year 2009 and we are currently in the process of redesigning the development plans for these projects to reflect changes in market demand. Further, pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 90,000 sq. ft. of our share in the Saleable Area of the projects, to such partners, upon completion of these projects. Under a memorandum of understanding dated September 29, 2009 and a subsequent letter of extension dated March 31, 2010, our Company has agreed that if construction does not recommence by April 30, 2010, the joint venture agreement shall stand automatically terminated. As of the date of this Red Herring Prospectus, our Company has not recommenced construction and cannot assure you that our Company will recommence construction by April 30, 2010 or at all. If our Company is unable to recommence the construction activity in a timely manner or at all, our Company shall lose our right to develop these projects and our Company shall be required to forfeit a share of the total expenditure incurred on the project. As of March 20, 2010, the total expenditure incurred on the project was Rs. 134.70 million. Any failure to recommence construction on these projects shall have an adverse effect on our business, results of operations, cash flows and financial condition.

23. ***We have a limited operational history and have experienced significant growth in the past few years. If we are not able to sustain or manage our growth, our business, financial condition and results of operations may be adversely affected.***

Our Company was incorporated in 2004 and we have a limited operating history as compared to the other real estate players in the markets in which we operate. We have experienced significant growth since our inception. For the financial year 2009, we had a total income of Rs. 868.89 million (on an unconsolidated basis), as compared to nil for the financial year 2005 (on an unconsolidated basis). As of March 20, 2010, we have completed three residential properties, and currently have five residential projects, one hospitality project and one office project under development. We may not be able to sustain our growth effectively or maintain a similar rate of growth in the future due to a variety of reasons including a decline in the demand for quality real estate properties, increased prices or competition, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, financial condition and results of operations.

We are embarking on a growth strategy which involves a substantial expansion and diversification of our current business. In furtherance of this strategy, we have recently acquired or entered into agreements to acquire or obtain development rights over large areas of land. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. Further, as we scale-up and diversify our operations, we may not be able to execute our project developments efficiently, which may result in delays, increased costs and affect the quality of our developments, and may adversely affect our reputation. We cannot assure you about our future performance or that our business strategy will be successful. Our failure to manage our growth may have an adverse effect on our business, financial condition and results of operations.

24. ***We face uncertainty of title to our lands or the lands that we plan to develop independently or under joint-development agreements. Any irregularities with respect to title over land owned by us or our joint-development partners may have an adverse effect on our business, financial condition and results of operations.***

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented and the land may have multiple owners. In addition, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance, coupled with the difficulties in verifying title to land, may increase our exposure to third parties claiming title to the property. Some of these lands may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping, and may be subject to encumbrances of which we may not be aware. All of our Ongoing Projects are being executed through joint-development or joint venture arrangements. In these projects, the title to the land may be owned by one or more such third parties and we cannot assure you that the persons with whom we enter into joint-development or collaboration agreements have clear title to such lands.

Prior to the acquisition of, or entering into a joint-development agreement with respect to, any land, we conduct due diligence and assessment exercises on the land. Through an internal assessment process, we analyze information about the land that is available to us. However, there can be no assurance that such information is accurate, complete or current. Our rights in respect of these lands may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners, or other defects that we may not be aware of. Our letter of understanding dated October 30, 2009, with respect to our Nitesh Long Island land parcel may not be considered an enforceable legal document. Our inability to enforce the terms of such letter of understanding may have an adverse effect on our business and results of operations.

In addition, Indian law recognises the ability of persons to effectuate a valid mortgage on an unregistered basis by the physical delivery of original title documents to a lender. Adverse possession under Indian law also arises upon 12 years of occupation over valid ownership rights against all parties that are landowners, without the requirement of registration of ownership rights by the adverse possessor. In addition, Indian law recognises the concept of a Hindu undivided family, whereby all family members jointly own land and must consent to its transfer, including minor children, absent whose consent a land transfer may be challenged by such non-consenting family member. Our title or the title of our joint-development partners may be defective as a result of a failure on our or partners' part, or on the part of a prior transferee, to obtain the consent of all such persons. As a result, most of these lands do not have guaranteed title and title has not been independently verified.

The uncertainty of title to land makes the acquisition and development process more complicated and may impede the transfer of title, expose us to legal disputes and adversely affect our land valuations. Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land, with whom we enter into joint-development or joint venture agreements are unable to resolve such disputes we may lose our interest in the land. The failure to obtain good title to a particular plot of land may materially prejudice the success of a development for which that plot is a critical part and may require us to write off expenditures in respect of the development. In addition, lands for which we or entities, which have granted us development rights, have entered into agreements to acquire but have not yet acquired or lands for which we have entered into a memorandum of understanding but have not yet entered into a joint-development agreement, form a significant part of our growth strategy and the failure to obtain good title or to enter into joint-development agreements in respect to these lands may adversely impact our property valuations and prospects.

For the reasons mentioned above, sometimes it is difficult for legal counsels to satisfy the various technical requirements to issue a valid title opinion. We do not have title opinions in respect of all of our projects. Further, in respect of the lands for which we have obtained title opinions from the local counsels, we may not be able to assess or identify all the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights. Prospective investors should note that neither legal counsel to the Issuer nor to the Underwriters is providing opinions in respect of title to our land. In addition, we may also face the risk of illegal encroachments on the land parcels owned by us or over which we have development rights. We may be required to incur additional costs and face delays in our project development schedule in order to clear such encroachments.

Any irregularities with respect to title over or possession of land owned by us or joint-development partners may have an adverse effect on our business, financial condition and results of operations.

25. ***We have incurred substantial indebtedness, and we may not have adequate resources to service our financial obligations which may significantly affect our business, financial condition and results of operations.***

As of December 31, 2009, we had total borrowings of Rs. 1,940.10 million on a consolidated basis, out of which Rs. 1,891.34 million or 97.5% was secured. We are subject to risks associated with having substantial indebtedness. Our level of debt and the limitations imposed by our current or future loan arrangements may have significant adverse consequences, including, but not limited to, the following:

- we may be required to dedicate a portion of our cash flows towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our cash flows may be insufficient to meet our required principal and interest payments;
- our ability to obtain additional financing in the future may be impaired;
- fluctuations in market interest rates may adversely affect the cost of our borrowings, since the interest rates on certain of our borrowings may be subject to changes based on the prime lending rate of the respective bank lenders and may be renegotiated on a yearly basis;
- our credit ratings may get downgraded on account of our substantial indebtedness;
- we may be unable to service our indebtedness or otherwise comply with financial covenants of such indebtedness; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Any failure by us to service our indebtedness, maintain the required security interests, comply with a requirement to obtain a consent or otherwise perform our obligations under our financing agreements may lead to a termination of one or more of our credit facilities, trigger default provisions, penalties and acceleration of amounts due under such facilities. For example, one of our lenders, Udhay GK Realty Private Limited in respect of a loan for Rs. 495.00 million availed by Nitesh Indiranagar, has extended the repayment date from March 31, 2010 to April 30, 2010, pursuant to its letter dated March 3, 2010. This extension has been provided based on our representation that the proceeds of the Issue shall be used to repay such loan. If we are unable repay the accumulated interest and principal on or before April 30, 2010, the repayment date of the loan will revert to March 31, 2010 and we shall be liable to pay penalties from March 31, 2010 or be subject to other accleration related conditions, as agreed to under the loan agreement. If we are unable to complete the Issue by April 30, 2010 or utilize the proceeds of the Issue for such repayment, or of we do not have sufficient cash or credit facilities to make such repayment under our other borrowings, we may be forced to sell some or even all of our assets. Additionally, if our borrowings are secured against all or a portion of our assets, lenders may enforce such security. Furthermore, our financing arrangements may contain cross-defaults which may automatically trigger defaults under other financing arrangements. Any of these factors may adversely affect our business, financial condition and results of operations.

26. ***As of December 31, 2009, our total borrowings on a consolidated basis was Rs. 1,940.10 million. We will need cash up to such amount to meet our obligations under our indebtedness, which we may not be able to generate or raise.***

Our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, our contractual obligations, or to fund our other liquidity needs, we may be forced to sell our assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms.

27. ***We may not be able to expand our business outside Bengaluru successfully or at all, which may have an adverse effect on our business, financial condition and results of operations.***

We have recently commenced or are in the process of commencing real estate development in various cities outside Bengaluru such as Kochi, Chennai, Goa and Hyderabad. We are yet to complete any real estate project outside of Bengaluru and we have limited experience in conducting business outside Bengaluru. As of March 20, 2010, our seven Ongoing Projects and four Forthcoming Projects comprised a combined Saleable Area of 3.64 million sq. ft., out of which 0.99 million sq. ft., or 27.2% was located outside Bengaluru.

The level of competition, regulatory practices, business practices and customs and consumer preferences in cities where we plan to expand our operations may differ from those in Bengaluru, and our experience in Bengaluru may not be applicable to these new cities. In addition, as we enter new markets, we are likely to compete with local real estate developers who have an established local presence, are more familiar with local regulations, business practices and customs, and have stronger relationships with local contractors and relevant government authorities, all of which may, collectively or individually, give them a competitive advantage over us.

While expanding into new markets, our business will be exposed to various additional challenges, including seeking governmental approvals from agencies with which we have no previous or limited working relationship, identifying and collaborating with local business partners, contractors and suppliers with whom we may have no previous or limited working relationship, identifying and obtaining development rights over suitable properties, successfully gauging market conditions in local real estate markets with which we have no previous or limited familiarity, attracting potential customers in a market in which we do not have significant experience, exposure to local taxation in additional geographic areas, adapting our marketing materials and operations to different regions where other languages are spoken and inadequate information about the existing supply in these new markets.

We can provide no assurance that we will be successful in expanding our business to include other markets outside Bengaluru. Any failure by us to successfully carry out our plan to geographically diversify our business may have an adverse effect on our business, financial condition and results of operations and would result in us remaining dependent on the Bengaluru real estate market, for our business, constraining our long term growth and prospects.

28. ***Our failure to identify and acquire or obtain development rights over land in locations with growth potential may adversely affect our business, financial condition and results of operations.***

Our ability to identify suitable parcels of land for development and subsequent sale forms an integral part of our business. Though our strategy predominantly entails entering into joint-development agreements with land owners, we also acquire title over certain land parcels. Therefore our ability to identify land in the right location is critical for a property development. Our decision to either acquire land or enter into a joint-development agreement with the land owner involves taking into account the size, location and title over the land, preferences of potential customers, economic potential of the region, the proximity of the land to civic amenities and urban infrastructure, the willingness of landowners to sell the land or enter into joint-development agreements with us on terms which are favourable to us, the ability to enter into an agreement with multiple owners, the availability and cost of financing acquisitions, encumbrances on targeted land, government directives on land use, and obtaining permits and approvals for land acquisition and development. We may not have access to the information required to make this assessment or the information relied on by us may be inaccurate or incomplete, which may impact our ability to identify and/or acquire suitable land parcels for development. Any failure to identify and acquire suitable parcels of land for development in a timely manner may reduce the number of projects that can be undertaken by us and thereby adversely affect our business, financial condition and results of operations.

29. ***Increases in prices, shortages, or disruptions in the supply of key building materials or increases in transportation costs may adversely affect our business, financial condition and results of operations.***

We procure building materials for our projects, such as steel, cement, flooring products, hardware, bitumen, sand and aggregates, doors and windows, bathroom fixtures and other interior fittings from third party suppliers. The prices and supply of such building materials and other raw materials depend on factors not under our control, including general economic conditions, competition, production levels, and import duties. Our ability to develop and construct properties profitably is dependent upon our ability to source adequate building supplies for use by our construction contractors. During periods of shortages in building materials, especially cement and steel, we may not be able to complete projects according to our construction schedules, at our estimated property development cost, or at all, which may adversely affect our business, financial condition and results of operations. Prices of certain building materials, such as cement and steel, in particular are susceptible to rapid increases. Currently, we do not have any long-term supply agreements for procuring these materials. In addition, during periods where the prices of building materials significantly increase, we may not be able to pass these price increases on to our customers, which may reduce or eliminate the profits we intend to attain with regard to our projects which may, in turn, have an adverse effect on our business, financial condition and results of operations.

Additionally, our supply chain for these building supplies may be periodically interrupted by circumstances beyond our control, including work stoppages and labour disputes affecting our suppliers, their distributors, or the transporters of our supplies, including poor quality roads and other transportation related infrastructure problems, inclement weather, and road accidents. An increase in transportation costs or the lack of adequate infrastructure for the transportation of our raw materials to our project-sites may have an adverse effect on our business, financial condition and results of operations.

30. ***We may not be able to anticipate and respond to consumer requirements to ensure the success of our residential development business, which may have an adverse effect on our business, financial condition and results of operations.***

We depend on our ability to understand the preferences of our customers and, accordingly, to 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. The range of amenities now demanded by consumers include those that have historically been uncommon in India’s residential real estate market such as gardens, community space, security systems, playgrounds, swimming pools, fitness centres, tennis courts, squash courts and golf courses. 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. We also intend to continue to provide quality facilities even in our middle-income housing projects. Our inability to provide customers with certain amenities or our failure to continually anticipate and respond to customer needs may lead to some of our customers switching to our competitors’ projects, which may adversely affect our business, financial condition and results of operations.

31. ***Our recent entry into the development of hospitality properties is subject to a number of contingencies and may not be successful, which may have an adverse effect on our business, financial condition and results of operations.***

In consortium with Citi Property Investors, we recently entered into the development of hospitality properties by commencing construction of the first 'Ritz-Carlton' brand hotel in India (in Bengaluru). We are also examining other opportunities in the development of hospitality properties as we intend to use our real estate development capabilities to establish our presence in the hospitality segment of the real estate business. The hotel industry entails additional risks that are distinct from the business of developing residential and commercial real estate, such as the supply of hotel rooms exceeding demand, the failure to attract and retain business and leisure travellers as well as adverse international, national or regional trends and security conditions. Any of these developments may have an adverse effect on our business, financial condition and results of operations.Our success in the development of hospitality properties will depend on our ability to forecast and respond to demand in an industry in which we have little experience and select appropriate locations and suitable joint venture partners or hospitality companies to operate the hospitality properties developed by us. We cannot assure you that we will be successful in this venture or that we will be able to generate positive returns on our investments in such projects, which may have an adverse effect on our business, financial condition and results of operations.

32. ***The expansion of our office real estate business is dependent on our ability to provide our customers with high quality office space and the willingness and ability of corporate customers to pay purchase prices or make rental payments at suitable levels. Our inability to grow our office real estate business may have an adverse effect on our business, financial condition and results of operations.***

We currently have one Ongoing Project in our office project portfolio. Our office real estate business will be focused on the development and selling or leasing of our commercial space to large corporate clients, including banks and multinational companies. Our growth and success will depend on our ability to provide high quality commercial space to attract and retain clients who are willing and able to pay purchase or make rental payments 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 office customers or provide customers with property that correspond to their needs will depend upon a variety of market factors beyond our control. For example, our commercial customers may choose to acquire or develop their own facilities, which may reduce the demand for our office properties. In addition, the performance of certain sectors such as IT/ITES and financial services, which we believe will form a substantial portion of our customer base for our office projects, will have an impact on our ability to expand our office real estate business. Our inability to grow our office real estate business may have an adverse effect on our business, financial condition and results of operations.

33. ***Our plans to develop shopping malls is subject to the risks inherent to such businesses, and other contingencies and may not be successful, which may have an adverse effect on our business, financial condition and results of operations.***

As part of our growth strategy, we intend to develop a shopping mall as one of our Forthcoming Projects, Nitesh Mall and explore other opportunities in this segment. The success of our retail properties business is subject to the state of the Indian economy and retail industry and our ability to select appropriate locations and successfully undertake and complete projects. We believe that in order to draw consumers away from traditional shopping environments such as small local retail stores or markets as well as from competing malls, we need to create demand for our shopping malls where customers can take advantage of a variety of consumer and retail options, such as large department stores, in addition to amenities such as designer stores, comprehensive entertainment facilities, including multiplexes, restaurants and bars, air conditioning and underground parking.

Our success in the development of malls will also depend on our ability to forecast and respond to demand in industries in which we do not have any experience to date. To help ensure our malls' success, we must secure suitable anchor tenants and other retailers as they play a key role in generating customer traffic and employ a professional mall-management team. A decline in consumer and retail spending or a decrease in the popularity of the retailers' businesses may cause retailers to cease operations or experience significant financial difficulties, which in turn may harm our ability to continue to attract successful retailers and consumers to our malls, which may have an adverse effect on our business, financial condition and results of operations.

34. Our strategy to focus on the middle-income housing segment may not be successful, which may have an adverse effect on our business, financial condition and results of operations.

We started out our operations in the super premium housing segment with projects such as the Nitesh Mayfair and Nitesh Wimbledon Park, which were targeted at the high-income class. However, we have shifted our focus to the middle-income housing segment. We intend to build our portfolio of projects in the middle-segment where we will offer residential units priced between Rs. 2.0 million and Rs. 4.0 million. Some of our Ongoing Projects in this segment include Nitesh Hyde Park, Nitesh Forest Hills and Nitesh Flushing Meadows. We have little or no prior experience in the developing and marketing of projects in the middle-income housing segment. In addition, we may have to operate at lower profit margins in this segment. We cannot assure you that we will be successful in this venture or will be able to generate positive returns on our investments in such projects, which may have an adverse affect on our business, financial condition and results of operations.

35. Our inability to acquire or obtain development rights over large contiguous parcels of land may adversely affect our future development activities, which may have an adverse effect on our business, financial condition and results of operations.

Certain of our projects such as Nitesh Roland Garros are being built on large parcels of land. We may be required to acquire parcels of land or development rights from various land owners, which are subsequently consolidated to form a contiguous property, upon which we undertake development. In the past, we have experienced difficulties in acquiring or obtaining development rights over such large parcels of land. In the future, we may not be able to acquire or obtain development rights over such large parcels of land at all or on terms that are acceptable to us. This may prohibit us from developing further large projects or may cause delays or force us to abandon or modify the development of land at a location, which in turn may result in a failure to realise our investment for acquiring such parcels of land. Accordingly, our inability to acquire or obtain development rights over large contiguous parcels of land may adversely affect our business, financial condition and results of operations.

We may also be forced to pay premium amounts for acquiring or obtaining development rights over certain large parcels of lands owing to their size and location. Paying premium amounts for land may limit our ability to fund other property developments and may adversely affect our business, financial condition and results of operations.

36. Most of our projects require the services of third parties, which entails certain risks and as we expand geographically, we may be using contractors with whom we have not dealt with in the past, which may lead to cost overruns, construction defects and failure to meet scheduled completion dates.

Most of our projects require the services of third parties. These third parties include architects, engineers, contractors and suppliers of labour and materials. The timing and quality of construction of the projects we develop depends on the availability and skill of those third parties, as well as contingencies affecting them, including labour and raw material shortages and industrial action such as strikes and lockouts. We cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we conduct our projects. We contract out the construction of most of our projects to independent construction contractors. If a contractor fails to perform its obligations satisfactorily or within the prescribed time periods, we may be unable to develop the project within the intended timeframe, at the intended cost, or at all. If this occurs, we may be required to incur additional cost or time to develop the property to appropriate quality standards in a manner consistent with our development objective, which could result in reduced profits or in some cases, significant penalties and losses. As a result, we may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services and any delay in project execution may adversely affect our profitability. Additionally, we rely on manufacturers and other suppliers and do not have direct control over the products they supply, which may adversely affect the construction quality of our developments.

To date, most of our projects have been in Bengaluru and we have developed good working relationships with the major local contractors. As we expand geographically, we will have to use contractors with whom we have no prior working relationship, which will increase the risk of cost overruns, construction defects and failures to meet scheduled completion dates, which may have an adverse effect on our business, financial condition and results of operations.

37. Our business may suffer if we are unable to sustain the quality of our property management services.

As part of our business, we provide property management services to our completed residential developments. These services include, among others, book-keeping, security management, building maintenance and the operation of leisure facilities such as swimming pools and fitness centres. We believe that our property management services are an integral part of our business and are important to the successful marketing and promotion of our property developments. If owners of the projects that we have developed elect to discontinue the services provided by us, our property management business would be negatively impacted, which in turn may adversely affect the attractiveness of our developments, which may have an adverse effect on our business, financial condition and results of operations.

38. A decline in the financial stability of our prospective office and retail tenants may adversely affect the growth of these segments of our business, which may adversely impact our business, financial condition and results of operations.

We currently have one Ongoing Project in our office projects portfolio and one Forthcoming Project in our retail project portfolio. General economic conditions may adversely affect the financial stability of our prospective tenants and/or demand for our commercial and retail real estate. In the event of a default by a tenant prior to the expiry of a lease, we will suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. If we are unable to enter into lease agreements with new customers or renew lease contracts, promptly, or if the rentals upon such renewals or re-leasing are significantly lower than the expected value or if reserves, if any, for these purposes prove inadequate, our business, financial condition, results of operations and the value of our real estate may be adversely affected.

39. The launch of new projects that are unsuccessful may impact our growth plans and may adversely impact our business, financial condition and results of operations.

As part of our strategy, we plan to introduce new project initiatives in the Indian market. Each of the new project initiatives carries significant risks, as well as the possibility of unexpected consequences, including (i) acceptance by and sales of the new project initiatives to our customers may not be as high as we anticipate; (ii) our marketing strategies for the new projects may be less effective than planned and may fail to effectively reach the targeted consumer base or engender the desired demand; (iii) we may incur costs exceeding our expectations as a result of the continued development and launch of the new projects; (iv) we may experience a decrease in sales of certain of our existing projects as a result of the new projects in the same vicinity; and (v) any delays or other difficulties impacting our ability, or the ability of our third party contractors and developers, to develop and construct projects in a timely manner in connection with launching the new project initiatives.

Each of the risks referred to above may delay or impede our ability to achieve our growth objectives or we may not be successful in achieving our growth objectives at all through these means, which may have an adverse effect on our business, financial condition and results of operations.

40. We are subject to restrictive covenants under certain of our debt facilities, which may restrict the flexibility in operating our business.

Our financing agreements contain restrictive covenants which require prior lender consent in order for us to, among other things:

- make any modifications to any of the documents related to the projects;
- undertake any new project, or augment, modernise, expand or otherwise change the scope of the projects;
- merge, restructure, amalgamate or otherwise permit majority control of our Company to change hands;
- give any financial guarantee;
- transfer, dispose or alienate any assets or properties, tangible or intangible;
- undertake any trading activity other than the sale of products arising from our own manufacture;
- make any significant changes in management;
- allow our net working capital position to fall below the projected levels furnished by us to our lenders; and
- implement a scheme of expansion or diversification or capital expenditure, except normal replacements.

Many of the restrictive covenants substantially affect our ability to operate our business, absent lender consent. We can provide no assurance that we can successfully operate our business consistent with these arrangements. Any breach under our financing agreements may result in an acceleration of our repayments, force us to sell our assets or trigger a cross-default under our other financing agreements. For further details on our debt facilities, see "Financial Indebtedness" on page 352.

Any additional financing that we require to fund our capital expenditures, if met by way of additional debt financing, may place restrictions on us which may, among other things, (i) increase our vulnerability to general adverse economic and industry conditions; (ii) limit our ability to pursue our growth plans; (iii) require us to dedicate a substantial portion of our cash flows from operations to make payments on our debt, thereby reducing the availability of our cash flows to fund capital expenditures, meet working capital requirements and for use for other general corporate purposes; and (iv) limit our flexibility in planning for, or reacting to changes in, our business and our industry, which may have an adverse effect on our business, financial condition and results of operations.

Further, our Company has availed the debt facilities which bear interest at floating rates linked to the prime lending rates of our lenders, as determined from time to time. Upward fluctuations in interest rates could therefore increase the cost of both existing and new debt, which may have an adverse effect on our business operations and financial condition.

41. ***We may not be in a position to refinance our unsecured loans when called upon to repay them, which may have an adverse effect on our business and financial condition.***

We have unsecured loans on a consolidated basis amounting to Rs. 48.76 million as of December 31, 2009 and repayment of these loans may be called by lenders at any time. In such event, we may have to raise large amounts of money at short notice to refinance these obligations, which we may not be in a position to do so. This may have an adverse effect on our business and financial condition.

42. ***As the demand for land increases, it also results in an increase in the competition for, and prices of, land. Further, changes in any of regulations applicable to our business, are likely to have an adverse effect on the price of land, which may have an adverse effect on our business, financial condition and results of operations.***

As the demand for residential and commercial properties increases, it also results in an increase in competition to acquire land. Most of our Ongoing Projects and Forthcoming projects are in Bengaluru. The supply of land in Bengaluru and particularly in the central business district of Bengaluru is limited and acquisition of new land in these or other parts of Bengaluru poses substantial challenges and is highly competitive. The unavailability or shortage of suitable land for property development also leads to an escalation in land prices. Additionally, the availability of land, its use and development is subject to regulations by various local authorities. For example, if a specific parcel of land has been delineated as agricultural land, no residential development is permitted without the prior approval of the local authorities. Such a change in status may impact the price of that parcel of land, as well as the land surrounding it. Though our strategy predominantly entails entering into joint-development agreements with land owners, we also acquire title over certain land parcels. Land parcels which are directly owned by us constitute a small portion of our total land comprising our Ongoing Projects and Forthcoming Projects. Any escalation in the price of land may prevent us from acquiring parcels of land and thus increasing our Land Reserves, which may adversely affect our business, financial condition and results of operations.

43. ***Fluctuations in market conditions between the time we acquire land or obtain development rights and sell developed projects on such land may affect our ability to sell our projects at expected prices, which may adversely affect our revenues and profit margins.***

We may be subject to significant fluctuations in the market value of our land and inventories. We may be adversely affected if market conditions deteriorate as we have been purchasing land or acquiring development rights during stronger economic periods. 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 declined after experiencing a period of significant increases. We cannot assure you that prices will increase or that the price of real estate in southern India or India as a whole will not continue to experience declines. These factors can negatively affect the demand for and pricing of our developed and undeveloped projects and, as a result, may negatively affect our revenues and profit margins.

44. It is difficult to compare our performance between periods, as our revenue fluctuates significantly from period to period, which may cause the price of our Equity Shares to fluctuate.

We derive income from the sale of property that we have developed jointly or independently. Our income from these activities may fluctuate significantly due to a variety of factors. Sales revenues are dependent on various factors such as the size of our developments and the extent to which they qualify under our revenue recognition policies, rights of lessors or third parties that may impair our ability to sell properties and general market conditions. In addition, the anticipated completion dates for our projects, including those set forth in this Red Herring Prospectus, are estimates based on current expectations and may change significantly, thereby affecting our timing of sales. We believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance. For example, for the financial year 2008, our Company's net profit on an unconsolidated basis, as restated, was Rs. 9.96 million as compared to Rs. 30.70 million for the financial year 2007. A significant portion of our profit for the financial year 2007 was attributable to the sale of land purchase rights acquired by us to ITC Limited for the development of the Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) project and the contractual income derived as a result of the commencement of the development of this project.

The combination of these factors may result in significant variations in our revenues and profits, which may cause the price of our Equity Shares to fluctuate.

45. We depend on our information technology systems in managing our construction and development process, logistics and other integral parts of our business and any failure of such systems may adversely affect our reputation, business and results of operations.

Our information technology systems are important to our business. We utilise information technology systems in connection with overall project management, human resources and accounting. Currently, we do not have any back-up systems in place. Any failure in our information technology systems could result in business interruption, adversely affecting our reputation and weakening of our competitive position and could have an adverse effect on our financial condition and results of operations.

46. Most of the agreements with our customers require us to pay a penalty in case of delay of handover to our customers. The incurrence and payment of such penalties may have an adverse effect on our business, reputation, financial condition and results of operations.

We enter into agreements with our customers which require us to complete the property development by a certain date. Most of these agreements include penalty clauses where we are liable to pay penalties to the customers for any delay in the completion of the property development. We cannot assure you that we will always finish the construction or development of our projects in accordance with the timelines specified in such agreements, and as a result we may be liable for penalties under such agreements. There have been instances in the past of delays in the handover of the properties. Our customers may also choose to initiate litigation proceedings against us if there are delays in the project completion schedule. For example, one of our customers has initiated a proceeding before the Consumer Court alleging delay in the construction of the Nitesh Forest Hills project and has claimed compensation. For details, see "Outstanding Litigation and Material Developments – Joint Ventures – Nitesh Estates – Whitefield" on page 361. Continued delays in the completion of the construction of our projects will adversely affect our reputation. Further, such penalties payable by us may have an adverse effect on our business, reputation, financial condition and results of operations.

47. Certain lands developed by us are on a leasehold basis for a certain period. We may be unable to recover our costs of construction during the lease period or the landowners may not wish to renew the lease agreements, which may have an adverse effect on our business, results of operations and financial condition.

We also carry on development activities on land by entering into lease agreements with the owners of the land. One of such lease agreements that has been executed by us is valid for a period of up to 40 years, after which we are required to return the lands to the owners. We may not be able to recover the rent paid to the land owners or the costs incurred for construction on the land during the lease period. Further, these lease agreements typically have a clause where the lease may, but is not required, to be extended with the consent of the parties. In the event that the owners do not wish to renew the lease agreements, our business, financial condition and results of operations may be adversely affected.

48. ***We have entered into agreements with various third parties for the acquisition of land or development rights which may expire or may be invalid, which may lead to our inability to acquire these lands.***

As part of our land acquisition process, we enter into agreements to purchase or memoranda of understanding with third parties prior to the transfer of interest or conveyance of title of the land. Pursuant to such agreements, we propose to acquire lands, or obtain full or a portion of the development rights. As of March 20, 2010, 175.00 acres out of our total Land Reserves or approximately 80.9% of our total Land Reserves, form part of this category and includes four Forthcoming projects. We enter into such agreements to purchase or memoranda of understanding after paying certain advance payments to ensure that the sellers of the land or the land owner satisfy certain conditions within the time frames stipulated under these agreements. There can be no assurance that these sellers will be able to satisfy their conditions within the time frames stipulated or at all. In addition, such sellers may at any time decide not sell or enter into the joint-development or allow us to undertake the development on the land identified. In certain situations, agreements to purchase land or acquire development rights may expire or contain irregularities to the title or our interest in the land, at a later stage that may invalidate them or may force us from not proceeding with acquiring interests in such land parcels. If such irregularities exist, we may not be able to develop those properties for which we have entered into joint-development agreements.

In the event that we are not able to acquire the land or development rights, we may not be able to recover all or part of the advance monies paid by us to these third parties. Further, in the event that these agreements are either invalid or have expired, we may lose the right to acquire the lands and may not be able to recover the advances made in relation to the land. Also, any failure on our part to perform our obligations or any delay in performing our obligations under these agreements, may lead to us being unable to acquire these lands as the agreements may also expire. Any failure to complete the purchases of land, renew these agreements on terms acceptable to us or recover the advance monies from the relevant counterparties may adversely affect our business, financial condition and results of operations.

49. ***Certain statements contained in this Red Herring Prospectus with regard to our Ongoing Projects and Forthcoming Projects, including those relating to the area and make-up of land and the expected commencement and completion dates are based on management estimates and may be subject to change.***

The square footage data presented herein with regards to our Ongoing Projects and Forthcoming Projects, the Developable Area and Saleable Area and make-up of our land are based on management estimates. The square footage that we may develop in the future with regards to a particular property may differ from the amounts presented herein based on various factors such as market conditions, title defects and any inability to obtain required regulatory approvals. Moreover, title defects may prevent us from having valid rights enforceable against all third parties to lands over which we believe we hold interests or development rights, rendering our management's estimates of the area and make-up of our land incorrect and subject to uncertainty.

Further, the expected commencement date of a project is the date by which we anticipate making the first bookings, sales, leases or development. However, as many of our projects are built in phases over multiple periods, the total area with respect to a particular project may not be completely booked, sold, leased or developed until a date subsequent to the expected commencement date. The expected commencement dates for projects disclosed in this Red Herring Prospectus are based on our current plans with respect to our projects. However, the management estimates and plans are subject to change depending on future contingencies and unforeseen events or factors, including, among others, changes in laws, competition, changes to our business plans, timely receipt of statutory and regulatory approvals and permits, irregularities or claims in respect of title to land or in agreements related to acquisition of land, and the ability of third parties to execute services on schedule and within budget. Therefore, these management estimates and plans with respect to our Ongoing Projects and Forthcoming Projects are subject to uncertainty.

50. We are subject to extensive statutory or governmental regulations, which may restrict our flexibility in operating our business and any non-compliance may have an adverse effect on our business, financial condition and results of operations.

Acquisition of land and development rights in relation to immovable properties are governed by certain statutory and governmental regulations, which govern various aspects, including requirement of transaction documents, payment of stamp duty, registration of property documents, purchase of property for the benefit of others and limitation on land acquisition by an individual entity. These approvals may be required to be obtained before and/or after the commencement of construction in relation to the project. For further details, see "Government Approvals" on page 374.

Development of real estate projects is subject to extensive local, state and central laws and regulations that govern the acquisition, construction on and development of land, including laws and regulations related to zoning, permitted land uses, proportion and use of open spaces, building designs, fire safety standards, height of the buildings, access to water and other utilities and water and waste disposal. In addition, we and our sub-contractors are subject to laws and regulations relating to, among others, environmental approvals in respect of the project, minimum wages, working hours, health and safety of our labourers and requirements of registration of contract labour.

Although we believe that our contractual arrangements are substantially in compliance with such laws and regulations, statutory authorities may allege non-compliance and we cannot assure you that we will not be subject to any such regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. Further, though we may have been able to obtain the necessary approvals in the past, we cannot assure you that we will be able to obtain approvals in relation to our new projects, at such times or in such form as we may require, or at all. For example, with regard to two of our Completed Projects, Nitesh Mayfair and Nitesh Wimbledon Park, even though we completed the construction for two of these projects more than two years ago and have applied for the occupancy certificates in February, 2008 and March, 2007 respectively, we have not received an occupancy certificate from the Bengaluru city corporation, BBMP. We continue to pay electricity, water charges and property tax levied by the BBMP in respect of these projects.

The laws and regulations under which we and our subcontractors operate, may result in delays in construction and development, causing us to incur substantial compliance costs and other increased costs, and prohibit or severely restrict our real estate and construction businesses. If we are unable to continue to acquire, construct and develop land and deliver products as a result of these restrictions or if our compliance costs increase substantially, our business, financial condition and results of operations may be adversely affected.

51. We have not made applications or received approvals for most of our Forthcoming Projects and some of our Ongoing Projects thus exposing our business and future results of operations to time or cost overruns.

We have four Forthcoming Projects which are in the initial stages of development. In addition, we have not obtained the sanction plan to commence construction in two of our Ongoing Projects, Nitesh Hyde Park and Nitesh Columbus Square. We are in the process of making applications to the appropriate regulatory authorities in connection with the development of these projects. As these project are still in the initial stages of development, the proposed use and development plans for these projects may be subject to further changes, as may be decided by us, keeping in mind various factors including the economic conditions, the prevailing preferences of the consumers and those local and federal regulations, which may be applicable to us. We cannot assure you that we shall receive any of the underlying approvals in a timely manner or at all. Therefore, we may not be able to launch these projects in a timely manner. For further details, see "Government Approvals" on page 374. In the event that we do not receive these approvals, our business, prospects, financial condition and results of operations may be adversely affected.

52. Our project developments are subject to various environmental regulations and other applicable legislation and instances of violations or non-compliance may adversely affect our projects.

We are required to conduct an environmental assessment of our projects before receiving regulatory approval for these projects. These environmental assessments may reveal material environmental problems, which may result in our not obtaining the required approvals. Further, we are also required to comply with various other environmental regulations during the course of development of our projects. Additionally, if environmental problems are discovered during or after the development of a project, we may incur substantial liabilities relating to clean up and other remedial measures and the value of the relevant properties may be adversely affected. Further, many of the environmental approvals we receive may be granted on a conditional basis and we may not be able to satisfy the stipulated conditions in the approval and the approval may be subsequently withdrawn or revoked.

53. Our shareholders BETL and AMIF I Limited are entitled to certain rights under their respective shareholders' agreements in the event the milestones under these agreements are not achieved.

AMIF I Limited, our Company and our Promoters were parties to a share subscription agreement and shareholders agreement, both dated January 10, 2007, under which AMIF I Limited has subscribed to 1,700,616 Equity Shares. Subsequently, the parties agreed to terminate the share subscription agreement and shareholders agreement by way of a termination agreement dated October 6, 2009 ("**AMIF Agreement**").

Further, BETL has also executed a share subscription agreement with our Company and the Promoters on February 12, 2010 ("**BETL Agreement**"), under which BETL subscribed to 1,049,000 Equity Shares.

Under the AMIF Agreement and the BETL Agreement, the parties have agreed that in the event the conditions under the respective agreements have not been satisfied and our Company has not undertaken the IPO and the Equity Shares of our Company have not been listed, the rights available to AMIF I Limited and BETL under the agreements shall become exercisable.

For further details, see "History and Corporate Structure" at page 174. We cannot assure you that we will satisfy all the conditions stipulated under the AMIF Agreement and the BETL Agreement. In the event we do not satisfy such conditions which include listing of the Equity Shares, all rights and privileges accruing to AMIF I Limited and BETL under the AMIF Agreement and the BETL Agreement shall be reinstated.

54. There may be unscheduled delays and cost overruns in relation to our Ongoing Projects and Forthcoming Projects, which may have an adverse effect on our business, financial condition and results of operations.

There may be unscheduled delays and cost overruns in relation to Ongoing Projects and Forthcoming Projects and we cannot assure you that we will be able to complete these projects within the stipulated budgets and time schedules. While we provide for penalties against our third party contractors for delays in handing over the project, there can be no assurance that these contractors will pay us those penalties in time or at all and we may incur the cost of delays of the project which may adversely affect our results of operations and financial condition. Further, delays and cost overruns may occur for reasons not involving the fault of our contractors and for which they therefore do not bear any responsibility to us. As we would incur the cost of delays or overruns, this may adversely affect our business, financial condition and results of operations.

55. We recognise revenue based on the percentage of completion method of accounting on the basis of our management's estimates of revenues and development costs on a property by property basis. As a result, our revenues and development costs may fluctuate significantly from period to period.

We recognise the revenue generated from our residential and commercial projects on the percentage of completion method of accounting. Under this method, revenue recognised with respect to a property development, is equal to the product of the percentage of completion of the property and sale of the property as a percentage of total estimated property sales. The percentage of completion of a property is determined on the basis of portion of the actual cost of the property incurred thereon, excluding cost of land, as against the total estimated cost of the property under execution.

We estimate the total cost of a project prior to its commencement based on, among others, the size, specifications and location of the project. We re-evaluate project costs periodically, particularly when, in our opinion, there have been significant changes in market conditions, costs of labour and materials and other contingencies. Material re-evaluations will affect our revenues in the relevant financial periods.

We cannot assure you that the estimates used under the percentage of completion method will equal either the actual cost incurred or revenue received with respect to these projects. The effect of such changes to estimates is recognised in the financial statements of the period in which such changes are determined. This may lead to significant fluctuations in revenues and development costs and limit our ability to undertake new projects. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance. Such fluctuations in our revenues and costs may also cause our share price to fluctuate significantly. If in the future, our results of operations are below market expectations, the price of our Equity Shares may decline.

56. We are heavily dependent upon certain key management personnel, particularly Mr. Nitesh Shetty our Chairman and Managing Director and one of our Promoters. Failure to retain our key managerial personnel may delay or prevent the development of our projects and adversely impact our business, financial condition and results operations.

Our future growth is heavily dependent upon Mr. Nitesh Shetty, our Chairman and Managing Director and one of our Promoters. He supervises the day-to-day operations and provides expertise and direction with respect to our overall strategy and vision. His business development efforts have enabled us to establish relationships with our clients, contractors, sub-contractors, architects and our other current partners and collaborators. The loss of Nitesh Shetty, whose relationships, knowledge, leadership and expertise upon which we heavily rely, would adversely affect our business operations. We do not maintain key man insurance on the life of Nitesh Shetty.

We are also dependent upon the performance of certain key managerial personnel. We believe that the unique combination of skills and experience possessed by these individuals may be difficult to replace, and the failure to retain any one of them may have an adverse effect on our business, financial condition and results of operations, including impairing our ability to execute our business strategy. We do not maintain key man insurance on the lives of these individuals. Competition among companies in the real estate development industry for qualified employees is intense. There can be no assurance that we will be able to retain our key managerial personnel. Such losses may adversely affect our business, financial condition and results of operations.

57. One of our Promoters and certain members of our Group Entities have given personal guarantees in relation to certain debt facilities provided to us. If these guarantees are withdrawn, we may be unable to procure replacement guarantees that are satisfactory to the lenders, which may lead to acceleration of the repayment schedule or termination of these facilities.

One of our Promoters, Mr. Nitesh Shetty has given personal guarantees in relation to certain debt facilities provided to us aggregating Rs. 2,430.00 million as of March 20, 2010. In the event that our Promoters withdraws or terminates their guarantee, the lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may affect our cash flows and financial condition.

58. There may be possible conflicts of interest between us and our Promoters or one or more of our Promoter Group Companies. If our Promoters or Promoter Group Companies act in a manner that is contrary to our interests, our business, financial condition and results of operations could be adversely affected.

Our Promoters are actively involved in the management of both our business and the business operations of our Promoter Group Companies, including in the related lines of our business. Our Promoters' attention to our Promoter Group Companies, including those in related lines of our business, may distract or dilute management attention from our business, which may adversely affect our business, financial condition and results of operations. There is no non-compete agreement in place between us and any Promoter Group Company with respect to real estate businesses. There can be no assurance that our Promoter Group Companies will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate.

59. "Our Subsidiaries and Group Entities may use our trademark and their conduct could affect our reputation.

Our Company has a registered trade mark for "Nitesh Estates" that appears on the cover page of this Red Herring Prospectus. However our Subsidiaries and Group Entities also use our trademark for undertaking their business. If our Subsidiaries and Group Entities suffer losses or face any adverse development in their business, this may affect our reputation.

60. If the Government were to exercise the rights of compulsory purchase or eminent domain over landing forming part of our current or proposed developments, our business, results of operations and financial condition may be adversely affected.

The Land Acquisition Act, 1894 allows the central and state governments to exercise rights of compulsory purchase which, if used in respect of our land, may require us to relinquish land with minimal compensation and no right of appeal. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, airports and railways. Any such action in respect of one or more of our major current or proposed developments may adversely affect our business, financial condition and results of operations.

61. Our business and growth plans may be adversely affected by the incidence and rate of property taxes and stamp duties.

As a property owning company, we are subject to the property tax regime in each state where our properties are located. These taxes may increase in the future, and new types of property taxes may be established which would increase our overall development and maintenance costs. We also buy and sell properties throughout India and property conveyances are generally subject to stamp duty. If these duties increase, the cost of acquiring properties will rise, and sale values may also be affected. Additionally, if stamp duties are levied on instruments evidencing transactions which we believe are currently not subject to such duties, such as the grant or transfer of development rights, our acquisition costs and sale values would be adversely affected, resulting in a reduction of our profitability. Any such changes in the incidence or rates of property taxes or stamp duties may have an adverse affect on our business, financial condition and results of operations.

62. Our operations and the work force on the property sites are exposed to various hazards and if any such hazards materialise, our business, results of operations and financial condition may be adversely affected.

We conduct various site studies prior to the acquisition of or obtaining development rights over any parcel of land and its construction and development. However, there are certain unanticipated or unforeseen risks that may arise due to adverse weather and geological conditions such as storms, outbreaks of disease, hurricanes, lightning, floods, landslides, rockslides and earthquakes and other reasons. Additionally, our operations are subject to hazards inherent in providing or hiring sub-contractors for architectural and construction services, such as the 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. In developing countries, such as India, the health and safety standards on construction sites may not be applied as stringently as in industrialised countries. If any one of these hazards or other hazards were to impact our business, our results of operations may be adversely affected.

63. Our insurance coverage may not adequately protect us against all material hazards.

We are insured for a number of the risks associated with our business, such as fire, special perils concerning our construction operations and loss of certain assets. See "Our Business – Insurance" on page 149. In addition, we have obtained separate insurance coverage for certain employee related risks. While we believe that the insurance coverage which we maintain directly or through our contractors, would be reasonably adequate to cover the normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. Moreover, currently, we do not have insurance for Forthcoming Projects, but may obtain insurance in the future based on our own assessment of risks associated with such properties. To the extent that we suffer loss or damage for which we or our sub-contractors did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our results of operations and financial performance may be adversely affected.

64. Labour unrest or shortage problems may significantly affect our business and if our employees unionise, we may be subject to, slowdowns and increased wage costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. In addition, we may be unable to mobilise the required number of labourers to carry out the construction on our project sites. Although our employees are not currently unionised, there can be no assurance that they will not unionise in the future. If our employees unionise, it may become difficult for us to maintain flexible labour policies or we face labour shortages, and our business, financial condition and results of operations may be adversely affected.

65. We have not entered into any definitive agreements to utilise the net proceeds of the Issue and our management will have flexibility in using the proceeds.

We have not entered into any definitive agreements to utilise the net proceeds of the Issue. The deployment of funds as stated in the section titled "Objects of the Issue" on page 93 is at the discretion of our Board. All the figures included under the section titled "Objects of the Issue" are based on our own estimates. Pending utilization of the proceeds of this Issue for the purposes described in this, we intend to invest the proceeds of the Issue in high quality interest bearing liquid instruments including money market mutual funds and deposits with banks, for the necessary duration, or for reducing overdrafts. Such investments would be made in accordance with investment policies or investment limits approved by our Board of Directors from time to time. Further, we have not obtained all approvals in relation to the projects which form part of our Objects of the Issue.

66. The requirement of funds in relation to our projects, including the projects included in the Objects of the Issue has not been appraised.

The fund requirements for most of our projects including projects forming part of the objects of the Issue have not been appraised by any bank or financial institution. We intend to use the net proceeds of the Issue for the purposes described in the section titled "Objects of the Issue" on page 93. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of the real estate industry, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change. For example, if there were to be a significant rise in cement costs or if there were delays in obtaining the required approvals, this may result in an escalation of our project cost estimates. For details regarding all pending approvals in relation to our Ongoing projects and Forthcoming Projects, see the section titled "Government Approvals" on page 374. Our management estimates for the projects may exceed market value or the value that would have been determined by third party appraisals or we may not obtain the required approvals in a timely manner, or at all, which may require us to reschedule or reallocate our project expenditure and may have an adverse impact on our business, financial condition and results of operations.

67. Our Promoters will have the ability to determine the outcome of any shareholder resolution, which may conflict with the interest of other shareholders.

After the completion of this Issue, our Promoters (together with the Group Entities) will own, approximately [•] % of our Company's outstanding Equity Shares. So long as our Promoters (together with the Group Entities) own a majority of our Equity Shares, they will be able to ensure the election our Company's entire Board of Directors and control most matters affecting our Company, including the appointment and removal of officers, business strategy and policies, any decisions with respect to mergers, business combinations and acquisitions or dispositions of assets, dividend policy, our capital structure and financing. Further, the extent of their shareholding in our Company may result in delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders. The interests of our Promoters as our controlling shareholders may also conflict with our interests or the interests of other shareholders. As a result, our Promoters may take actions with respect to our business that may conflict with our interests or the interests of the other shareholders of our Company.

68. Corrupt practices or improper conduct may delay the development of a project and affect our reputation, results and operations.

The real estate development and construction industries are not immune to the risks of corrupt practices. Large construction projects provide opportunities for corruption. Such corruption may include bribery, deliberate poor workmanship or the deliberate supply of low quality materials. If we, or any other persons involved in any of the projects, are the victims of or are involved in any such corruption, our ability to complete the relevant projects as planned may be disrupted thereby adversely affecting our reputation, business, financial condition and results of operations.

69. We have entered into, and will continue to enter into, related party transactions. Such future and past transactions could involve potential conflicts of interest.

In the normal course of our business we enter into or may continue to enter into transactions with related parties, including our Promoters, Directors and Group Entities. For example, we recently purchased an apartment from one of the Group Entities, NEPPL, which was subsequently sold to a third party. The details of various categories of related party transactions entered into for the nine months ended December 31, 2009 and the financial year 2009 on a consolidated basis are set out below:

(Rs. in million)

	Nine Months Ended December 31, 2009	Financial Year 2009
Income from contractual activities	292.31	332.12
Income from sale of developmental rights	-	270.00
Purchase – Construction/Civil Works/Apartment	48.00	53.50
Interest Income	4.58	-
Rent and other charges paid	7.69	13.16
Advertising and sales promotion expenses	9.20	17.88
Reimbursement of expenses received	28.15	53.19
Remuneration to KMP	6.31	16.19
Advances written off	-	11.17
Investments made	112.69	-
Share application money received/(refunded), net	-	(7.09)
Deposits given/(refunded), net	-	(4.50)
Unsecured loan taken	23.40	27.52
Unsecured loan repaid	23.80	-
Equity investment	155.10	-
Loans/advances given/(repaid), net	439.87	(69.91)
Loans/advances taken/(repaid), net	(97.44)	(131.81)
Guarantees given by the Group on behalf of Nitesh Estates Projects Private Limited	-	200.00
Guarantees given by Nitesh Estates Projects Private Limited on behalf of the Group	-	500.00
Total*	1,195.96	1,735.56

* The total is the arithmetic aggregate of all related party transactions.

For more information regarding our related party transactions, see "Related Party Transactions" in our restated consolidated financial statements on page 233. The transactions we have entered into and any future transactions with our related parties have involved or may potentially involve conflicts of interest.

70. We have undertaken a Pre-IPO placement to BETL at a price which may be at a variance to the Issue Price.

We have made a Pre-IPO Placement to BETL at Rs. 143.00 per Equity Share. The price of our Pre-IPO Placement may be at variance with the Issue Price. For more information regarding our Pre-IPO Placement, see the sections titled "History and Corporate Structure" and "Capital Structure" on pages 174 and 83, respectively.

71. Certain lands forming part of our total land comprising our Ongoing Projects and Forthcoming Projects are subject to litigation and an unfavourable outcome in any proceeding could have an adverse effect on our ability to develop those projects.

There are certain parcels of land which form part of our Ongoing Project and Forthcoming Projects that are currently subject to litigation. 16.52 acres, amounting to 7.6% of our total Land Reserves, are currently involved in litigation. For more details of these litigation, see "Outstanding Litigation and Material Developments" on page 357 of this Red Herring Prospectus.

We cannot assure you that we will be successful in defending our claim all these matters. In the event that there is an adverse ruling, this may significantly affect our interest in such lands. Further, our projects may also be affected and we may not be able to complete them in time, or complete them at all.

72. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy, and the Indian real estate and infrastructure-related sectors contained in this Red Herring Prospectus.

While facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy as well as the Indian property development and infrastructure-related sectors have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such sources of materials. While our Directors have taken reasonable care in the reproduction of such information, such reports have not been prepared or independently verified by us, the Book Running Lead Managers or any of our or their respective affiliates or advisers and, therefore we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. These facts and other statistics include the facts and statistics included in "Industry Overview" on page 123.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be elsewhere.

Risks Relating to India

73. The continuation or recurrence of systemic events such as the recent global economic meltdown, instability of economic policies and the political situation in India or globally may adversely affect our performance.

Conditions outside India, such as continued slowdowns in the economic growth of other countries may adversely impact the growth of the Indian economy, and Government policy may change in response to such conditions. The consequent slowdown in the Indian economy may adversely affect our business, including our ability to implement our business strategy and increase our participation in the real estate development sector.

The current economic policies of the Government may change further to respond to the recent global economic meltdown or a recurrence thereof. Particularly, there may be changes to specific laws and policies affecting the industry and other policies affecting foreign investment in our business. Any significant shift or change in India's economic policies and regulations may disrupt economic conditions in India and this may in turn affect our business, financial condition and results of operations.

Unstable internal and international political environment may impact the economic performance of the real estate industry, including our Company, in the short and long term. Our business, and the market price and liquidity of our Equity Shares, may be affected by reactionary changes in interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India on account of any changes in the global economic changes.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, the United States, Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. The recent global economic downturn had a severe impact on the Indian equity markets. The Indian stock exchanges experienced significant volatility, with the BSE index declining by almost 50.0% over the second half of 2008 and early part of 2009. A loss in investor confidence in the financial systems of other markets may increase volatility in Indian financial markets and, indirectly, in the Indian economy in general, thereby adversely affecting our business, financial condition and results of operations.

74. The occurrence of natural or man-made disasters may adversely affect our business, financial condition and results of operations.

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. The potential impact of a natural disaster such as the H5N1 "avian flu" virus, or H1N1, the swine flu virus, on our results of operations and financial position is highly speculative, and would depend on numerous factors. We cannot assure prospective investors that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

75. The industry in which we operate is cyclical, competitive, highly fragmented, and possesses low barriers to entry resulting in challenging operating conditions that may adversely affect our results.

The industry in which we operate, i.e., the housing and real estate development sector is highly competitive and fragmented, especially in Bengaluru. Less or low fixed capital requirements have led to low barriers to entry resulting in a large number of players in the industry. Moreover, due to the lesser requirements for technical expertise in the housing and real estate sector, as opposed to the industrial/infrastructure construction sector, the housing and real estate sector has a larger number of new entrants and existing players from whom we face competition. Both new and existing players undertake projects similar to ours in the same regional markets in which our projects are located. Our inability to compete successfully in our industry may affect our business prospects and financial condition.

We compete for land, sale of projects with other private developers from Bengaluru and from other parts of India. Some of our competitors may have greater resources (including financial, land resources, and other types of infrastructure) to take advantage of efficiencies created by size, and access to capital at lower costs, have an established brand and existing relationships with homeowners. Our success in the future will depend significantly on our ability to maintain and increase market share in the face of such competition, particularly if we expand into areas outside Bengaluru where we do not have any current market share. Our inability to compete successfully may affect our business prospects and financial condition.

Historically, the Indian real estate market has been cyclical, a phenomenon that can affect the optimal timing for both the acquisition of sites and the sale or rental of our properties. We cannot assure you that real estate market cyclicality will not continue to affect the Indian real estate market in the future. As a result, we may experience fluctuations in property values and rental income over time which in turn may adversely affect our business, financial condition and results of operations.

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

Our performance and growth are dependent on the health of the Indian economy. The economy may be adversely affected by various factors such as political or regulatory action, including adverse changes in economic liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares.

77. Political instability or changes in the government may delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which may impact our business, financial results and results of operations.

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy.

Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms. The current Government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization may change, and specific laws and policies affecting real estate, foreign investment and other matters affecting investment in our securities may change as well. However, there can be no assurance that such policies will be continued. A change in the Government in future may result in a significant change in the Government's policies that may adversely affect business and economic conditions in India and may also adversely affect our business, financial condition and results of operations.

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

FDI Regulations impose certain conditions on investment in real estate sector in India. Government policy in respect of FDI in the real estate sector in India is regulated by Press Note 2 issued by the Government of India, Ministry of Commerce and Industry, which permits foreign direct investment of up to 100% subject to the project fulfilling certain specified conditions. The FDI Regulations and Press Note 2, however, are subject to differing interpretations. For example, foreign direct investment is subject to the condition that for joint ventures with Indian partners the "minimum capitalisation" should be US$ 5 million. However, there is some ambiguity on what is meant by "minimum capitalisation". In addition, although the FDI Regulations and Press Note 2 stipulate that funds have to be brought in within six months of "commencement of business of the Company", the term "commencement of business of the Company" has not been defined or explained and may also be subject to differing interpretations. Further, the Government of India issued Press Notes 2, 3 and 4 (2009 Series) in February 2009, which among other guidelines, prescribe guidelines in relation to the calculation of total foreign investment in Indian companies. The Press Notes of 2009 series are subject to different interpretations and may be subject to amendments as reported in various news articles. There can be no assurance as to the position the Government of India will take in interpreting Press Note 2, Press Notes (2009 Series) as mentioned above and the FDI Regulations.

Further, while the Government of India has permitted FDI of up to 100% without prior regulatory approval in townships, housing, built-up infrastructure and construction and development projects, it has also issued Press Note No. 2 of 2005, which subjects such investment to certain restrictions. Our Company's inability to raise additional capital as a result of these and other restrictions may adversely affect the business and prospects of our Company.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

79. Communal disturbances, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.

Acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares.

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

80. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This may have a adverse effect on our capital expenditure plans, business and financial performance.

81. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which may adversely impact its financial condition.

According to a report released by RBI, India's foreign exchange reserves totalled over US$ 279.71 billion as of March 12, 2010. Reserves have declined recently and may have negatively impacted the valuation of the rupee. Further declines in foreign exchange reserves may adversely impact the valuation of the rupee and may result in reduced liquidity and higher interest rates that may adversely affect our future financial performance and the market price of the Equity Shares.

Risks relating to the Investment in Equity Shares

82. After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian real estate sector and changing perceptions in the market about investments in the Indian real estate sector in general and our Company in particular, adverse media reports on us or the Indian real estate sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies and significant developments in India's fiscal regulations.

There has been no public market for the Equity Shares prior to this Issue and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

83. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than the securities markets in more developed economies in the past. Indian stock exchanges have experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares may be adversely affected.

84. Upon the completion of the Issue, the shareholding of the Promoters, may fall below 51% which may impact their ability to prevent or delay a takeover; and under the current foreign exchange regulations we will be restricted from developing projects which are not in compliance with such regulations.

Upon completion of the Issue, the shareholding of our Promoters, will fall below 51% , as such, under the current foreign exchange regulations we will be restricted from developing projects which are not in compliance with such regulations.

Press Note 2 of 2005 specifies that FDI, up to 100% under the automatic route, is allowed in certain real estate sectors, such as those in which we operate, subject to compliance with certain requirements including: the minimum areas to be developed for a serviced housing plot is 10 hectares and 50,000 square metres for construction-development projects. See "Risk Factors – Restrictions on foreign investment in the real estate sector may hamper our ability to raise additional capital" on page 41. Press Note 2 and 4 of 2009 provide that downstream investment by companies, which are not Indian 'owned' and 'controlled', is required to follow the same norms as direct foreign investment, i.e., only as much can be done by way of indirect foreign investment through downstream investment in terms of Press Note 2 (2009 series) as can be done through direct foreign investment.

Upon completion of the Issue, the shareholding of our Promoters will fall below 51%. As a result, there is a possibility that, in terms of the aforesaid Press Notes, we will no longer be Indian-owned or controlled, and therefore any downstream investment by us will have to be in compliance with applicable foreign exchange laws applicable to the real estate sector. Therefore, in the event that we are classified as not being Indian-owned and controlled, all the projects to be developed by us (on a consolidated basis) shall have to be compliant with the foreign direct investment norms specified in Press Note 2, i.e., we will not be able to undertake any non-Press Note 2 compliant projects. As a result we may lose out on opportunities to develop such projects in the future, which in turn may be developed by our Promoter in their personal capacity. See "Risk Factors – There may be possible conflicts of interest between us and our Promoters or one or more of our Promoter Group Companies" on page 35.

85. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt-financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares.

86. You may be subject to Indian taxes arising out of capital gains on the sale of the Shares.

Capital gains arising from the sale of our shares are generally taxable in India. Any gain realised on the sale of our shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax, or STT, has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which our shares are sold. Any gain realised on the sale of our shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of our shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of our shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. For more information, see "Statement of Tax Benefits" on page 110. However, capital gains on the sale of our shares purchased in the Issue by residents of certain countries may not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of Shares.

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

The 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' book entry, or "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 Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

Prominent Notes

- The net worth of our Company was Rs. 694.10 million and Rs. 781.27 million as of December 31, 2009 in terms of our restated consolidated and unconsolidated financial statements, respectively, included in this Red Herring Prospectus.

- The net asset value per Equity Share of Rs. 10 each was Rs. 9.95 and Rs. 11.20 as of December 31, 2009, in terms of our consolidated and unconsolidated restated financial statements, respectively, included in this Red Herring Prospectus.

- The average cost of acquisition of our Equity Shares by our Promoters is Rs. 5.15 per Equity Share. The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the average of the amount paid by them to acquire the Equity Shares issued by us.

- For details of our related party transactions, please refer to the section titled "Related Party Transactions" on page 209.

- Other ventures promoted by our Promoters are interested to the extent of their shareholding in the Company. See "Capital Structure" on page 83.

Any clarification or information relating to the Issue shall be made available by the BRLMs, and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact any of the BRLMs who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Issue.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

Investors should note that this is only a summary and does not contain all information that you should consider before investing in our Equity Shares. You should also read the entire Red Herring Prospectus, including the information in the sections titled "Industry Overview", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operation", "Business" and "Financial Statements" and related notes before deciding to invest in our Equity Shares" beginning on pages 123, 132, 328, and 215 of the Red Herring Prospectus. For risks related to our business, our Company and our industry, see section titled "Risk Factors" beginning on page 12 of the Red Herring Prospectus.

Overview of the Indian Economy

India is the world's largest democracy by population size and one of the fastest growing economies in the world. FDI has been a key driver of economic growth in India. The Government of India has taken a number of steps to encourage and facilitate FDI. FDI is now permitted in almost every sector of the economy, including manufacturing, services and infrastructure.

Economic activity in the high-income as well as developing countries fell abruptly in the second half of calendar year 2008 and in the first quarter of calendar year 2009. During the global financial crisis, domestic growth in India remained subdued and decreased in the second half of the financial year 2009. According to the RBI, India's structural growth opportunities continue to remain strong, given the high domestic savings rate, sound financial system and macroeconomic policy environment. (*Source: Reserve Bank of India, Macroeconomic and Monetary Developments: First Quarter Review 2009-10*)

Real Estate Sector in India

The real estate sector in India comprises the development of residential housing, commercial buildings, hotels, restaurants, cinemas, retail outlets and the purchase and sale of land and development rights. The real estate sector in India has evolved over the years, accompanied by various regulatory reforms.

Key Characteristics of the Real Estate Sector in India

The Indian real estate sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise and/or financial resources. Historically, the sector has not benefited from institutional capital and has instead utilised high net-worth individuals and other informal sources of financing as its major sources of funding, leading to low levels of transparency. This has changed with the recent growth in the sector and reflects consumer's expectations of increased quality as India becomes more closely integrated with the global economy. Some of the key characteristics of the Indian real estate sector are:

- **Highly Fragmented Market Dominated by Regional Players**: Rapid growth in the last decade has contributed towards the emergence of larger regional players that have differentiated themselves through superior execution and branding. These players have been able to capitalise on their early mover advantage with high market shares, though generally they remain confined to local or regional markets. While the larger regional players are now initiating efforts to develop a broader geographic presence, their home markets continue to generate a majority of their profitability.

- **Local Knowledge is Critical to Successful Development**: The property sector is generally regulated at the state level. As a result, the rules and regulations that impact, among other things, approval processes and transaction costs, vary from state to state. Also, real estate is dramatically affected by the condition of the geographic area surrounding the property, which makes local knowledge essential for development.

- **High Transaction Costs**: The real estate sector has traditionally been burdened with high transaction costs as a result of stamp duty payable on transfers of title to property, the amount of which varies from state to state.

Although the range and availability of financing products has been improving in recent years, transaction costs are often increased further by limited access to formal funding and the corresponding dependence on informal, high-cost sources for funding.

- **Enhanced Role of Mortgage Financing**: Over the past few years, a significant portion of new real estate purchases in India, particularly in the larger cities, have been financed through banks and financial institutions. This has been aided by a decline in interest rates and the broader availability of financing products, generally due to aggressive marketing and product development by financial institutions.

- **Lack of Clarity in Land Title**: A significant number of land plots in India do not have clear title because of disorganised land registries, a problem which is compounded by judicial delays in resolving ownership issues. Moreover, the transfer of land is subject to "caveat emptor" rules, which place the burden on the buyer to insure there are no defects in title prior to purchase. Finally, most land is held by individuals and families, which further obscures title to land.

SUMMARY OF OUR BUSINESS

Investors should note that this is only a summary and does not contain all information that you should consider before investing in our Equity Shares. You should also read the entire Red Herring Prospectus, including the information in the sections titled "Industry Overview", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operation", "Business" and "Financial Statements" and related notes before deciding to invest in our Equity Shares" beginning on pages 123, 132, 328, and 215 of the Red Herring Prospectus. For risks related to our business, our Company and our industry, see section titled "Risk Factors" beginning on page 12 of the Red Herring Prospectus.

Overview

Our Company is in the business of real estate development and is primarily engaged in the development of residential projects in Bengaluru. We are also developing a hospitality project in Bengaluru and a residential and an office project in Kochi. We are in the process of diversifying into the development of shopping malls and are expanding our geographic reach to Chennai, Goa and Hyderabad. Our residential projects include multi-unit apartment buildings targeted at high-income and middle-income customers. We are currently developing our first hospitality project, the first 'Ritz-Carlton' brand hotel in India, on Residency Road in the central business district of Bengaluru.

Our Company was incorporated in 2004 and since then, we have developed three residential projects totalling 0.55 million sq. ft. of Saleable Area and Developable Area. Our Completed Projects are:

- Nitesh Garden Enclave, (formerly referred to as Nitesh Long Island), completed in 2009, a built-to-suit premium corporate residential project that we developed for ITC Limited near Bellary Road, Bengaluru;
- Nitesh Wimbledon Park, completed in 2007, a premium residential project, located on Race Course Road, Bengaluru; and
- Nitesh Mayfair, completed in 2007, a premium residential project, located on Lavelle Road, Bengaluru.

We undertake most of our projects through the joint-development model as compared to acquiring a freehold or leasehold interest in the land, which reduces the upfront cost of land acquisition and our total project financing costs. This allows us to deploy our capital towards development expenses and the expansion of our operations.

As of March 20, 2010, a summary of our Ongoing Projects, Forthcoming Projects and Land Parcels Available for Future Development is set out below:

	Number	**Land Area (in Acres)**	**Developable Area (in million sq. ft.)**	**Saleable Area (in million sq. ft.)**
Ongoing Projects*				
Residential **	5	21.91	3.96	1.69
Hospitality ***	1	2.58	0.50	0.10
Office	1	2.65	0.85	0.30
Sub-Total		**27.14**	**5.31**	**2.09**
Forthcoming Projects*				
Residential	3	51.57	1.49	0.97
Shopping Mall	1	5.06	1.16	0.58
Sub-Total		**56.63**	**2.65**	**1.55**
Land Parcels Available for Future Development*		132.62	-	-
Total		**216.39**	**7.96**	**3.64**

* *Four of our Ongoing Projects, one of our Forthcoming Projects and two Land Parcels Available for Future Development are being proposed to be developed by our subsidiary Nitesh Housing, in which, our Company holds 89.9% of the equity share capital. The assignment of the rights, obligations and interests in the Nitesh Wimbledon Gardens (Residential) and*

Nitesh Wimbledon Gardens (Commercial) projects to Nitesh Housing is subject to the earlier of either of these two events (i) a no-objection certificate from HDFC, the lender for these projects, for the assignment, or (ii) the repayment of the loan availed from HDFC in relation to these projects. Further, pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 90,000 sq. ft. of our our share in the Saleable Area of the projects, to such partners, upon completion of these projects.

** *Two of our Ongoing Residential Projects are being developed by Nitesh Estates-Whitefield an "association of persons", in which our Company is entitled to a profit share of 24.0%.*

*** *Our Ongoing Hospitality Project is being developed by a special purpose vehicle, NRHPL in which our Company holds 20.7% of the equity share capital.*

For a more complete summary of our projects see "Summary of Projects" on page 52.

Our Ongoing Projects are:

- Nitesh Hyde Park, a residential project in the middle-income segment with 537 residential units, located at Bannerghatta Road, Bengaluru;
- Nitesh Forest Hills, a residential project in the middle-income segment with 284 residential units, located in Whitefield, Bengaluru;
- Nitesh Flushing Meadows, a residential project in the middle-income segment with 200 residential units, located in Whitefield, Bengaluru;
- Nitesh Columbus Square, a residential project in the middle-income segment with 390 residential units, located off Bellary Road, Bengaluru;
- Nitesh Wimbledon Gardens (Residential), a residential project in the middle-income segment with 672 residential units, located at Airport-Seaport road in Kochi;
- Nitesh Wimbledon Gardens (Commercial), an office project, located at Airport-Seaport road in Kochi; and
- the 'Ritz-Carlton' brand hotel with 281 keys, located at Residency Road in the central business district of Bengaluru, being executed by an SPV, in which our Company owns 20.7% of the equity share capital. One of our Promoters, Mr. Nitesh Shetty holds 5.3% of the equity share capital of this SPV.

We have an in-house, fully integrated property development team consisting of experienced professionals, which oversees key functions such as architectural and project planning, project execution, customer relationship management and facility management. Our employees regularly interact with our customers to enable an informed and customer-friendly purchasing experience. We place special emphasis on ensuring that our quality standards and delivery schedule are adhered to at every stage of a project. Our Company has documented its quality standards and internal policies and our management systems have been ISO 9001:2008 certified. We are also in the process of implementing enterprise resource planning software to enhance the efficiency of our various business processes in our Company.

Our financial investors include:

- AMIF I Limited, which holds 14.4**%** of the pre-Issue equity share capital in our Company;
- Citi Property Investors, which holds 74.0% of the equity share capital of Nitesh Residency, the SPV developing the 'Ritz-Carlton' brand hotel in Bengaluru. Nitesh Residency has entered into an operating agreement and related agreements with Marriott Hotels India Private Limited and its affiliates (collectively, "Marriott"), each dated May 14, 2007, in connection with the operation by Marriott of the 'Ritz-Carlton' brand hotel that is being developed by Nitesh Residency; and
- HDFC AMC, through its portfolio management services division, which recently subscribed to 10.1% of the equity share capital of our subsidiary, Nitesh Housing whose current portfolio includes four of our Ongoing Projects, one of our Forthcoming Projects and two of our Land Parcels Available for Future Development. HDFC AMC has invested an aggregate sum of Rs. 800.00 million in Nitesh Housing, out of which, an amount of Rs. 180.00 million was towards equity shares and Rs. 620.00 million was towards debentures convertible into preference shares. Further, HDFC AMC also has an option to invest an additional amount of Rs. 200.00 million in such debentures.
- Brand Equity Treaties Limited, which holds 1.48% of the pre-Issue share capital in our Company.

One of our Group Entities, Nitesh Infra, has developed two office projects, Nitesh Times Square and Nitesh

Broadway both on M.G. Road, in the central business district of Bengaluru, comprising of a combined Developable Area of 0.21 million sq. ft. In addition, another Group Entity, Nitesh Projects has also developed two residential properties, Nitesh Buckingham Gate, a premium residential project at Lavelle Road, Bengaluru and Nitesh Canary Wharf, a premium residential project at Langford Town, Bengaluru, comprising combined Developable Area of 0.10 million sq. ft.

Our consolidated total income and net profit (as restated) for the financial year 2009 was Rs. 878.02 million and Rs. 27.68 million, respectively. Our consolidated total income and net loss (as restated) for the nine months ended December 31, 2009 was Rs. 665.66 million and Rs. 13.25 million, respectively.

Our Competitive Strengths

We believe that the following are our principal strengths:

Development of Projects through the Joint-Development Model

We undertake most of our projects through the joint-development model as compared to acquiring a freehold or leasehold interest in the land. Developing our projects through the joint-development model reduces the upfront land acquisition and our total project financing costs, though it requires us to either share revenue generated from such joint-developments or a portion of the developed area with the land-owners. This provides us with the financial leverage to deploy our capital towards development expenses, therefore reducing our need for project financing and enabling us to undertake further expansion of our operations. We believe that this developmental model also mitigates the risk of land banks losing their value or locational advantages because of external factors. In addition, the joint-development model also allows us to leverage the locational advantages of land parcels where the owners may not be willing to part with ownership of such land parcel because of its location or otherwise.

An Established Brand Name and Reputation for Quality

We believe we have an established brand name and reputation for quality in the real estate market in Bengaluru. Our Company was incorporated in 2004 and since then, we have developed three residential projects, Nitesh Garden Enclave (formerly referred to as Nitesh Long Island), Nitesh Wimbledon Park and Nitesh Mayfair. We received the ISO 9001:2008 certification in May 2009 for our management systems. We believe customers identify our projects with quality construction and, as a result, we enjoy customer confidence. We continue to develop our in-house competencies for every stage in the property development life cycle, commencing from property development inception to execution and culminating in property delivery. We have a separate in-house quality assurance team that undertakes regular inspection of our projects to ensure adherence to our quality standards. We also engage international architectural, structural and other consulting firms with established track record for some of our projects, such as Wimberly Allison Tong and Goo N.A. Inc. from Irvine, the United States, Callison LLC from Seattle, the United States, HOK International from London, the United Kingdom, Super Potato Company Limited from Japan and Jurong Consultants (India) Private Limited.

Strong Execution Capabilities

We have an experienced team that has capabilities in various aspects of project execution, established relationships with corporate and financial institutions and knowledge of the localities in which we develop our projects. We have established a detailed process for project development, implementation and monitoring. For example, the Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) project was awarded to us by ITC Limited after a competitive selection process in which a large number of reputed regional and pan-India real estate developers had participated. We believe we were successful in this selection process because of our execution capabilities. We endeavour to ensure proper identification and acquisition of potential project sites, effective and organised design and planning procedures and efficient procurement, construction and other execution processes. We believe these systems facilitate efficient operations and ensure consistent quality across all of our projects, thereby adhering to project timelines and allowing us to successfully execute complex projects. We endeavour to minimise accidents at our project sites and as of date, there have been no major accidents at our project-sites. Our Company engaged a reputed accounting firm and financial advisor to formulate the standard operating procedures for the various functions in our real estate business including project conceptualisation, planning and budgeting, procurement, project execution, project monitoring, marketing and post-sales activities, which we are in the process of implementing. Our Company is also in the process of implementing enterprise resource planning software across our various business functions and has engaged a reputed accounting firm and financial advisor to set up the functional framework for our finance department.

Focus on Residential Projects

Since our incorporation in 2004, we have developed three residential projects in Bengaluru, with 0.55 million sq. ft. of Saleable Area and Developable Area. We believe that we have developed the in-house expertise to deliver quality residential projects in a timely manner. In terms of Saleable Area, residential projects constitute 73.1% of our current portfolio of our Ongoing Projects and Forthcoming Projects. In our residential portfolio, our five Ongoing Projects comprise 1.69 million sq. ft. and 3.96 million sq. ft. of Saleable Area and Developable Area, respectively and our three Forthcoming Projects comprise 0.97 million sq. ft. and 1.49 million sq. ft. of Saleable Area and Developable Area, respectively. Due to India's favourable demographics, in the recent past, the residential segment demand within India has outpaced supply. Further, industry reports suggest that there is a shortage of housing in the middle-income segment. With our portfolio of residential projects and our strategic focus on middle-income housing, we believe we are in a position to leverage this demand.

Experienced Management Team and a Young Organisation

Our management team has significant experience in the real estate sector. Our key functions are headed by senior professionals, each averaging over 25 years of experience, who report directly to our Managing Director. Our management includes professionals from various disciplines such as architecture, engineering, project supervision, finance and accounting, marketing and sales. In addition, the experience of our management in dealing with the suppliers from whom we source construction materials and the contractors we engage for construction services enables us to better manage the quality, schedule and cost of the materials and construction in our projects. Our management and professional personnel have experience in anticipating market trends, identifying new markets and potential sites for development and acquiring land and development rights, as well as trends in design, engineering, construction and marketing of projects in accordance with demanding customer requirements. Further, as part of our human resource policy, we are increasingly recruiting professionals from sectors other than the real estate sector, such as banking and manufacturing, to adopt best practices from these sectors into our business.

In addition, we are a young organisation, having been in operation for approximately six years. We believe our flexible organisation structure gives our organisation a degree of agility to react to changes in market conditions, allowing us to change our product-mix and marketing strategies and to respond better to customer demands.

Eminent Board and High Standards of Corporate Governance

Our Board has had independent Directors since 2007, including, Mr. G.N. Bajpai, former chairman of SEBI and Mr. Darius E. Udwadia, a solicitor with over 45 years of standing in the profession and an independent director on the boards of several listed companies. Mr. James Brent Stephen and Mr. Ashok Aram were appointed as independent Directors in 2009. Mr. James Brent Stephen worked as the global head of real estate investment banking at Citigroup from 2005 to 2007. Mr Ashok T. Aram, was formerly the head of global banking at Deutsche Bank and is currently the managing director of Abraaj Capital, a leading private equity firm. We believe that our Directors bring with them extensive knowledge and best practices from their varied experience. Further, we believe in high standards of ethical integrity and we ensure that all our business functions are carried out in a transparent manner. Our Company has also engaged Grant Thornton to assess the effectiveness of internal controls in our certain key business processes with the objective of implementing standard operating procedures across our business processes, thereby strengthening corporate governance in our organisation. We are in the process of implementing the recommendations provided by Grant Thornton.

Our Strategy

The following are the key elements of our business strategy:

Continue to Focus on Enhancing our Brand through Development of High Quality Real Estate Projects

We believe that project planning and execution capabilities will be one of the most important differentiating factors in the real estate industry in the future. We will continue to focus on developing high quality real estate projects and enhance our brand through the following:

- Understanding different consumer segments and tailoring our products accordingly;
- Continuing to invest in technology to enhance quality, minimise costs and increase efficiency; and
- Improving our key processes to deliver quality products to customers in a timely manner.

Our Company also engaged a leading brand equity research agency in 2009 to undertake an assessment of our brand equity in our relevant markets and we intend to implement the findings of this assessment to improve our brand further.

Continue to Focus on Development of Residential Projects

The majority of our Ongoing Projects and Forthcoming Projects involve the development of residential properties, constituting 73.1% of our current project portfolio, based on Saleable Area. We believe that we are able to derive better returns on our investments in residential projects and the cash flows generated from such projects continues to be robust when compared to other lines of the real estate business. We believe that favourable demographics, rising disposable incomes, a growing middle-class, increased urbanisation and the increase in nuclear families is likely to contribute to the growth in demand for residential property. While our strategy is to primarily focus on the residential segment to take advantage of this demand, we will continue to maintain a mix of office, shopping mall and hospitality projects in our portfolio.

Build on our Presence in Bengaluru, Chennai, Hyderabad and Kochi

Although we have historically focused on development activities in Bengaluru, we are expanding our geographic reach to Chennai, Hyderabad and Kochi.. We intend to continue to focus our expansion plans in these cities in the short to medium term. Our core focus will continue to be the Bengaluru market, where we believe we have an established brand and a track-record of successful execution of projects. Further, we intend to leverage our existing relationship with contractors and financial institutions, as well as in-depth knowledge of this market to carry out our expansion plans in the region. We believe that economic growth in Chennai and Kochi is likely to result in higher demand in those cities for improved housing, as well as high quality shopping malls and office space and hospitality projects. We will also explore opportunities that arise in other cities in southern India. For example, one of our Forthcoming Projects is located in Goa, which we perceive is a lifestyle destination for a large section of the Indian population. We believe that the real estate market in India will be dominated by regional players rather than pan-India players and therefore, we will continue to focus on these regional markets.

Expand Our Operations in the Middle-Income Housing Segment

We commenced our operations in the premium housing segment with projects such as Nitesh Mayfair and Nitesh Wimbledon Park, which were targeted at the high-income segment. However, we intend to expand our operations in the middle-income housing segment, with all of our Ongoing Projects targeted at this segment. We intend to build our portfolio of projects in the middle-income housing segment where we will offer residential units priced between Rs. 2.00 million and Rs. 4.00 million. We believe that demand-supply mismatch will continue to exist in this segment as it is relatively less affected by the recent economic downturn. We believe that there is a strong potential for growth in this price range as the demand for such properties will continue to increase with the growth in the Indian economy and the corresponding increase in urbanisation. While the volumes of sales will be the primary growth driver within this segment and we have less experience than other developers in this segment, we believe that we will be able to command a premium as compared to similar offerings by other real estate developers on account of our brand name and quality of construction. In addition to our primary focus on the middle-income housing segment, we will continue to look for opportunities in the premium segment, with properties priced between Rs. 10.00 million and Rs. 30.00 million.

Continue to Undertake New Projects through the Joint-Development Model

We primarily intend to undertake new projects through the joint-development model as compared to acquiring a freehold or leasehold interest in the land. Six out of our seven Ongoing Projects are being undertaken through the joint-development model, and all our Forthcoming Projects are proposed to be developed through this model. This is expected to allow us to deploy our capital towards development expenses and the expansion of our operations. However, we will also look for suitable opportunities to develop projects on purchased or leased land if such a method would offer better value than through joint-development.

Summary of Projects

As of March 20, 2010, a summary of our Ongoing Projects, Forthcoming Projects and Land Parcels Available for Future Development on a project-by-project basis is set out below:

	Classification of the Developer	Developer's share in the project (in %)	Issuer's share in the Developer (in %)	Land Area (In Acres)	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)
Ongoing Projects						
Residential						
Nitesh Forest Hills	Joint Venture - Nitesh Estates-Whitefield	100.0	24.0*	4.75	0.53*	0.13
Nitesh Flushing Meadows	Joint Venture - Nitesh Estates-Whitefield	100.0	24.0*	2.00	0.38	0.09
Nitesh Wimbledon Gardens#	Subsidiary - Nitesh Housing Developers Private Limited	37.5	89.9	5.37	1.64	0.57
Nitesh Hyde Park	Subsidiary - Nitesh Housing Developers Private Limited	61.0	89.9	5.43	0.68	0.42
Nitesh Columbus Square	Subsidiary - Nitesh Housing Developers Private Limited	66.0	89.9	4.36	0.73	0.48
Hospitality						
Ritz-Carlton Hotel	Associate Company – Nitesh Residency Hotels Private Limited	100.0	20.7	2.58	0.50	0.10
Office						
Nitesh Wimbledon Gardens#	Subsidiary – Nitesh Housing Developers Private Limited	37.5	89.9	2.65	0.85	0.30
Sub-Total				**27.14**	**5.31**	**2.09**
Forthcoming Projects						
Residential						
Nitesh Fischer Island	Subsidiary – Nitesh Housing Developers Private Limited	60.0	89.9	9.32	0.20	0.12
Nitesh Key Biscayne	Issuer	74.0	N.A	12.00	0.54	0.40
Nitesh Roland Garros	Issuer	60.0	N.A	30.25	0.75	0.45
Shopping Mall						
Nitesh Mall, Indiranagar	Subsidiary – Nitesh Indiranagar Retail Private Limited	50.0	99.9	5.06	1.16	0.58
Sub Total				**56.63**	**2.65**	**1.55**
Land Parcels Available for Future Development**						

	Classification of the Developer	Developer's share in the project (in %)	Issuer's share in the Developer (in %)	Land Area (In Acres)	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)
Nitesh Napa Valley – I	Subsidiary – Nitesh Housing Developers Private Limited	62.0	89.9	6.93	-	-
Nitesh Napa Valley – II	Subsidiary – Nitesh Housing Developers Private Limited	63.0	N.A	13.20	-	-
Nitesh Caesar's Palace	Issuer	69.0	N.A	5.00	-	-
Bolghatty Island, Kochi	Issuer	-	N.A	3.56	-	-
Nitesh Malibu	Subsidiary – Nitesh Housing Developers Private Limited	62.0	N.A	11.75	-	-
Nitesh Madison Square	Issuer	60.0	N.A	3.94	-	-
Devanahalli, Bengaluru (Office)***	Issuer	The land-owner is required to be provided 300,000 sq.ft. of developed area while the balance is the Issuer's share	N.A	4.13	-	-
Nitesh Long Island, Bengaluru (Residential)	Issuer	68.0	N.A	52.00	-	-
Nitesh Hunter Valley (Residential and Office)	Issuer	68.25	N.A	21.29	-	-
R.R. District, Hyderabad (Residential)	Issuer	82.0	N.A	10.82	-	-
Subtotal				**132.62**	**-**	**-**
TOTAL				**216.39**	**7.96**	**3.64**

* *Our Company is entitled to 24.0% of profits of the Joint Venture.*

** *The Developable Area and Saleable Area for the Land Parcels Available for Future Development shall be assessed at the time of project planning.*

*** *In accordance with the MoU dated August 27, 2008 between Dr. C.R. Devendra and the Company, out of the total land area of 11.88 acres, the Company is entitled to 1,401,543 sq.ft. of the super built up area and Dr. C.R. Devendra is entitled to 300,000 sq.ft. of the super built up area and hence the Company's proportionate economic interest is 79.0% of the Developable Area and the remaining 21.0 % of the economic interest of the Developable Area is owned by Dr. C.R. Devendra.*

\# *The assignment of the rights, obligations and interests in the Nitesh Wimbledon Gardens (Residential) and Nitesh Wimbledon Gardens (Commercial) projects to Nitesh Housing is subject to the earlier of either of these two events (i) a no-objection certificate from HDFC, the lender for these projects, for the assignment, or (ii) the repayment of the loan availed from HDFC in relation to these projects.Further, pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 90,000 sq.ft. of our our share in the Saleable Area of the projects, to such partners, upon completion of these projects.*

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated consolidated financial statements as of and for the nine months/ year ended December 31, 2009 and March 31, 2009 and from our restated unconsolidated restated financial statements as of and for the nine months/ year ended December 31, 2009, March 31, 2009, 2008, 2007, 2006 and 2005. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and presented under the sections titled "Financial Statements" on page 215. The summary financial information presented below should be read in conjunction with our restated unconsolidated and consolidated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 328.

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Million)

	Particulars	**As at December 31, 2009**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
A.	**Fixed Assets:**						
	Gross Block (1)	52.33	52.55	108.67	15.30	5.36	1.90
	Less: Depreciation	22.34	17.55	10.06	3.25	1.16	0.23
	Net Block	29.99	35.00	98.61	12.05	4.20	1.67
	Capital Work in Progress (including Capital Advances)	20.80	20.80	0.51	5.86	-	-
	Total	**50.79**	**55.80**	**99.12**	**17.91**	**4.20**	**1.67**
B.	**Investments**	**620.95**	**347.03**	**270.32**	**155.97**	**41.51**	**0.03**
C.	**Deferred Tax Asset, net**	**3.50**	**17.37**	**2.46**	**0.22**	**1.98**	**3.34**
D.	**Current Assets, Loans and Advances**						
	Inventories	193.09	420.50	487.59	95.96	59.62	117.26
	Sundry Debtors (2)	249.11	283.36	86.17	106.01	23.32	3.00
	Cash and Bank balances	19.44	7.74	460.29	38.93	34.20	8.88
	Loans and Advances (3)	990.56	976.33	1,028.31	223.90	255.32	8.80
	Other Current Assets (4)	65.98	0.24	119.85	-	-	-
	Total	**1,518.18**	**1,688.17**	**2,182.21**	**464.80**	**372.46**	**137.94**
E.	**Total Assets - (A) + (B) + (C) + (D)**	**2,193.42**	**2,108.37**	**2,554.11**	**638.90**	**420.15**	**142.98**
F.	**Liabilities & Provisions:**						

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES						
						(Rupees in Million)
Particulars	**As at December 31, 2009**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
Secured Loans	881.26	758.15	366.55	1.51	25.57	71.49
Unsecured Loans	27.01	27.52	-	-	41.00	18.24
Current Liabilities	485.17	761.38	1,046.38	207.10	319.34	58.91
Provisions	18.71	7.23	9.53	15.68	4.54	0.07
Total - (F)	**1,412.15**	**1,554.28**	**1,422.46**	**224.29**	**390.45**	**148.71**
Net Worth / (deficit) (E) - (F)	**781.27**	**554.09**	**1,131.65**	**414.61**	**29.70**	**(5.73)**
Net Worth represented by:						
Share Capital						
- Equity Shares	697.83	68.02	68.02	58.71	27.50	0.10
Share application money pending allotment (5)	-	-	607.09	11.50	-	-
Reserves and Surplus						
- Securities Premium	-	413.68	413.68	311.50	-	-
- Surplus/(Deficit) in Profit and Loss Account	83.44	72.39	42.86	32.90	2.20	(5.83)
Net Worth / (deficit)	**781.27**	**554.09**	**1,131.65**	**414.61**	**29.70**	**(5.73)**

1. Gross block increased as of March 31, 2008, as compared to March 31, 2007 primarily because of the acquisition of leasehold land, during the financial year 2008, from the Karnataka Industrial Areas Development Board ("KIADB") for the purpose of setting up an industrial project. The total cost of acquisition of such leasehold land was Rs. 54.28 Million. During the financial year 2009, our Company surrendered the aforesaid leasehold land to KIADB as it decided not to develop this industrial project. Consequently, gross block decreased significantly as of March 31, 2009.

2. Sundry debtors increased as of March 31, 2009 as compared to March 31, 2008 primarily because of receivables amounting to Rs. 95 million from NEPPL on account of sale of development rights to NEPPL during the financial year 2009 and Rs. 106.38 million from Nitesh Estates – Whitefield on account of contractual activity undertaken for Nitesh Estates – Whitefield during the financial year 2009**.** The transactions between NEPPL and Nitesh Estates Limited have been disclosed as related party transactions. See Financial Statements note 4(b) on page 234.

3. Loans and advances increased as of March 31, 2008 as compared to March 31, 2007 primarily because of increases in advances recordable in cash or kind or value to be received ("ARCK"), advances against property and share application money under dispute of Rs. 333.00 million, Rs. 385.00 million and Rs. 50.00 million, respectively. The increase in ARCK was due to advances given to vendors, which included Rs. 133.00 million and 134.00 million paid to Simplex Infrastructure Limited and Nisco Ventures Private Limited, respectively, as consideration for subcontracting work and Rs. 36.00 million to NEPPL. The increase in advances against

property represented the advances paid to land owners and intermediaries for various land arrangements entered into by our Company for obtaining development rights in such properties. The share application money under dispute related to the investment made by our Company in Sagar Nitesh Projects Private Limited, which is currently under litigation. For more details on this dispute, see "Financial Statements – Notes to Accounts – Contingent Liabilities" on page 242.

4. Our other current assets primarily comprise uncollected contract revenue for contractual activity undertaken. The fluctuations are mainly due to timing differences between billing and collection of payments. As of March 31, 2008, other current assets due to unbilled revenue increased by Rs. 55.00 million and Rs. 65.00 million, relating to contractual work undertaken in respect of Nitesh Forest Hills and Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) projects, respectively.

5. Our Company received an advance of Rs. 600.00 million from AMIF I Limited towards share application money in March 2008, which was subsequently refunded by our Company in April 2008 as the transaction was not completed.

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
Income						
Income from operations						
- Income from contractual activity	394.54	583.78	633.60	87.56	2.30	-
- Income from sale of developed property (apartment)	70.00	-	-	-	-	-
- Income from sale of developmental rights	-	270.00	-	-	-	-
- Income from property development	-	-	-	48.01	213.99	-
- Share of profits of association of persons	13.84	14.07	-	-	-	-
- Profit on sale of land purchase rights	-	-	-	67.34	-	-
Total	**478.38**	**867.85**	**633.60**	**202.91**	**216.29**	**-**
Other Income [1]	252.51	1.04	55.13	37.24	7.30	-
Total income	**730.89**	**868.89**	**688.73**	**240.15**	**223.59**	**-**
Expenditure						
Land and construction cost	345.85	493.86	879.55	198.80	68.19	138.67
Cost of purchase of developed property (apartment)	50.00	-	-	-	-	-
(Increase) / decrease in inventories	27.40	67.09	(391.63)	(69.06)	108.69	(145.14)
Personnel expenses	46.35	92.32	65.53	23.77	9.89	2.24
Administrative expenses	42.89	106.66	73.54	24.91	6.84	1.67
Selling and marketing expenses	24.90	39.33	32.38	8.68	1.37	4.17
Interest expenses	81.60	20.02	2.04	7.52	6.20	8.51
Depreciation / Amortisation	4.07	7.28	5.29	2.09	0.94	0.22
Total expenditure	**623.06**	**826.56**	**666.70**	**196.71**	**202.12**	**10.34**

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
Profit / (Loss) before tax, exceptional items and prior period items	**107.83**	**42.33**	**22.03**	**43.44**	**21.47**	**(10.34)**
Exceptional items (net of tax)	-	-	(2.84)	-	-	-
Profit / (loss) before tax and prior period items	**107.83**	**42.33**	**19.19**	**43.44**	**21.47**	**(10.34)**
Provision for taxation:						
Current tax	21.89	27.90	10.19	14.50	4.00	-
Deferred Tax Charge/ (Credit)	13.87	(14.90)	(1.83)	(0.33)	3.55	(3.48)
Fringe Benefit Tax	-	0.80	1.09	0.54	0.14	-
Total Tax Expenses/ (Credit)	**35.76**	**13.80**	**9.45**	**14.71**	**7.69**	**(3.48)**
Net profit/(loss) after tax & before prior period items	**72.07**	**28.53**	**9.74**	**28.73**	**13.78**	**(6.86)**
Prior period items (Net of taxes)	-	(0.93)	0.12	-	-	-
Net profit/(loss) for the period / year	**72.07**	**27.60**	**9.86**	**28.73**	**13.78**	**(6.86)**
Adjustments	-	0.93	(0.59)	5.51	(7.72)	1.17
Tax Impact on adjustments	-	-	0.04	(2.09)	2.17	(0.14)
Provision for taxation pertaining to earlier years adjusted	-	1.00	0.65	(1.45)	(0.20)	-
Total Adjustments , net of tax impact	**-**	**1.93**	**0.10**	**1.97**	**(5.75)**	**1.03**
Net Profit / (Loss) for the period/year, as Restated	**72.07**	**29.53**	**9.96**	**30.70**	**8.03**	**(5.83)**
Surplus/(deficit) brought forward from previous period/ year, as Restated	72.39	42.86	32.90	2.20	(5.83)	-
Surplus/(deficit) available for Appropriation	**144.46**	**72.39**	**42.86**	**32.90**	**2.20**	**(5.83)**
Capitalisation on issuance of bonus shares	61.02	-	-	-	-	-
Surplus/(deficit) carried to Balance sheet	**83.44**	**72.39**	**42.86**	**32.90**	**2.20**	**(5.83)**

1. The increase in other income for the nine months ended December 31, 2009 as compared to the financial year 2009 was primarily due to the profit received from the sale of 10.1% of our Company's shareholding in our Subsidiary, Nitesh Housing Developers Private Limited, to HDFC Asset Management Company, for consideration of Rs. 180.00 million.

RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
A. Cash Flows From Operating Activities						
Profit/(loss) before tax, as restated	107.83	42.33	18.78	48.95	13.75	(9.17)
Adjustments for :						
Share in profits of association of persons	(13.84)	(14.07)	-	-	-	-
Depreciation / Amortisation	4.07	7.28	5.29	2.09	0.94	0.22
Interest expense	81.55	18.87	1.76	7.00	6.20	7.30
Interest income	(0.87)	(0.83)	(0.12)	(0.03)	(0.81)	-
Dividend income from units in mutual funds	(0.38)	-	-	-	-	-
Profit on sale of investments	(174.95)	-	-	-	-	-
(Profit)/loss on sale of fixed assets/discontinuance of projects	(0.03)	14.15	-	-	-	-
Advances written off	-	13.22	1.64	-	-	-
Operating profit / (loss) before working capital changes	**3.38**	**80.95**	**27.35**	**58.01**	**20.08**	**(1.65)**
Adjustments for :						
(Increase) / decrease in inventories	27.41	91.25	(386.41)	(36.34)	57.64	(117.26)
(Increase) / decrease in debtors	34.25	(197.19)	19.84	(82.69)	(20.32)	(3.00)
(Increase) / decrease in loans and advances and other current assets	(84.90)	150.16	(868.15)	(30.72)	(242.57)	(8.80)
Increase / (decrease) in current liabilities and provisions	(69.60)	(311.42)	841.70	(88.68)	260.66	58.99

RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
Cash (used in) / generated from operations	**(89.46)**	**(186.25)**	**(365.67)**	**(180.42)**	**75.49**	**(71.72)**
Direct taxes paid (net)	(5.71)	(18.67)	(37.71)	(7.85)	(4.07)	-
Net cash (used in) / generated from operating activities - (A)	**(95.17)**	**(204.92)**	**(403.38)**	**(188.27)**	**71.42**	**(71.72)**
B. Cash Flows From Investing Activities						
Purchase of fixed assets	(0.33)	(6.85)	(85.21)	(15.80)	(3.46)	(1.90)
Proceeds from sale of fixed assets/ discontinuance of projects	0.27	45.68	-	-	-	-
Purchase of investments in subsidiaries (including share application monies)	(151.42)	(62.64)	-	-	-	-
Proceeds from sale of investments in a subsidiary	180.00	-	-	-	-	-
Purchase of investments	(112.68)	-	(155.45)	(73.37)	(0.38)	(0.03)
Purchase of investments in mutual fund units	(201.38)	-	-	-	-	-
Proceeds from sale of investment in mutual fund units	200.73	-	-	-	-	-
Investment in association of persons	-	-	-	-	(41.10)	-
Interest received	0.79	1.75	0.05	0.03	0.81	-
Investment in fixed deposit with maturity of more than 3 months	(0.08)	-	-	(0.87)	-	-
Net cash (used in) / generated from investing activities - (B)	**(84.10)**	**(22.06)**	**(240.61)**	**(90.01)**	**(44.13)**	**(1.93)**

RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
C. Cash Flows From Financing Activities						
Proceeds from issue of shares	155.10	-	107.10	342.71	27.40	0.10
Proceeds from share application	37.86	-	600.00	11.49	-	-
Refund of share application money	(37.86)	(607.09)	-	-	-	-
Proceeds from secured loans	132.48	700.65	441.81	0.94	26.08	79.62
Proceeds from unsecured loans	33.30	27.52	-	-	40.00	48.07
Repayment of secured loans	(12.15)	(309.05)	(76.77)	(25.00)	(72.00)	(8.13)
Repayment of unsecured loans	(33.80)	-	-	(41.00)	(17.24)	(29.83)
Interest paid	(74.87)	(46.58)	(6.98)	(7.00)	(6.21)	(7.30)
Net cash generated from / (used in) financing activities - (C)	**200.06**	**(234.55)**	**1,065.16**	**282.14**	**(1.97)**	**82.53**
D. Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**20.79**	**(461.53)**	**421.17**	**3.86**	**25.32**	**8.88**
Cash and cash equivalents as at beginning of the period / year	(2.30)	459.23	38.06	34.20	8.88	-
E. Cash and cash equivalents as at end of the period / year	**18.49**	**(2.30)**	**459.23**	**38.06**	**34.20**	**8.88**
Components of cash and cash equivalents						
Cash on hand	0.05	0.56	0.07	9.46	1.37	0.20
Balances with scheduled banks:						
- in current accounts	18.44	6.19	254.27	28.59	2.83	8.68

RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
- in deposit accounts	0.95	0.99	205.95	0.88	30.00	-
Cash and bank balances	**19.44**	**7.74**	**460.29**	**38.93**	**34.20**	**8.88**
Less: Book overdraft	-	9.16	0.19	-	-	-
Less: Fixed deposits with maturity of more than 3 months	0.95	0.88	0.87	0.87	-	-
Cash and cash equivalents in cash flow statement	**18.49**	**(2.30)**	**459.23**	**38.06**	**34.20**	**8.88**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Million)

		As at December 31, 2009	As at March 31, 2009
A.	**Fixed Assets:**		
	Gross Block	52.33	52.55
	Less: Depreciation	22.35	17.55
	Net Block	**29.98**	**35.00**
	Capital work in progress (including Capital Advances)	586.38	696.26
	Total	**616.36**	**731.26**
B.	**Investments**	**289.63**	**176.86**
C.	**Deferred Tax Asset, net**	**7.95**	**17.36**
D.	**Current Assets, Loans and Advances**		
	Inventories	287.03	501.03
	Sundry debtors	222.34	246.07
	Cash and bank balances	131.57	20.33
	Loans and advances	1,698.60	1,075.11
	Other current assets	62.04	0.25
	Total	**2,401.58**	**1,842.79**
E.	**Total Assets - (A) + (B) + (C) + (D)**	**3,315.52**	**2,768.27**
F.	**Liabilities & Provisions:**		
	Secured loans	1,891.34	1,328.14
	Unsecured loans	48.76	69.16
	Current liabilities	657.57	811.41
	Provisions	18.70	7.22
	Total - (F)	**2,616.37**	**2,215.93**
G.	**Minority Interest**	**5.05**	**0.10**
	NET WORTH (E) - (F) - (G)	**694.10**	**552.24**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Million)

	As at December 31, 2009	**As at March 31, 2009**
Net Worth represented by:		
Share Capital		
- Equity Shares	697.83	68.02
Reserves and Surplus		
- Securities Premium Account	-	413.68
- Surplus / (deficit) in Profit and Loss Account	(3.73)	70.54
Net Worth	**694.10**	**552.24**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009
Income		
Income from operations		
- Income from contractual activity	363.95	544.86
- Income from sale of developmental rights	-	270.00
- Income from property development	50.62	62.13
- Income from sale of developed property (apartment)	70.00	-
Total	**484.57**	**876.99**
Other Income	181.09	1.03
Total income	**665.66**	**878.02**
Expenditure		
Land and construction costs	365.03	545.20
Cost of purchase of developed property (apartment)	50.00	
Decrease in inventories	14.00	26.59
Personnel expenses	46.36	92.32
Administrative expenses	43.75	106.80
Selling and marketing expenses	24.99	39.33
Interest expenses	98.45	20.02
Depreciation/ Amortisation	4.07	7.28
Total expenditure	**646.65**	**837.54**
Profit before tax and prior period item	**19.01**	**40.48**
Tax expense:		
Current Tax	21.90	27.90
Deferred Tax Charge/(Credit)	9.41	(14.90)
Fringe Benefits Tax	-	0.80
Total tax expense	**31.31**	**13.80**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rupees in Million)

	Nine months ended December 31, 2009	**Year ended March 31, 2009**
Net profit/(loss) after tax and before prior period item	**(12.30)**	**26.68**
Prior period item	-	(0.93)
Net profit/(loss) for the period/ year	**(12.30)**	**25.75**
Less: Share in loss of Associate	0.95	**-**
Net profit/(loss) for the period/ year	**(13.25)**	**25.75**
Adjustments	-	0.93
Tax impact on adjustments	-	-
Adjustment for provision for tax for earlier years	-	1.00
Total Adjustments, net of tax impact	**-**	**1.93**
Net profit/(loss) for the period/ year, as Restated	**(13.25)**	**27.68**
Profit and loss account at the beginning of the period/ year, as restated	70.54	42.86
Less: Capitalisation on issuance of bonus shares	61.02	
Profit and loss account at the end of the period/ year carried to Balance Sheet, as Restated	**(3.73)**	**70.54**

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009
A. Cash Flows From Operating Activities		
Profit before tax, as restated	19.01	40.48
Adjustments for:		
Depreciation/ amortisation	4.07	7.28
Interest expense	98.40	18.87
Interest income	(5.45)	(0.82)
Dividend income from current investments in mutual funds units	(0.38)	-
Profit on sale of investments in subsidiary company	(174.95)	-
(Profit)/Loss on sale of fixed assets/ discontinuance of projects, net	(0.03)	14.14
Advances written off	-	13.22
Operating profit/ (loss) before working capital changes	**(59.33)**	**93.17**
Movement in working capital:		
(Increase) / decrease in inventories	15.24	141.11
(Increase) / decrease in debtors	23.72	(159.89)
(Increase) / decrease in loans and advances and other current assets	(694.16)	198.80
Increase / (decrease) in current liabilities and provisions	(21.07)	(370.54)
Cash (used in) / generated from operations	**(735.60)**	**(97.35)**
Direct taxes paid (net)	(5.70)	(18.67)
Net cash from/(used in) operating activities - (A)	**(741.30)**	**(116.02)**
B. Cash Flows From Investing Activities		
Purchase of fixed assets (including payments towards capital advances)	(7.19)	(600.42)
Proceeds from sale of fixed assets / discontinuance of projects (including refund of capital advances)	200.27	45.68
Purchase of shares in subsidiaries	(0.20)	-
Purchase of investments	(112.69)	-
Purchase of investments in mutual fund units	(201.38)	-
Proceeds from sale of investments in mutual fund units	200.73	-

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009
Investment in fixed deposit with maturity of more than 3 months	(0.07)	-
Proceeds from sale of investments in a subsidiary	180.00	-
Interest received	0.79	1.75
Net cash from/(used in) investing activities - (B)	**260.26**	**(552.99)**
C. Cash Flows From Financing Activities		
Proceeds from issue of shares	155.09	-
Proceeds from share application (pending allotment)	37.86	-
Repayment of share application money	(37.86)	(607.09)
Proceeds from secured loans	632.49	1,200.65
Repayment of secured loans	(14.22)	(352.97)
Proceeds from unsecured loans	33.40	17.36
Repayment of unsecured loans	(53.80)	-
Interest Paid	(137.28)	(57.64)
Net cash generated from financing activities - (C)	**615.68**	**200.31**
D. Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**134.64**	**(468.70)**
Cash and cash equivalents as at beginning of the period/year [including proportionate share in cash and cash equivalents of the joint venture - Rs.(8.40) (Previous year: Rs.5.07)]	(4.11)	464.29
Cash inflow due to acquisition of subsidiary	0.09	0.30
E. Cash and cash equivalents as at the end of the period/year	**130.62**	**(4.11)**
Components of cash and cash equivalents		
Cash on hand	9.08	11.86
Balances with scheduled banks:		
- in current accounts	121.54	7.48
- in deposit accounts	0.95	0.99
Cash and bank balances	**131.57**	**20.33**
Less: Book Overdraft	-	23.57

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009
Less: Fixed deposits with maturity of more than 3 months	0.95	0.87
Cash and cash equivalents in cash flow statement	**130.62**	**(4.11)**

THE ISSUE

The following table summarises the Issue details:

Equity Shares offered:	
Issue by our Company	[●] Equity Shares of face value of Rs. 10 each aggregating up to Rs. 4,050.00 million
Of which	
A) Qualified Institutional Buyers (QIB) portion	At least [●] Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
Of which	
(i) Anchor Investors Portion	[●] Equity Shares of face value of Rs. 10 each ***(Allocation on a discretionary basis)*** (1)
(ii) Net QIB Portion	[●] Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)*** (2)
Of which	
Available for allocation to Mutual Funds only	[●] Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
Balance for all QIBs including Mutual Funds	[●] Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
B) Non-Institutional Portion	At least [●] Equity Shares of face value of Rs. 10 each
	(Allocation on a proportionate basis)
C) Retail Portion	At least [●] Equity Shares of face value of Rs. 10 each
	(Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	70,832,100 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of Rs. 10 each
Use of Issue Proceeds	See the section titled "Objects of the Issue" on page 93.

(1) Our Company may allocate up to 30.0% of the QIB Portion, i.e. [●] Equity Shares, to Anchor Investors on a discretionary basis in accordance with the ICDR Regulations. For details see "Issue Procedure" on page 398

(3) Allocation shall be made on a proportionate basis. 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. If at least 50.0% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded.

GENERAL INFORMATION

Registered Office of our Company

Nitesh Estates Limited
Nitesh Timesquare
7th Floor, No. 8
M.G. Road
Bengaluru 560 001
Karnataka, India
Tel: (91) (80) 4017 4000
Fax: (91) (80) 2555 0825
Website: www.niteshestates.com
Registration Number: 033412
Company Identification Number: U07010KA2004PTC033412

Address of the Registrar of Companies

The Registrar of Companies, Karnataka at Bengaluru
'E' wing, 2nd floor
Kendriya Sadana
Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors of our Company

The Board of Directors comprises the following:

Name and Designation	Age (years)	DIN	Address
Mr. Nitesh Shetty Chairman, Managing Director	32	00304555	No 6A, Nitesh Mayfair, Kasturba Cross Road, Bengaluru 560 001, Karnataka, India
Ms. Pushpalatha V. Shetty Non Executive Director	59	00304418	No. 44, 1st Main Road, R.M.V. II Stage Bengaluru 560 094, Karnataka, India
Mr. L.S. Vaidyanathan Executive Director	48	00304652	Shrusti 35/7 6th Main, 11th Cross, Malleswaram, Bengaluru 560 003, Karnataka, India
Mr. G.N. Bajpai Independent Director	67	00946138	No 131, Shaan Apartment K.D. Marg (opposite Kirti College) Prabhadevi, Mumbai 400 028, Maharashtra, India
Mr. Darius E. Udwadia Independent Director	70	00009755	Empress Court, 141, M. Karve Road, Church Gate, Mumbai 400 020, Maharashtra, India
Mr. Mahesh Bhupathi Non-Executive Director	35	01603093	B-2, 7 & 7/2, Eagle Rock Eage Street, Off Hosur Road, Bengaluru 560 025 Karnataka, India
Mr. James Brent Stephen	44	02808757	The Sanctuary, Shobrooke, Crediton, Devon, EX171BG, United Kingdom

Name and Designation	Age (years)	DIN	Address
Independent Director			
Mr. Ashok T. Aram Independent Director	38	02817547	Villa H38, Emirates Hills, Dubai, P.O. Box, United Arab Emirates

For further details of the Directors, see "Our Management" on page 183.

Company Secretary and Compliance Officer

Mr. M. Ganapathi Joshy is the Company Secretary and Compliance Officer of our Company and his contact details are as follows:

Nitesh Estates Limited
Nitesh Timesquare
7th Floor, No. 8
M.G. Road
Bengaluru 560 001
Karnataka, India
Tel: (91) (80) 4017 4119
Fax: (91) (80) 2555 0825
Email: ganapathi.joshy@niteshgroup.com

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.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA account number and the designated branch of the SCSB where the ASBA Form was submitted by the ASBA bidders.

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg
Churchgate, Mumbai 400 020
Maharashtra, India
Tel: (91 22) 2288 2460
Fax: (91 22) 2282 6580
Email: projectgrandslam@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Mangesh Ghogle
SEBI Registration No: INM000011179

Enam Securities Private Limited
801, Dalamal Towers
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: (91 22) 6638 1800
Fax: (91 22) 2284 6824
Email: niteshipo@enam.com

Investor Grievance Email: complaints@enam.com
Website: www.enam.com
Contact Person: Mr. Sonal Sinha
SEBI Registration No.: INM000006856

Kotak Mahindra Capital Company Limited
First Floor, 229
Bakhtawar, Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: nitesh.ipo@kotak.com
Investor Grievance Email: kmccredressal@kotak.com
Website: www. kmcc.co.in
Contact Person: Mr. Chandrakant Bhole
SEBI Registration No.: INM000008704

JM Financial Consultants Private Limited
141 Maker Chambers – III
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: (91 22) 6630 3030
Fax: (91 22) 22047185
Email: niteshipo@jmfinancial.in
Investor Grievance Email: grievance@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Ms Lakshmi Lakshmanan
SEBI Registration No.: INM000010361

Syndicate Members

Kotak Securities Limited
2nd Floor, Nirlon House
Dr. Annie Besant Road
Near Passport Office, Worli
Mumbai 400 025
Maharashtra, India
Tel: (91 22) 6740 9708
Fax: (91 22) 6662 7330
Email: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Mr. Umesh Gupta
SEBI Registration No:BSE: INB010808153
NSE: INB230808130

JM Financial Services Private Limited
Apeejay House, Third Floor
3 Dinshaw Vaccha Road
Churchgate, Mumbai 400 0210
Maharashtra, India
Tel: (91 22) 6704 3184
Fax: (91 22) 6654 1511
E-mail: deepak.vaidya@jmfinancial.in
Website: www.jmfinancial.in

Contact Person: Mr Deepak Vaidya
SEBI Registration No:BSE: INB011054831
NSE: INB231054835

Edelweiss Securities Limited
2nd Floor, M.B. Towers
Banjara Hills, Hyderabad 400 0034
Andhra Pradesh, India
Tel: (91 22) 6747 1342
Fax: (91 22) 6747 1347
Email: Nitesh.ipo@edelcap.com
Website: www.edelcap.com
Contact Person: Ms. Pinki Dodhia/Mr. Prakash Boricha
SEBI Registration No: BSE: INB01119332
NSE: INB231193310

Self Certified Syndicate Banks

The list of banks that has been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

Legal Advisors

Domestic Legal Counsel to the Company
Udwadia & Udeshi Elphinstone House, 1st Floor 17, Murzban Road, Fort Mumbai 400 001 Maharashtra, India Tel: (91 22) 2200 1400 Fax: (91 22) 2200 1411 Email: udwadia@uubindia.com
Domestic Legal Counsel to the Underwriters
Amarchand & Mangaldas & Suresh A. Shroff & Co. 201, Midford House, Midford Garden Off M.G. Road Bengaluru 560 001 Karnataka, India Tel: (91 80) 2558 4870 Fax: (91 80) 2558 4266
International Legal Counsel to the Underwriters
Jones Day 3 Church Street # 14-02, Samsung Hub Singapore 049 483 Tel: (65) 6538 3939 Fax: (65) 6536 3939
Expert Opinion in relation to the Saleable Area/Developable Area
Anand Chalawadi **Design Front Architects** (Architecture, Planning, Interiors Landscape) #7/6, 2nd Main Road, Palace Cross Road, Chandavarkar Layout Bengaluru 560 020 Karnataka, India Tel: (91 80) 2356 6878/97407 33600 Email: anand@dfa.co.in

Registrar to the Issue

Karvy Computershare Private Limited
Plot nos. 17-24, Vithal Rao Nagar
Madhapur
Hyderabad 500 081
Andhra Pradesh, India
Tel: (91 40) 2342 0818
Fax: (91 40) 2342 1551
Email: nitesh.ipo@karvy.com
Website: http://karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration Number: INR 000000221

Bankers to the Issue and Escrow Collection Banks

HDFC Bank Limited
FIG-OPS Department
Lodha, I Think Techno Campus O-3 Level next to Kanjurmarg Railway station
Kanjurmarg (East)
Mumbai 400 042
Maharashtra, India
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Email:deepak.rane@hdfcbank.com

ABN AMRO Bank
Brady House
14 Veer Nariman Road
Hornimon Circle, Fort
Mumbai 400 023
Maharashtra, India
Tel: (91 22) 6658 5858
Fax: (91 22) 2204 2673
Email: chaitali.nandi@in.abnamro.com; manish.bhatia@in.abnamro.com

Kotak Mahindra Bank Limited
5th Floor, Dani Corporate Park 158
CST Road, Kalina
Santacruz (East) Mumbai 400 044
Maharashtra, India
Tel: (91 22) 6759 5336
Fax: (91 22) 6759 5374
Email: amit.kr@kotak.com

ICICI Bank Limited
Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001
Maharashtra, India
Tel: (91 22) 2262 7600/2262 7702
Fax: (91 22) 2261 1138/2262 7660
Email: venkataraghavan.t@icicibank.com

The Hongkong and Shanghai Banking Corporation Limited
Siv Building, Plot No. 139-140B, Western Express Highway, Sahar Road Junction, Vile Parle (E)
Mumbai 400 057
Maharashtra, India
Tel: (91 22) 4035 7458
Fax: (91 22) 4035 7657
Email: swapnilpavale@hsbc.co.in/vivekbajaj@hsbc.co.in

The Dhanalakshmi Bank Limited
2nd Floor, Trade View
Kamala Mills, Near Gate No. 4
P.B. Marg, Lower Parel (W)
Mumbai 400 013
Maharashtra, India
Tel: (91 22) 6154 1700
Fax: (91 22) 6154 1725
Email: jaya.janardanan@dhanbank.co.in / parag.kothari@dhanbank.co.in

Bankers to the Company

ABN AMRO Bank
Prestige Towers
Ground Floor, 99&100
Residency Road
Bengaluru 560 025
Karnataka, India
Tel: (91 80) 4022 7319
Fax: (91 80) 4112 6952
Email: basawaraj.kanta@in.abnamro.com

Deutsche Bank
Raheja Towers, 26-27
M.G.Road
Bengaluru 560 001
Karnataka, India
Tel: (91 80) 6693 5505
Fax: (91 80) 6693 5555
Email: arun.kumar@db.com

HDFC Bank Limited
24/3, HDFC House
51, Kasturba Road
Bengaluru 560 001
Karnataka, India
Tel: (91 80) 2221 6848
Fax: (91 80) 2221 6874
Email: priyam.sarkar@hdfcbank.com

Bank of Baroda
CFS Branch, Richmond Road
Bengaluru 560 025
Karnataka, India
Tel: (91 80) 2224 0566
Fax: (91 80) 2225 1769
Email: corban@bankofbaroda.com

Corporation Bank Limited
114, Mahatma Gandhi Road
Bengaluru 560 001
Karnataka, India
Tel: (91 80) 2558 8435
Fax: (91 80) 2532 3358
Email: cb0341@corpbank.co.in

Allahabad Bank
Industrial Finance Branch, N-603
Manipal Centre, Airport Road
Bengaluru 560 001
Karnataka, India
Tel: (91 80) 2559 0985
Fax: (91 80) 2559 0986

		Email: br.ifbbangalore@allahabadbank.in
Union Bank of India I.F.B. Chandrakiran First Floor, 10/A, Kasturba Road Bengaluru 560 001 Karnataka, India Tel: (91 80) 2295 8217 Fax: (91 80) 2223 5362 Email: ifbbangalore@unionbankofindia.com	**Bank of India** Bangalore Corporate Banking Branch SKIP House II Floor, 25/1, Museum Road Bengaluru 560 001 Karnataka, India Tel: (91 80) 22959448 Fax: (91 80)22959450 Email: corporatebanking.karnataka@bankofindia.co.in	

Refund Banker

HDFC Bank Limited
FIG-OPS Department
Lodha, I Think Techno Campus O-3 Level next to Kanjurmarg Railway station
Kanjurmarg (East)
Mumbai 400 042
Maharashtra, India
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Email:deepak.rane@hdfcbank.com

Statutory Auditors to the Company

S.R. Batliboi & Associates
12th &13th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru 560 001
Karnataka, India
Tel: (91 80) 4027 5000
Fax: (91 80) 2210 6000
Email: SRBA@in.ey.com

Statement of Inter-se Allocation of Responsibilities for the Issue

The following table sets forth the distribution of responsibility and coordination for various activities in this Issue amongst the BRLMs:

Activities	Responsibility	Co-ordinator
Capital structuring with relative components and formalities	ICICI Securities, Enam, Kotak	ICICI Securities
Drafting and approval of all statutory advertisements	ICICI Securities, Enam, Kotak	ICICI Securities
Due diligence of the Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing.	ICICI Securities, Enam, Kotak, JM Financial*	ICICI Securities
Drafting and approval of all publicity material other than statutory	ICICI Securities, Enam,	Kotak

advertisements as mentioned above, including corporate advertising, brochures, etc.	Kotak	
Appointment of other intermediaries including Registrar to the Issue, printers, advertising agency and Bankers to the Issue	ICICI Securities, Enam, Kotak	Kotak
Marketing & road show presentation	JM Financial, ICICI Securities, Enam, Kotak	JM Financial
Non-institutional and Retail marketing of the Issue, which will cover, inter alia: Finalising media, marketing and public relations strategy; Finalising centre for holding conferences for brokers, etc.; Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; and Finalising collection centres.	JM Financial, ICICI Securities, Enam, Kotak	Enam
Domestic institutional marketing of the Issue, which will cover, inter alia: Finalising the list and division of investors for one to one meetings, institutional allocation	JM Financial, ICICI Securities, Enam, Kotak	JM Financial
International institutional marketing of the Issue, which will cover, inter alia: Finalising the list and division of investors for one-to-one meetings, institutional allocation.	JM Financial, ICICI Securities, Enam, Kotak	JM Financial
Pricing, managing the book, co-ordination with the Stock Exchanges and allocation to QIB Bidders.	ICICI Securities, Enam, Kotak	Kotak
Post-Bidding activities including management of escrow accounts, co coordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Issue, the Bankers to the Issue, the bank handling refund business and SCSBs. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company.	ICICI Securities, Enam, Kotak	Enam

The designated coordinating BRLM, shall be responsible for ensuring compliance with the SEBI Regulations and other requirements and formalities specified by the RoC, the SEBI and the Stock Exchanges.

**JM Financial has signed the due diligence certificate prior to filing of the Red Herring Prospectus and accordingly has been disclosed as a BRLM. Further, in compliance with proviso to regulation 21A (1) and explanation (iii) to regulation 21A (1) of the SEBI (Merchant Bankers) Regulations, 1992, read with Regulation 110 and Schedule XX of the SEBI Regulations, JM Financial would be involved only in the marketing of the Issue.*

In case of under-subscription in an issue, the BRLM responsible for underwriting arrangements shall be responsible for invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the underwriters is issued in terms of these regulations.

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

Please note that Mr. Darius E. Udwadia is a non-executive Independent Director on the Board of the Issuer and also a non-executive Independent Director on the board of JM Financial. Accordingly, in compliance with proviso to regulation 21A (1) and explanation (iii) to regulation 21A (1) of the SEBI (Merchant Bankers) Regulations, 1992, JM Financial would be involved only in the marketing of the Issue.

Credit Rating

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

IPO Grading

This Issue has been graded by CRISIL Limited a SEBI-registered credit rating agency, as 2/5, indicating below average fundamentals.

Trustee

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

Project Appraisal

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade, Mumbai 400 005
Maharashtra, India
Tel: (91 20) 2217 8300
Fax: (91 20) 2218 8332

The Ritz-Carlton project in Bengaluru has been appraised by a report dated March 25, 2009 by SBI Capital Marktes Limited.

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band which will be decided by our Company in consultation with the Book Running Lead Managers and advertised at least two (2) days prior to the Bid/Issue opening date. The Issue Price is finalised after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- The 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;
- Escrow Collection Banks; and
- SCSBs.

The Issue is being made through the 100.0% Book Building Process wherein at least 50.0% of the Issue will be allocated on a proportionate basis to QIBs. If at least 50.0% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15.0% and 35.0% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders respectively, 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.

In accordance with the ICDR Regulations, QIBs bidding in the Net QIB Portion are not allowed to withdraw their Bid(s) after the Bid Closing Date. In addition, QIBs bidding in the Net QIB Portion are required to pay at least 10.0% of the Bid Amount upon submission of the Bid cum Application Form during the Bidding Period and allocation to such QIBs will be on a proportionate basis. However, Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. In addition, Anchor Investors are required to pay at least 25.0% of the Bid Amount upon submission of the Bid cum Application Form and allocation to the Anchor Investors will be on a discretionary basis. For further details, see "Issue Structure" on page 394.

Our Company shall comply with ICDR Regulations issued by SEBI for this Issue. In this regard, our Company has appointed ICICI Securities, Enam, Kotak and JM Financial as the BRLMs to manage the Issue and to procure subscriptions to the Issue.

The process of Book Building under the ICDR Regulations 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	16.6%
1,000	23	1,500	50.0%
1,500	22	3,000	100.0%
2,000	21	5,000	166.7%
2,500	20	7,500	250.0%

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 (For further details see "Issue Procedure - Who Can Bid") on page 399.

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

3. Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form and the ASBA Bid cum Application Form (see "Issue Procedure – Permanent Account Number or PAN" on page 420).

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

5. Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected.

6. Bids by QIBs (including Anchor Investors) will have to be submitted to the BRLMs or their Affiliates.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, the 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 shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriters including through its Syndicate/sub syndicate. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated its 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 Underwriter	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten(In Rs. Million)
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate Mumbai 400 020, Maharashtra, India	[●]	[●]
Enam Securities Private Limited 801, Dalamal Towers, Nariman Point Mumbai 400 021, Maharashtra, India	[●]	[●]
Kotak Mahindra Capital Company Limited First Floor, 229, Bakhtawar, Nariman Point Mumbai 400 021, Maharashtra, India	[●]	[●]
JM Financial Consultants Private Limited 141 Maker Chambers – III , Nariman Point Mumbai 400 021, Maharashtra, India	[●]	[●]
Kotak Securities Limited 2nd Floor, Nirlon House, Dr. Annie Besant Road Near Passport Office, Worli, Mumbai 400 025 Maharashtra, India	[●]	[●]
JM Financial Services Private Limited Apeejay House, Third Floor, 3 Dinshaw Vaccha Road, Churchgate, Mumbai 400 020 Maharashtra, India	[●]	[●]
Edelweiss Capital Limited 3rd Floor, Express Towers, Nariman Point,Mumbai 400 021 Maharashtra, India	[●]	[●]

The abovementioned is indicative underwriting and this would be finalised 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).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters 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 subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount, except in cases where the allocation to QIB is less than 50.0% of the Issue, in which case the entire subscription monies will be refunded.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Issue. There shall be no underwriting of equity shares to the extent of 50% of the Net offer to Public that shall be allocated on a proportionate basis to QIBs.

CAPITAL STRUCTURE

Our Company's Equity Share capital before the Issue and after giving effect to the Issue, as on the date of this Red Herring Prospectus, is as follows:

(In Rs. except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**Authorized Share Capital**		
	150,000,000 Equity Shares of face value of Rs. 10 each.	1,500,000,000	
B	**Issued, Subscribed And Paid-Up Equity Capital before the Issue**		
	70,832,100 Equity Shares of Rs. 10 each fully paid-up before the Issue	708,321,000	
C	**Present Issue in terms of this Red Herring Prospectus**		
	[●] Equity Shares of Rs. 10 each	[●]	[●]
E	**Equity capital after the Issue**		
	[●] Equity Shares of face value of Rs. 10 each	[●]	[●]
F	**Securities Premium Account**		
	Before the Issue	139,517,000	[●]
	After the Issue	[●]	[●]

The Issue has been authorized by the Board of Directors in their meeting on October 7, 2009 and by the shareholders of our Company at an EGM held on November 21, 2009.

For details in change of the authorised capital of our Company, see "History and Corporate Structure" on page 174.

Notes to Capital Structure

1. Share Capital History of our Company

The following is the history of the equity share capital of our Company:

S. No.	Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons/Mode of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
1.	February 23, 2004	9,500	10	10	Cash	Subscribers to the Memorandum	9,500	95,000	Nil
2.	February 23, 2004	500	10	10	Cash	Subscribers to the Memorandum	10,000	100,000	Nil
3.	October 13, 2005	940,000	10	10	Cash	Allotment of shares	950,000	9,500,000	Nil
4.	March 20, 2006	800,000	10	10	Cash	Allotment of shares	1,750,000	17,500,000	Nil
5.	March 30, 2006	1,000,000	10	10	Cash	Allotment of shares	2,750,000	27,500,000	Nil
6.	July 30, 2006	1,420,000	10	10	Cash	Allotment of shares	4,170,000	41,700,000	Nil

S. No.	Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons/Mode of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
7.	January 12, 2007	1,390,000	10	193.16	Cash	Allotment of shares*	5,560,000	55,600,000	254,500,000
8.	January 12, 2007	310,615	10	193.16	Cash	Allotment of shares**	5,870,615	58,706,150	311,493,850
9.	June 23, 2007	1	10	36,500,000	Cash	Allotment of shares***	5,870,616	58,706,160	347,993,840
10.	February 25, 2008	931,844	10	80.49	Cash	Allotment of shares	6,802,460	68,024,600	413,679,524
11.	September 24, 2009	175,850	10	882	Cash	Preferential Allotment#	6,978,310	69,783,100	567,020,724
12.	October 9, 2009	62,804,790	10	Nil	Capitalisation of reserves	Bonus issue in the ratio of 9:1##	69,783,100	697,831,000	Nil
13.	February 19, 2010	1,049,000	10	143	Cash	Preferential Allotment of shares###	70,832,100	708,321,000	139,517,000

Note:The cumulative paid-up share capital of our Company as of March 31, 2009 was Rs. 68,024,600 and as on the date od tjis Red Herring Prospectus is Rs. 708,321,000

** The allotment was made on January 12, 2007 to AMIF I Limited allotting 1,390,000 Class A Equity Shares with an issue price of Rs. 193.16 including a premium of Rs. 183.16. Shareholders at their AGM held on September 30, 2009 have reclassified the share capital into one single class of Equity Shares ranking pari passu in all respects.*
*** The allotment was made on January 12, 2007 to AMIF I Limited allotting 310,615 Class B Equity Shares with an issue price of Rs. 193.16 including a premium of Rs. 183.16. Shareholders at their AGM held on September 30, 2009 have reclassified the share capital into one single class of Equity Shares ranking pari passu in all respects.*
****AMIF I Limited ("**Investor**") agreed to invest a total investment amount of Rs. 365.00 million towards obtaining 28.97% equity shareholding in the Company. A share subscription and shareholders' agreement ("**Investment Agreement**") dated January 10, 2007 was executed among the Investor, the Promoters and the Company. Under this Investment Agreement, the Investor subscribed to 1,700,615 shares of the Company consisting of 1,390,000 Class A shares and 310,615 Class B shares, for a consideration of Rs. 328.50 million at the rate of Rs. 193.16 per share. Hence, on the date of closing and upon investment of Rs. 328.50 million, the Investor held 28.97% of the issued and paid-up capital of the Company. It was also disclosed in the Investment Agreement that Siachen Capital LLC had raised certain claims against the Company. Due to the same, the Investor had agreed to invest the remaining sum of Rs. 36.50 million by subscribing to 1 (one) Class A Equity Share upon the earlier of:*
(i) 3 (three) months from the date of closing, if Siachen Capital LLC has not initiated any legal proceedings against the Company; or
(ii) The date on which Siachen Capital LLC grants the Company and its affiliates final and binding release from any and all claims Siachen Capital LLC or its affiliates may have against the Company.
As Siachen Capital LLC did not initiate any legal proceedings within 3 (three) months from the date of closing under the Investment Agreement, the Investor remitted the remaining amount of Rs. 36.50 million on April 24, 2007 subsequent to which the Company issued and allotted 1 (one) Class A Equity Share on June 23, 2007..
#The preferential allotment was made on September 24, 2009 to Nitesh Industries Private Limited allotting 175,850 Equity Shares with an issue price of Rs. 882.00 including a premium of Rs. 872.00.
##The bonus issue was made on October 9, 2009 to Mr. Nitesh Shetty, Ms. Pushpalatha V. Shetty, Nitesh Industries Private Limited and AMIF I Limited allotting 62,804,790 Equity Shares.
The allotment was made on February 19, 2010 to BETL allotting 1,049,000 Equity Shares with an issue price of Rs. 143 per share including a premium of Rs. 133 per share.

2. Details of the number of shares pledged by Mr. Nitesh Shetty

S. No.	Particulars	Custody of shares	Number of Shares Pledged	Total number of Equity Shares
1.	Total Number of Equity Shares	-	-	70,832,100
2.	Total shareholding of Mr. Nitesh Shetty	-	-	41,518,437
3.	Pledge of Equity Shares of Mr. Nitesh Shetty	Udhay G.K. Realty Private Limited	13,115,840	
4.	Pledge of Equity Shares of Mr. Nitesh Shetty	HDFC AMC Company Limited	10,203,690	
5.	Total number of Equity Shares pledged			23,319,530

S. No.	Particulars	Custody of shares	Number of Shares Pledged	Total number of Equity Shares
6.	Total available number of free Equity Shares			18,198,907

3. Promoter Contribution and Lock-in

(a) ***Details of the build up of our Promoters shareholding in our Company***

S. No.	Name of the Promoters	Date of Allotment/ Transfer/ when made fully paid-up	No. of Shares	Total No. of Equity Shares Eligible for Lock In*	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
1.	Mr. Nitesh Shetty	February 23, 2004	9,500		10	10	Cash	Subscribers to the Memorandum
		October 13, 2005	940,000		10	10	Cash	Further Allotment
		March 20, 2006	800,000		10	10	Cash	Further allotment
		March 30, 2006	1,000,000		10	10	Cash	Further allotment
		July 30, 2006	1,420,000		10	10	Cash	Further allotment
		Transfer made on December 16, 2006	(949,500)		10	10	Cash	Transfer to Nitesh Industries Private Limited
		February 25, 2008	931,844		10	80.49	Cash	Further allotment
		October 7, 2009	(3)		-	-	-	Transferred one equity share each to Mr. L.S. Vaidyanathan, Mr. Prabhakar Udipi and Mr. Ganapathi Joshy
		October 9, 2009	37,366,596		10	Nil	-	Bonus issue in the ratio of 9:1
		February 10, 2010	6,802,460		10	32.79	Cash	Transfer of Shares from AMIF I Limited to Mr. Nitesh Shetty
		February 10, 2010	(6,802,460)		10	32.79	Cash	Transfer of Shares from Mr. Nitesh Shetty to Nitesh Land
		TOTAL	**41,518,437**	**18,198,907**				
2.	Ms. Pushpalatha Shetty	February 23, 2004	500		10	10	Cash	Subscribers to the Memorandum
		October 9, 2009	4,500		10	Nil	-	Bonus issue in the ratio of 9:1
		TOTAL	**5,000**	**5,000**				
3.	Nitesh Industries Private Limited	December 16, 2006	949,500		10	10	Cash	Transferred from Mr. Nitesh Shetty
		September 24, 2009	175,850		10	882	Cash	Preferential Allotment
		October 9, 2009	10,128,150		10	Nil	-	Bonus issue in the ratio of 9:1
		TOTAL	**11,253,500**	**11,253,500#**				

S. No.	Name of the Promoters	Date of Allotment/ Transfer/ when made fully paid-up	No. of Shares	Total No. of Equity Shares Eligible for Lock In*	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
				29,457,407				

** Commencing from the date of the Allotment of Equity Shares in the Issue*
 # Includes 175,850 equity shares were issued and allotted vide preferential issue on September 24, 2009, to Nitesh Industries Private Limited and the bonus shares were issued and allotted on October 9, 2009 on the same aggregating to a total of 1,758,500 equity shares. In the event the issue price is lower than the cost of acquisition of the shares allotted by the preferential issue dated September 24, 2009, and the bonus received on such shares then 1,758,500 equity shares shall be available for the purpose of minimum promoters contribution and eligible for 20% lock in.
Note: The total number of shares locked-in for promoters' contribution are not ineligible under Regulation 33 of the ICDR Regulations.

(b) ***Details of Promoters Contribution locked in for three years are as follows***:

Pursuant to Regulation 32 and 36 of the ICDR Regulations, an aggregate of 20.0% of the fully diluted post- Issue equity capital of our Company, held by the Promoters shall be locked in for a period of three years from the date of Allotment in the Issue. Details of the same as are follows:

S. No.	Name of the Promoters	Date of Allotment/ Transfer/ when made fully paid-up	Nature of Consideration	Number of Equity Shares locked in*	Face Value (Rs.) (per share)	Issue Price / Purchase Price (Rs.) (per share)	% of post-Issue paid-up capital
1.	Mr. Nitesh Shetty						
		[●]	[●]	[●]	[●]	[●]	[●]
		[●]	[●]	[●]	[●]	[●]	[●]
		[●]	[●]	[●]	[●]	[●]	[●]
		[●]	[●]	[●]	[●]	[●]	[●]
		[●]	[●]	[●]	[●]	[●]	[●]
		[●]	[●]	[●]	[●]	[●]	[●]
		[●]	[●]	[●]	[●]	[●]	[●]
		[●]	[●]	[●]	[●]	[●]	[●]
		[●]	[●]	[●]	[●]	[●]	[●]
2.	Nitesh Industries Private Limited	[●]	[●]	[●]	[●]	[●]	[●]
3	Ms. Pushpalatha V. Shetty	[●]	[●]	[●]	[●]	[●]	[●]
		TOTAL		[●]			

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

The Promoter's 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 ICDR Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the ICDR Regulations. The Promoters have given an undertaking to the effect that they shall not sell/transfer/dispose/pledge in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing of this Red Herring Prospectus till the date of commencement of lock-in as per the ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered for minimum 20.0% Promoters' contribution are not acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves, or reserves created without accrual of cash resources or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

(ii) The minimum Promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) Our Company has not been formed by the conversion of a partnership firm into a company;

(iv) The Equity Shares held by the Promoters and offered for minimum 20.0% Promoters' contribution are not subject to any pledge;

(v) The minimum Promoters' contribution does not consist of any private placement made by solicitation of subscriptions from unrelated persons either directly or through any intermediary; and

(vi) The minimum Promoters' contribution does not consist of Equity Shares for which specific written consent has not been obtained from the respective Promoters for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.

(c) ***Details of other Equity Shares locked-in***

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue capital and the Equity Shares issued by our Company, if any, would be locked-in for a period of one year from the date of Allotment in the Issue.

(d) ***Lock in of Equity Shares Alloted to Anchor Investors***

Equity Shares, if Alloted to Anchor Investors, in the Anchor Investor Portion, shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in this Issue.

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

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 such pledge of the Equity Shares is one of the terms of the sanction of the loan. However, Equity Shares locked in as Promoters Contribution can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the Objects of the Issue.

The Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code. Such transferee shall not be eligible to transfer such shares till the lock-in period stipulated in the ICDR Regulations has expired.

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 the Takeover Code. Such transferee shall not be eligible to transfer such shares till the lock-in period stipulated in the ICDR Regulations has expired.

4. Equity Shares held by our Shareholders

(a) ***On the date of filing this Red Herring Prospectus with ROC***

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)
1.	Mr. Nitesh Shetty	41,518,437	58.62
2.	Ms. Pushpalatha V. Shetty	5,000	0.0
3.	Nitesh Industries Private Limited	11,253,500	15.89
4.	AMIF I Limited	10,203,700	14.41
5.	Nitesh Landholdings Private Limited	6,802,460	9.60
6.	Brand Equity Treaties Limited	1,049,000	1.48
7.	Mr. L.S. Vaidyanathan	1	0.0

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)
8.	Mr. Prabhakar Udipi	1	0.0
9.	Mr. M. Ganapathi Joshy	1	0.0
	TOTAL	**70,832,100**	**100.0**

(b) ***10 days prior to the date of filing this Red Herring Prospectus with ROC***

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)
1.	Mr. Nitesh Shetty	41,518,437	58.6
2.	Ms. Pushpalatha V. Shetty	5,000	0.0
3.	Nitesh Industries Private Limited	11,253,500	15.89
4.	AMIF I Limited	10,203,700	14.4
5.	Nitesh Landholdings Private Limited	6,802,460	9.60
6.	Brand Equity Treaties Limited	1,049,000	1.48
7.	Mr. L.S. Vaidyanathan	1	0.0
8.	Mr. Prabhakar Udipi	1	0.0
9.	Mr. M. Ganapathi Joshy	1	0.0
	TOTAL	**70,832,100**	**100.0**

(c) ***Two years prior to date of filing this Red Herring Prospectus with ROC***

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)
1	Mr. Nitesh Shetty	4,151,844	61.0
2	Ms. Pushpalatha V. Shetty	500	0.0
3	Nitesh Industries Private Limited	949,500	14.0
4	AMIF I Limited	1,700,616	25.0
	TOTAL	**6,802,460**	**100.0**

5. Shareholding Pattern of our Company

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue.

(a) *Equity Shareholding Pattern of our Company*

Name of the Company: Nitesh Estates Limited								
Scrip Code: NA		**Name of the scrip, class of security: -**				**Quarter ended: NA**		
Category code (I)	**Category of shareholder (II)**	**Number of shareholders (III)**	**Total number of shares (IV)**	**Number of shares held in dematerialized form (V)**	**Total shareholding as a percentage of total number of shares**		***Shares Pledged or otherwise encumbered***	
					As a percentage of (A+B) (VI)	**As a percentage of (A+B+C) (VII)**	***Number of shares (VIII)***	***As a percentage (IX)= (VIII)/(IV)*100***
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	2	41,523,437	41,523,437	58.62	58.62	[●]	[●]
(b)	Central Government/ State Government(s)	-	-	-	-	-	[●]	[●]
(c)	Bodies Corporate	2	18,055,960	18,055,960	25.49	25.49	[●]	[●]

Name of the Company: Nitesh Estates Limited								
Scrip Code: NA		Name of the scrip, class of security: -				Quarter ended: NA		
Category code (I)	**Category of shareholder (II)**	**Number of shareholders (III)**	**Total number of shares (IV)**	**Number of shares held in dematerialized form (V)**	**Total shareholding as a percentage of total number of shares**		***Shares Pledged or otherwise encumbered***	
					As a percentage of (A+B) (VI)	**As a percentage of (A+B+C) (VII)**	***Number of shares (VIII)***	***As a percentage (IX)= (VIII)/(IV)*100***
	(d) Financial Institutions/ Banks	-	-	-	-	-	[●]	[●]
	(e) Any Other (Trust)	-	-	-	-	-	[●]	[●]
	Sub-Total (A)(1)	**4**	**59,579,397**	**59,579,397**	**84.11**	**84.11**	[●]	[●]
(2)	Foreign							
	(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	N.A	N.A
	(b) Bodies Corporate	-	-	-	-	-	N.A	N.A
	(c) Institutions	-	-	-	-	-	N.A	N.A
	(d) Any Other (specify)	-	-	-	-	-	N.A	N.A
	Sub-Total (A)(2)	-	-	-	-	-	N.A	N.A
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**4**	**59,579,397**	**59,579,397**	**84.11**	**84.11**	N.A	N.A
(B)	Public shareholding							
(1)	Institutions	-	-	-	-	-	N.A	N.A
	(a) Mutual Funds/ UTI	-	-	-	-	-	N.A	N.A
	(b) Financial Institutions/ Banks	-	-	-	-	-	N.A	N.A
	(c) Central Government/ State Government(s)	-	-	-	-	-	N.A	N.A
	(d) Venture Capital Funds	-	-	-	-	-	N.A	N.A
	(e) Insurance Companies	-	-	-	-	-	N.A	N.A
	(f) Foreign Institutional Investors	-	-	-	-	-	N.A.	N.A
	(g) Foreign Venture Capital Investors	-	-	-	-	-	[●]	[●]
	(h) Any Other (specify)	1	10,203,700	-	14.41	14.41	N.A	N.A
	Sub-Total (B)(1)	1	10,203,700	-	14.41	14.41	[●]	[●]

Name of the Company: Nitesh Estates Limited									
Scrip Code: NA		Name of the scrip, class of security: -				Quarter ended: NA			
Category code (I)		**Category of shareholder (II)**	**Number of shareholders (III)**	**Total number of shares (IV)**	**Number of shares held in dematerialized form (V)**	**Total shareholding as a percentage of total number of shares**		***Shares Pledged or otherwise encumbered***	
						As a percentage of (A+B) (VI)	**As a percentage of (A+B+C) (VII)**	***Number of shares (VIII)***	***As a percentage (IX)= (VIII)/(IV)*100***
(2)		Non-institutions							
	(a)	Bodies Corporate	1	1,049,000	1,049,000	1.48	1.48	[●]	[●]
	(b)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	3	3	-	0.0	0.0	[●]	[●]
	(c)	Independent Directors	-	-	-	-	-	N.A	N.A
		Sub-Total (B)(2)	**4**	**1,049,003**	**1,049,000**	**1.48**	**1.48**	**[●]**	**[●]**
		Total Public Shareholding (B)= (B)(1)+(B)(2)	**5**	**11,252,703**	**1,049,000**	**15.89**	**15.89**	**[●]**	**[●]**
		TOTAL (A)+(B)	**9**	**70,832,100**	**60,628,397**	**100.0**	**100.0**	**[●]**	**[●]**
(C)		Shares held by Custodians and against which Depository Receipts have been issued	-	-	-			N.A	N.A
		GRAND TOTAL (A)+(B)+(C)	**9**	**70,832,100**	**60,628,397**	**100.0**	**100.0**	**[●]**	**[●]**

6. **Details of Equity Shares held by our Directors, Key Management Personnel and directors of our Promoter companies**

The table below sets forth the details of Equity Shares that our held by our Directors and Key Management Personnel:

S. No.	Name	Number of Equity Shares	Pre-Issue Equity Share Capital %	Post-Issue Equity Share Capital %
1.	Mr. Nitesh Shetty	41,518,437	58.62	[●]
2.	Ms. Pushpalatha V. Shetty	5,000	0.0	[●]
3.	Mr. L.S. Vaidyanathan	1	0.0	[●]
4.	Mr. Prabhakar Udipi	1	0.0	[●]

5.	Mr. M. Ganapathi Joshy	1	0.0	[●]

7. A shareholders agreement dated January 10, 2007 was executed amongst AMIF I Limited ("**Investor**"), our Company and Ms. Pushpalatha V. Shetty, Mr. Nitesh Shetty, Nitesh Industries Private Limited ("**Promoters of the Company**"). Under this shareholders' agreement, the Promoters had the right to buy back from the Investor 10.0% of the issued and paid-up capital of the Company. The equity shares to be purchased by the Promoters from the Investor was to be at a price arrived at by dividing the aggregate subscription amount contributed by the Investor with in a period of three months from January 12, 2007 by the number of Investor shares and compounding the average price so obtained by 15.0% annualized for a period of three years and one month being the Promoter Call Option (as defined under the shareholders' agreement). Subsequently a Promoter Call Option Notice dated October 4, 2009 was issued by Mr. Nitesh Shetty, one of the Promoters to the Investor to exercise the Promoter Call Option to acquire 6,802,464 Equity Shares for a consideration of Rs. 32.64 per equity share amounting to a total consideration of Rs. 222,030,000. Under the Promoter Call Option Notice the actual purchase of the equity shares of the Investor by Mr. Nitesh Shetty was required to be completed within February 10, 2010. In light of the Promoter Call Option Notice and as agreed between the Investor and Mr. Nitesh Shetty, 6,802,460 (including the shares issued and allotted pursuant to the bonus issue) Equity Shares were purchased by Mr. Nitesh Shetty from the Investor. These Equity Shares were purchased for a consideration of Rs. 32.79 per Equity Share amounting to a total consideration of Rs. 223,051,990 and such number of Equity Shares were subsequently transferred from Mr. Nitesh Shetty to Nitesh Land on February 10, 2010. For details, see "History and Corporate Structure" on page 174.

8. Our Company, our Directors, the Promoters, the Promoter Group, their respective directors, and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person. Our Company or the Promoters shall not make any payments direct or indirect, discounts, commission allowances or otherwise under this Issue.

9. Our Promoters have not been issued Equity Shares for consideration other than cash other than set out in "Capital Structure- Notes to Capital Structure- Share Capital History of the Company".

10. Except the transfer of shares from Mr. Nitesh Shetty to Mr. L.S. Vaidyanathan, Mr. Prabhakar Udipi and Mr. Ganapathi Joshy of one Equity Share each of Rs. 10 each pursuant to the meeting of the Board of Directors held on October 7, 2009, and the transfer of shares from AMIF I Limited and the subsequent transfer of shares from Mr. Nitesh Shetty to Nitesh Land of 6,802,460 Equity Shares of Rs. 10 each pursuant to the meeting of the Board of Directors held on February 10, 2010, our Promoters, Directors and members of our Promoter Group have not purchased or sold any Equity Shares within the last six months preceding the date of filing of this Red Herring Prospectus with SEBI.

11. During the period of six months immediately preceding the date of filing of this Red Herring Prospectus, no financing arrangements existed whereby the Promoter Group, the Directors of our Promoter, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

12. Except, as disclosed in the section titled 'Our Management', none of the Directors or Key Management Personnel holds Equity Shares in our Company.

13. The Issue is being made through the 100.0% Book Building Process wherein at least 50.0% of the Issue will be allocated on a proportionate basis to QIBs. If at least 50.0% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15.0% and 35.0% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders respectively, 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.

14. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into

our Equity Shares.

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

16. There will 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 with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

17. We have not raised any bridge loan against the proceeds of the Issue.

18. An oversubscription to the extent of 10.0% of the Issue can be retained for the purposes of finalizing the Basis of Allotment.

19. Our Promoters, Promoter Group and our Group Companies will not participate in this Issue.

20. Neither the BRLMs nor any of their associates hold any shares in our Company.

21. We presently do not intend or propose to alter our capital structure for a period of six months from the date of lisitng and trading of our Equity Shares, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise except that if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

22. We have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

24. The Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

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

OBJECTS OF THE ISSUE

The objects of the Issue are to:

a) Acquire joint development rights by our Company;

b) Fund our existing Subsidiaries and the Associate company, for repayment/prepayment of loans, redemption of debentures, finance Ongoing Projects and finance the acquisition of joint development rights;

c) Repay certain loans of our Company; and

d) Fund the expenditure for general corporate purposes.

The main objects 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 estimated Issue related expenditure is as follows:

S. No.	Activity Expense	Amount* (Rs. in Million)	Percentage of Total Estimated Issue Expenditure*	Percentage of Issue Size*
1	Fees of the Lead Managers*	[●]	[●]	[●]
2	Underwriting and selling commission (including commission to SCSBs for ASBA Applications) *	[●]	[●]	[●]
3	Registrar's fees*	[●]	[●]	[●]
4	Advertising and marketing expenses*	[●]	[●]	[●]
5	Printing and distribution expenses*	[●]	[●]	[●]
6	IPO Grading expenses*	[●]	[●]	[●]
7	Advisors*	[●]	[●]	[●]
8	Bankers to the Issue*	[●]	[●]	[●]
9	Legal Expenses	[●]	[●]	[●]
9	Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]

**To be completed after finalization of the Issue Price*

The details of the proceeds of the Issue are as follows:

(Rs. in million)

S. No.	Description	Amount
1	Gross Proceeds of the Issue	[●]
2	Issue related Expenditure	[●]
3	Net Proceeds of the Issue ("Net Proceeds")	[●]

Use of Net Proceeds

The utilization of the Net Proceeds of this Issue is as follows:

(Rs.in million)

S. N 0.	Expenditure Items	Total estimated cost/total amount availed	Amount deployed/ repaid	Balance Payable	Amount up to which will be financed from Net Proceeds of the Issue	Estimated Net Proceeds utilization as on March 31,			
						2010	2011	2012	2013
1	Acquire joint development rights of our Company	240.00	30.00	210.00	210.00	-	210.00	-	-
2	Fund our existing Subsidiaries and the Associate Company, for repayment/prepayment of loans, redemption of debentures, finance Ongoing Projects and finance the acquisition of joint development rights:								
	• Nitesh Columbus Square	906.40	27.02	879.38	879.38	-	345.38	296.90	237.10
	• Redemption of debentures	620.00	-	620.00	500.00	-	500.00	-	-
	• Loan taken from Udhay GK Realty	500.00	-	500.00	500.00	-	500.00	-	-
	• Nitesh Mall	1,100.00	355.00	745.00	695.00		595.00	100.00	-
	• Ritz Carlton	6,250.00	2,374.00	3,876.00	460.00	-	460.00	-	-
3	Repay certain loans of our Company	415.41	-	415.41	356.90	-	356.90	-	
4	General Corporate purpose	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Total Expenses	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

The source of funds for the amount deployed/repaid is as follows:

(Rs. in million)

S.No.	Particulars		Amount deployed/repaid	Source of funds
1.	Acquire joint development rights		30.00	Internal accruals
2.	Fund our existing Subsidiaries and the Associate Company, for repayment of loans, redemption of debentures, finance Ongoing Projects and finance the acquisition of joint development rights:			Internal accruals
	(a) Nitesh Columbus Square		27.02	
	(b) Nitesh Mall		355.00	Term loan from Udhay GK Realty Private Limited*
	(c) Ritz-Carlton Project		2,374.00	Equity and Debt financing
	Equity Financing			
	• Our Company	281.00		
	• Mr. Nitesh Shetty	71.00		
	• Citi Property Investors	1002.00		
	Debt financing by banks	1020.00		

** Of the total Rs.355.00 million, Rs. 240.00 million was funded from the term loan from Udhay GK Realty Private Limited and the balance of Rs. 115.00 million was paid from share application money received by Nitesh Indiranagar from our Company, which was subsequently refinanced by the Udhay GK Realty Private Limited term loan.*

Means of Finance

Our fund requirement and deployment of the Net Proceeds of the Issue is based on internal management appraisal and estimates. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy.

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 through cash flows from our operations, advances received from customers and/or debt, as required.

We operate in highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of new projects, modifications in existing planned developments, the initiatives we may pursue including any industry consolidation initiatives, such as potential acquisition opportunities. 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 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 flows from operations and/or debt.

Details of the Objects

Acquire joint development rights of the Company

We are in the business of real estate development including residential, retail, hospitality and commercial development. We undertake most of our projects through the joint-development model. For details of our business, see "Our Business" on page 132.

We propose to utilize Rs. 210.00 million from the Net Proceeds to acquire joint development rights of our Company as follows:

(Rs. in million)

S. No.	Description	Land Area (acres)	Total Cost for acquiring Joint Development Rights	Amount paid up to March 20, 2010 *		Amount to be financed from Net Proceeds	Nature of documentation
				Non-Refundable Deposit	Refundable Deposit		
1	Nitesh Roland Garros	30.25	200.00	-	20.00	180.00	Memorandum of Understanding dated April 23, 2008
2	Nitesh Caesar's Palace	5.00	40.00	-	10.00	30.00	Memorandum of Understanding dated February 22, 2010
Total		**35.25**	**240.00**	**-**	**30.00**	**210.00**	

***** *As per certificate from E.S.G. Gupta & Co. dated March 30, 2010.*

1. An MoU dated April 23, 2008 has been executed between Bangalore Best Realty Private Limited ("**BBRPL**") and our Company, where we have been granted the rights to develop the land owned by Bangalore Best Realty Private Limited to develop and construct a residential project in Huttanahalli village, Bengaluru. In consideration of BBRPL having granted the land for the joint development to our Company, an interest free refundable security deposit has been agreed to be paid by our Company aggregating to Rs. 200.00 million. Pursuant to the same, we have already paid a sum of Rs. 20.00 million to BBRPL. The remaining consideration payable under the agreement is Rs. 180.00 million.

2. An MoU dated November 2, 2009 has been executed between Mr. B.R. Shetty and our Company, where we have been granted the rights to develop the land owned by Mr. B.R. Shetty to develop and construct a residential project in Kanakapura road, Raghuvanahalli village, Bengaluru. Subsequently, a supplementary MoU dated February 22, 2010 was executed between the abovementioned parties extending the timelines of the previous MoU. In consideration of Mr. B.R. Shetty having granted the land for the joint development to our Company, we shall pay both interest free refundable security deposit and interest free non refundable security deposit aggregating to Rs. 40.00 million. Pursuant to the same, our Company has already paid a sum of Rs. 10.00 million by way of interest free refundable security deposit to the Owner. The remaining consideration payable as interest free non-refundable security deposit under the MoU is Rs. 30.00 million.

Means of Finance

Nitesh Roland Garros, our Company's Forthcoming Project and Nitesh Caesar's Palace one of our Company's Land Parcels Available for Future Development as indicated above, are in the initial stages of planning and design. Our Company has applied for or is in the process of applying for the relevant government approvals to commence construction of these projects. Our Company has appointed architects, who are responsible for the planning and designing these projects. Our Company will be in a position to determine the approximate total cost of construction for these projects only upon finalization of the design plan by the architect. Further, upon the launch of these projects, ourCompany will receive payments from the bookings made by customers. Upon receiving these payments, means of financing the remaining amount required in order to complete the development of these projects shall be determined. In addition to the advances received from the bookings the means of finance for these projects will be through internal accruals and debt. Therefore, our Company is not in a position to determine the approximate total cost of construction for Nitesh Roland Garros and Nitesh Caesar's Palace at this stage. Further, our Company has only executed MoUs for these projects and is yet to execute a JDA with the respective land owners. Our Company will be in a position to determine the total costs of construction of projects once the project related approvals including architects plans have been obtained.

Fund our existing Subsidiaries and an Associate company, for repayment/prepayment of loans, redemption of debentures, finance Ongoing Projects and finance the acquisition of joint development rights

We propose to utilize Rs. 3034.38 million from the Net Proceeds to fund our existing Subsidiaries and an Associate company, for repayment/prepayment of loans, redemption of debentures, finance Ongoing Projects and finance the acquisition of joint development rights, as follows:

(Rs. in million)

S.No.	Particulars	Status of Project	Amount (sub-total)	Total Amount to be utilized from Net Proceeds
Subsidiaries				
1	**Nitesh Housing**			1,379.38
	Construction of Nitesh Columbus Square	Ongoing	879.38	
	Redemption of Debentures		500.00	
2	**Nitesh Indiranagar**			1,195.00
	Repayment of loan		500.00	
	Finance the acquisition of joint development rights in respect of Nitesh Mall	Forthcoming	695.00	
Associate Company				
1	**Nitesh Residency**			
	Construction of - Ritz Carlton Project	Ongoing		460.00
	Total			**3034.38**

Investment in Nitesh Housing

Nitesh Housing, a company incorporated in 2007 under the Act is a subsidiary of our Company wherein our Company holds 89.9% of its equity share capital. Our Company intends to infuse Rs. 1379.38 million of the Net Proceeds as preference share capital. Pursuant to a resolution dated November 21, 2009, Nitesh Housing shall issue up to 28 million preference shares of Rs. 10 each at a premium of Rs. 40 per share to our Company. Our company shall subscribe to such preference shares from the proceeds of the Issue subject to the approval of the shareholders. The terms and conditions of the preference shares that shall be allotted to our Company are as follows:

- The preference shares shall be redeemable cumulative preference shares;
- The preference shares shall be redeemable any time after five years from the date of the issue;
- Nitesh Housing shall have the option or right to redeem the preference shares either in part or in whole after five years from the date of issue by giving one month notice in writing to the preference shareholder for redemption;
- The preference shares shall carry a coupon rate of 6.0% per annum which shall be cumulative and be payable at the time of redemption; and

- The voting rights of preference shareholders shall be in accordance with section 87 of the Companies Act.

Nitesh Housing proposes to utilize Rs. 1379.38 million of the Net Proceeds towards the payment of (i) development and construction costs for our Ongoing Project, Nitesh Columbus Square; and (ii) redemption of Debentures.

Payment of development and construction costs for one of our Ongoing Projects, Nitesh Columbus Square

A MoU dated January 17, 2008 was executed between Mr. H.R. Suresh and our Company where we have been granted the rights to develop the land owned by Mr. H.R. Suresh to develop a residential project near Bellary road, Kattigenehalli village, Bengaluru. Our Company was required to pay a non-refundable security deposit of Rs. 20.00 million. Our Company has paid an advance of Rs. 5.00 million ("**Advance Amount**") and the balance deposit amount of Rs. 15.00 million was remaining to be paid under this MoU.

Subsequently, a JDA dated September 30, 2009 was executed among Mr. H.R. Suresh, Nitesh Housing and our Company as the confirming party to the agreement. Nitesh Housing has been granted the rights to develop the land owned by Mr. H.R. Suresh to develop a multi-storied residential project near Bellary road, Kattigenehalli village, Bengaluru. Under the JDA, Nitesh Housing has agreed to share 66.0% of the revenue generated from this project or the built-up area, while Mr. H.R. Suresh retains the balance. Under this JDA, an interest free non refundable security deposit of Rs. 20.00 million and interest free refundable security deposit of Rs. 20.00 million is required to be paid as consideration. Pursuant to this JDA, the interest free non-refundable security deposit of Rs. 20.00 million (inclusive of the Advance Amount) and Rs. 10.00 million as the interest free refundable security deposit has been paid. The balance interest free refundable security deposit of Rs. 10.00 million is remaining to be paid and shall be payable by Nitesh Housing to Mr. H.R. Suresh within a period of one month from the date of the receipt of the sanction plan under the JDA.

Nitesh Housing commenced the development of this middle-income residential project located near Bellary Road, Bengaluru in October, 2009 and is expected to be completed in September, 2012. Once completed, this project is expected to have 390 residential units, with amenities such as landscaped gardens, gymnasium, swimming pool, and children's play area. Nitesh Columbus Square is spread over 4.36 acres of land. The total Developable Area for the project is 0.73 million sq.ft. and the Saleable Area is 0.48 million sq. ft.

The estimated schedule for deployment of Rs. 879.38 million is as follows:

(Rs. in million)

Total development & construction costs*	Total amount deployed	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds			
			March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013
906.40	27.02**	879.38	345.38	346.74	296.90	237.10

**As per the certificate of dutta & kannan architects dated March 20, 2010 and certificate of the management dated March 30, 2010.*

*** This amount includes the interest free non-refundable security deposit of Rs. 20.00 million, architect, design and consultancy fees of Rs. 3.06 million, cost incurred towards obtaining governmental approvals of Rs. 0.11 million and administrative expenses of Rs. 2.29 million and marketing expenses of Rs. 0.20 million as per the certificate from E.S.G. Gupta & Co. dated March 30, 2010.*

The particulars of the development and construction costs related to Nitesh Columbus Square are as follows:

(Rs. in million)

S. No.	Particluars	Total Cost*
1	Non-refundable deposit	20.00
2	Government approvals	17.10
3	Construction cost	768.50
4	Architect and design fees	15.40
5	Administration expenses	23.00
6	Advertisement and publicity	41.60
7	Sales overhead	20.80
	Total	**906.40**

** As per the certificate of dutta & kannan architects dated March 20, 2010 and certificate of the management dated March 30, 2010.*

<u>Note</u>: An amount of Rs. 10.00 million has been paid to Mr. H.R. Suresh as an interest free refundable security deposit and Rs. 20.00 million as non-refundable security deposit.

<u>Means of Finance</u>

The expenditure proposed to be incurred towards the development of Nitesh Columbus Square is proposed to be financed from the Net Proceeds and therefore no arrangements of finance are required.

<u>Redemption of Debentures</u>

HDFC AMC has agreed to subscribe to 6,200,000 debentures of Nitesh Housing, pursuant to a debenture subscription and share purchase agreement dated September 25, 2009, an amendment agreement dated September 30, 2009 and a deed of confirmation dated September 30, 2009 executed among HDFC AMC, Nitesh Housing, our Company and Mr. Nitesh Shetty. For further details, see "History and Corporate Structure" on page 174.

The terms and conditions of the debentures under this debenture subscription and share purchase agreement are as follows:

(Rs. in million)

Name of Bank	Date and Type of Agreement	Subscription Amount	Subscribed Portion	Amount outstanding as of March 20, 2010*	Conversion	Pre-Payment**
HDFC AMC	Debenture Subscription and Share Purchase Agreement dated September 25, 2009	620.00	620.00	620.00	HDFC AMC has the right anytime after August 31, 2010 to convert any/all of its debentures into an equal number of preference shares. The rights attached to the preference shares upon conversion of any/all of the debentures held by HDFC AMC shall be mutatis mutandis to the rights that attach to the debentures under the agreement prior to the conversion of the said debentures.	Nitesh Housing shall have the call option exerciseable on or before March 31, 2010 by giving an advance 15 days notice ("pre-payment call opion notice") period to HDFC AMC to redeem upto such number of such number of debentures having an aggregate face value of Rs. 500 million, at a price which shall entitle HDFC AMC to a pre-tax IRR of 18% if the IPO has not happened as of the pre payment call option notice and a post tax IRR of 25% if the IPO has completed as on date of issuance of pre-payment call option notice.

* *As per the certificate from E.S.G. Gupta &Co. dated March 30, 2010*

** *For Further details on pre-payment please, see "History and Corporate Structure" on page 174.*

In the event no early redemption notice (as defined in the debenture subscription agreement) has been issued or the debentures have not been converted in accordance with the agreement, then Nitesh Housing shall have the obligation to redeem all the debentures held by HDFC AMC on September 20, 2012 ("**Debenture Redemption Rate**") at a price that will entitle HDFC AMC to a pre tax internal rate of return of 18.0% on the subscription amount (that is Rs. 620.00 million) if on the Debenture Redemption Date the initial public offer of our Company has not been completed. If the initial public offer of our Company has been completed on the Debenture Redemption Date then HDFC AMC shall be entitled to a post tax internal rate of return of 25.0% on the subscription amount.

An amount of Rs. 579.00 million has been deployed towards general corporate purposes by Nitesh Housing and the balance Rs. 41.00 million as on March 20, 2010 maintained with HDFC Bank pending its deployment with Nitesh Housing as per the certificate from the chartered accountant dated March 30, 2010.

<u>Means of Finance</u>

The expenditure proposed to be incurred towards the part redemption of debentures up to Rs. 500.00 million is proposed to be financed from the Net Proceeds and therefore no arrangements of finance are required.

Investment in Nitesh Indiranagar

Nitesh Indiranagar, a company incorporated in 2007 under the Act is our wholly owned Subsidiary. Our Company intends to infuse Rs.1,195.00 million of the Net Proceeds by subscribing to the equity shares of Nitesh Indiranagar, which in turn is proposed to be utilized towards (i) the repayment of the loans stated; and (ii) part funding the acquisition of joint developments rights for our Forthcoming Project, Nitesh Mall .

The use of the proceeds of the investment of the Company by Nitesh Indiranagar is as follows:

(Rs. in million)

S.No.	Particulars	Amount
1	Repayment of loan	500.00
2	Part funding the acquisition of joint development rights	695.00
	Total	**1,195.00**

<u>Repayment of loan</u>

Nitesh Indiranagar and Udhay GK Realty Private Limited (an investee company of HDFC Venture Fund) had entered into an agreement dated July 31, 2008 for availing a loan amounting to Rs. 500.00 million on the terms and conditions specified therein. The loan agreement does not specify the end-use for which the said loan amount is to be utilized and is available for general purposes. The Company has used the loan amount towards funding the Nitesh Mall, part payment of deposits to the land owner and the joint development partner, Mr. George Thangiah towards part funding the acquisition of joint development rights in the Nitesh Mall and fund project related advances. The loan amount was required to be repaid on or before October 29, 2008. The parties have renegotiated the terms and conditions and the repayment date. Pursuant to these negotiations, a supplementary agreement has been executed between the parties dated September 30, 2009 to extend the date of repayment of the loan to March 31, 2010. The current rate of interest is as follows:

- 20.0% per annum compounded monthly basis on the outstanding principal amount, from the date of execution of the agreement till June 30, 2009; and

- 20.0% per annum compounded half-yearly basis on the outstanding principal amount, from July 1, 2009 onwards.

Nitesh Indiranagar is liable to pay an additional interest charge of 2.0% per annum on the dues, including the principal amount and the interest amounts payable in the event Nitesh Indiranagar commits a default in payment of either the principal or the interest amount.

The manner of repayment of the loan amount and interest accrued thereon is as follows:

- Immediate payment of the interest accrued till March 31, 2009. The interest has accrued at the rate of 20.0% per annum compounded monthly; however the payment shall be made by Nitesh Indiranagar while considering at the rate of 20.0% per annum compounded annually. The differential amount of Rs. 2.79 million ("**Differential Amount**") is to be paid by January 31, 2010*;

- Nitesh Indiranagar shall provide a post dated cheque of January 31, 2010 for an amount of Rs. 28.54 million which shall consist of (i) the interest amount of Rs 25.75 million calculated from April 1, 2009 to June 30, 2009 at 20.0% compounded monthly and (ii) Rs. 2.79 million which is the Differential Amount as mentioned above*; and

- Nitesh Indiranagar shall provide a post dated cheque of March 31, 2010 for an amount of Rs. 580.29 million for the loan amount along with interest for the period July 1, 2009 to March 31, 2010 calculated at 20.0% compounded semi annually*.

* Udhay GK Realty Private Limited by way of a letter dated March 3, 2010, has extended the repayment of the principal amount and interest accrued to April 30, 2010 subject to the condition that in the event the Issue is not completed successfully, the repayment of the principal amount and interest accrued as stated in the original agreement on March 31, 2010 shall remain valid and shall carry penalty till the actual date of repayment as mentioned in the said agreement.

The security against which the loan is granted is as follows:

- Pledge of 10,380,620 equity shares aggregating to 14.88% of equity shareholding of our Company held by Mr. Nitesh Shetty in favour of Udhay GK Realty Private Limited through a share pledge agreement dated August 1, 2008;

- Pledge of 2,735,220 equity shares aggregating to 3.92% of equity shareholding of our Company held by Mr. Nitesh Shetty in favour of Udhay GK Realty Private Limited through a share pledge agreement dated August 29, 2008;

- Corporate Guarantee of Nitesh Estates Projects Private Limited dated July 31, 2008;

- Personal Guarantee of Mr. Nitesh Shetty dated July 31, 2008;

- Registered mortgage by the deposit of title deeds of the property situated at Yelahanka, Hobli, Bengaluru; and

- Registered mortgage by the deposit of title deeds of the property situated at Netaji Road, Pulakeshi Road, Bengaluru.

The amount to be repaid through utilization of Net Proceeds is as follows:

(Rs. in million)

S. No.	Description of the Debt	Amount Outstanding as on March 20, 2010	Amount to be repaid from Net Proceeds	Due date for repayment of the Debt
1	Udhay GK Realty Private Limited	500.00	500.00	March 31, 2010

**As per the certificate from E.S.G. Gupta &Co. dated March 30, 2010*

As confirmed by the chartered accountant, vide their letter dated March 30, 2010, Nitesh Indiranagar has utilized the loans/investment monies availed of by it from Udhay GK Realty Private Limited for the purposes for which they were sanctioned.

<u>Acquisition of Joint development rights</u>

An MoU dated October 19, 2007 was executed between Mr. George Thangiah and Nitesh Indiranagar, where Nitesh Indiranagar has been granted the rights to develop the land owned by Mr. George Thangiah to develop a shopping mall in Indiranagar, Bengaluru. Under this agreement, Nitesh Indiranagar is required to make an interest free non-refundable deposit of Rs. 1,050.00 million out of which it has paid Rs. 355.00 million. Rs. 695.00 million is remaining to be paid towards acquiring the Company's development rights in the shopping mall.

Subsequently, a supplementary MoU dated October 26, 2007 was executed between Mr. George Thangiah and Nitesh Indiranagar, where it was agreed that in the event Mr. George Thangiah does not comply with the undertakings mentioned in the supplementary MoU, Nitesh Indiranagar shall not be obligated to enter into a JDA with Mr. George Thangiah to undertake development of the shopping mall. Further, in the event Nitesh Indiranagar enters into a JDA with Mr. George Thangiah in the absence of compliance with the necessary undertakings by Mr. George Thangiah, Nitesh Indiranagar shall be obligated to develop the shopping mall in accordance with the terms of the MoU dated October 19, 2007. Further, a second supplementary MoU dated March 29, 2010 was executed between Mr. George Thangiah and Nitesh Indiranagar, where it was agreed to extend the rights and obligations of the parties under the MoU dated October 19, 2007. Under this second supplementary MoU, Nitesh Indiranagar is required to make an interest free non-refundable deposit of Rs. 1,100.00 million out of which it has already paid Rs.

355.00 million under the MoU dated October 19, 2007. As on March 30, 2010, Rs. 745.00 million is remaining to be paid towards acquiring the Company's development rights in the shopping mall.

Nitesh Indiranagar proposes to develop a five-storey shopping mall designed to have six anchor tenants including a hypermarket, 130 shops, a food court, a multiplex with 11 screens and restaurants, at Indiranagar, Bengaluru. Nitesh Indiranagar agreed to share 50.0% of the revenue generated from this project with Mr. George Thangiah, while Nitesh Indiranagar can retain the balance under this MoU. This mall is proposed to be spread over 5.06 acres of land with total Developable and Saleable Area of 1.16 million square feet and 0.58 million square feet, respectively.

The amount to be utilized towards part funding the acquisition of joint development rights through the Net Proceeds is as follows:

(*Rs. in million*)

S. No.	Project Name	Land Area (in acres)	Total Cost for acquiring Joint Development Rights	Amount paid up to March 20, 2010		Amount to be financed from Net Proceeds	Nature of documentation
				Non-Refundable Deposit	Refundable Deposit		
1	Nitesh Mall	5.06	1,100.00	355.00*	-	695.00	MoU dated October 19, 2007, supplementary MoU dated October 26, 2007 and second supplementary MoU dated March 29, 2010
Total		**5.06**	**1,100.00**	**355.00**	**-**	**695.00**	

* *As per the certificate from E.S.G. Gupta &Co. dated March 30, 2010*

Means of Finance

Nitesh Indiranagar has only executed an MoU with respect to the construction and development of the Nitesh Mall and is yet to execute a JDA with Mr. George Thangiah. Nitesh Indiranagar will be in a position to avail financial closure for the development of the Nitesh Mall on entering into the said JDA with Mr. George Thangiah. For further detials see "Our Business- Our Shopping Mall Projects" on page 143.

The Nitesh Mall is in the initial stages of planning and design. Nitesh Indiranagar is yet to receive the relevant government approvals to commence construction of this project. Callison LLC has been appointed as the architect, which has commissioned the plan and the design of the Nitesh Mall. The estimated total cost of construction for the Nitesh Mall shall be determined only upon finalization of the design plan by the architect.

Further, upon the launch of this project, Nitesh Indiranagar will receive advances including by way of lease deposits from tenants. Pursuant to receiving these payments, the means of financing the remaining amount required in order to complete the development of this project will be determined. In addition to the advances received from the lease deposits the means of finance for this project will be through internal accruals and debt.

We intend to utilize Rs. 695.00 million from the Net Proceeds of the Issue towards part funding the acquisition of joint development rights subject to the approval of the shareholders. The balance funds required for part funding the acquisition of joint development rights with respect to the Nitesh Mall is Rs. 50.00 million. The stated means of finance, excluding Net Proceeds will be invested as equity/debt by our Company from the recovery of advances recoverable in cash from NEPPL.

Our Company cannot be assured of any dividends. Our Company will remain interested in Nitesh Indiranagar to the extent of our shareholding.

Investment in Nitesh Residency

Nitesh Residency, a company incorporated under the Act is our Associate Company where our Company holds 20.7%, Mr. Nitesh Shetty holds 5.0% of the equity share capital and the balance being held by Citi Property Investors. The shareholders of Nitesh Residency have passed a resolution dated October 1, 2009 with respect to the equity contribution from the respective shareholders. Pursuant to this resolution, our Company intends to infuse, subject to the approval of the shareholders, Rs. 460.00 million of the Net Proceeds as equity investment into Nitesh Residency, which is to be used towards development and construction costs in relation to the Ritz-Carlton Project.

The "Ritz-Carlton" hotel is our first hospitality project which is being developed by our Associate Company, Nitesh Residency, and is situated at Residency Road in the central business district of Bengaluru. Our Company, Mr. Nitesh Shetty and Citi Property Investors have executed a shareholders' agreement dated December 29, 2006 in relation to the management of Nitesh Residency. This hotel is being developed on a land area of 2.58 acres and the total sanctioned Developable Area for the hotel is 0.5 million sq. ft. The hotel is designed to have 281 keys including a presidential suite, meeting space, shops of high-end luxury brands, high-end spa, banquet and a helipad. The construction of this hotel commenced in February, 2008 and it is currently scheduled to be completed in April, 2011.

A hotel design, development and construction agreement dated December 29, 2006 was executed between our Company and Nitesh Residency to appoint us as the project manager and general contractor to oversee, monitor and implement the design and construction of this project. Based on the agreement our Company will be paid a gross maximum price subject to certain revisions set out in this agreement and an additional development fee of 3.0% of the total hard costs incurred for the development of the hotel.

The details of the utilization of the Net Proceeds towards the construction costs in relation to the Ritz- Carlton Project are as follows:

(Rs. in million)

Total development & construction costs*	**Amount deployed up to March 20, 2010** Debt/ Equity**	**Balance amount to be deployed**	**Amount to be financed from Equity investment to be utilized from the Net Proceeds**	**Financing that has been tied up by way of debt/internal resources/ Equity*****	**Balance amount which needs to be tied up**	**Estimated schedule for deployment balance construction costs**			**Estimated schedule for deployment of debt**			**Estimated schedule for deployment of Net Proceeds**		
						March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2010	March 31, 2011	March 31, 2012
6,250.00	2374.00	3876.00	460.00	2916.00	500.00	277.00	3,322.00	277.00	277.00	1,687.00	141.00	-	460.00#	-

**The total development costs for the Ritz-Carlton Project is based on the appraisal report given by SBI Capital Markets Limited dated March 25, 2009.*

***As per the certificate from E.S.G. Gupta &Co. dated March 30, 2010*

****As per the certificate from E.S.G. Gupta &Co. dated March 30, 2010*

 # This amount excludes the balance of equity to be contributed by CPI India Limited.

Means of Finance

The balance funds required for the development and construction of the Ritz-Carlton Project is Rs. 3,876.00 million. 75% of the stated means of finance, excluding Net proceeds have been arranged as follows:

(Rs.in million)

S.No.	Particulars	Amount (Sub-Total)	Total Amount
1	Aggregate cost of the Ritz-Carlton Project		6,250.00*

2	Total amount paid towards the Ritz-Carlton Project		2,374.00**
	(a) Amount paid towards Ritz-Carlton Project	2132.00	
	(b) Funds available for deployment	242.00	
3	Total funds required to be paid towards the Ritz-Carlton Project		3,876.00
	(a) Amount proposed to be financed from the Net Proceeds	460.00	
	(b) Funding required excluding the Net Proceeds	3,416.00	
4	Arrangements regarding 75% of the funds required excluding the Net Proceeds (i.e 3 (b))		2,562.00
5	Debt facility sanctioned by banks		
	(a) Punjab National Bank	750.00	
	(b) State Bank of India	1,000.00	
	(c) Central Bank of India	500.00	
	(d) Canara Bank and	150.00	
	(e) Tourism Finance Corporation of India	225.00	
	• Total Sanctioned Amount	2,625.00	
	• Loan amount availed from the banks	1,020.00	
6	Balance amount that can be drawn from banks and which is tied up		1605.00**
8	Citi Property Investors' equity contribution		
	(a) Total equity contribution from Citi Property Investors	2,313.00	
	(b) Invested amount by Citi Property Investors already utilised	1,002.00	
9	Balance of equity contribution of Citi Property Investors		1,311.00**
10	Total amount of committed funds		2,916.00**

**As per the appraisal report given by SBI Capital Markets Limited dated March 25, 2009*

** *As per the certificate from E.S.G. Gupta &Co. dated March 30, 2010*

A firm arrangement through verifiable means has been made for 75.0% of the funds required excluding the Net Proceeds as refleted under the table above.

Appraisal

The Ritz-Carlton Project by Nitesh Residency has been appraised by a report issued by SBI Capital Markets Limited dated March, 2009. The total cost of the project determined in this report aggregates to Rs. 6,250.00 million. The project is proposed to be financed through equity amounting to Rs. 3,125.00 million and term loan amounting to Rs. 3,125.00 million.

Repayment of Debt

Our Company has availed of certain debt facilities from HDFC Limited and the Bank of Baroda. We intend to repay up to Rs. 356. 90 million of the outstanding debt of our Company from the Net Proceeds. For further details, see "Financial Indebtedness" on page 352.

The terms and conditions under the agreements are as follows:

(Rs. in million)

Name of Bank	Date and Type of Agreement	Sanctioned Amount	Amount Availed	Principal Outstanding as of March 20, 2010*	Amount to be utilised from the Net Proceeds of the Issue	Current Rate of Interest(%)	Repayment	Purpose*	Payment Schedule	Prepayment Penalties
HDFC Limited	Term Loan Agreement dated December 28, 2007	500.00	222.50	222.50	222.50	Applicable rate of interest with effect from February 1, 2010 is 14.25% per annum	Repayment in 15 monthly instalments comprising of interest and principal repayments commencing from the end of 28th month from the date of first disbursement.	To finance the construction of the project "Nitesh Wimbeldon Garden" at Kakkanad, Kochi.	April 2010 to June 2011	Prepayment charges to HDFC Limited at the applicable rate on the outstanding principal loan amount as per the existing policy of

Name of Bank	Date and Type of Agreement	Sanctioned Amount	Amount Availed	Principal Outstanding as of March 20, 2010*	Amount to be utilised from the Net Proceeds of the Issue	Current Rate of Interest(%)	Repayment	Purpose*	Payment Schedule	Prepayment Penalties
										HDFC Limited or as per the rules of HDFC Limited in that behalf.
Bank of Baroda	Sanction Letter dated February 27, 2009	235.00	192.91	192.91	134.40	1% over BPLR that is 13.00% p.a.	Repayment to be made in 10 monthly instalments of Rs. 23.50 million each commencing from March 2010. The interest payable during instalment repayment period is to be serviced separately at monthly rests.	To part fund the construction of the Ongoing Project "Nitesh Forest Hills" in Whitefield, Bengaluru.	March 2010 to December 2010	Payment of 1.0% penal interest on prepayment amount for he remaining period

**As per the certificate from E.S.G. Gupta &Co. dated March 30, 2010*

For details in relation to the projects Nitesh Wimbledon Gardens and Nitesh Forest Hills, please refer to the section titled "Our Business" on page 132.

Fund Expenditure for General Corporate Purposes

We, in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net Proceeds of this Issue, for general corporate purposes including acquisition of land, construction of projects, acquisition of fixed assets, investment in our Subsidiaries and an Associate company, repayment of debt, prepayment penalties (if any), strategic initiatives and acquisitions, brand building exercises and the strengthening of our marketing capabilities.

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, our management may 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 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. 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. Such investments will be approved by the Board or its committee from time to time, in accordance with its investment policies.

Monitoring Utilization of Funds from Issue:

Our Board will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilized. We will indicate investments, if any, of unutilized proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to our listing.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of our Company. Our Company shall be required to inform the Stock Exchanges of any material deviations in the utilisation of Issue proceeds and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee public through advertisement in newspapers. No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Group companies or key management employees, except in the normal course of our business.

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BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of the assessment of market demand for the Equity Shares through the book building process. The face value of the Equity Shares of our Company is Rs. 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] 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:

a) Development of projects through the joint development model
b) An established brand name and reputation for quality
c) Strong execution capabilities
d) Focus on residential projects
e) Experienced management team and a young organisation
f) Eminent board and high standards of corporate governance

For details, please see the sections titled, "Our Business" beginning on page 132, of this Red Herring Prospectus.

Quantitative Factors

The information presented below is based on the Restated Unconsolidated Summary Statements for the Financial Years 2007, 2008 and 2009 and for the nine months ended December 31, 2009 for our Company and the Restated Consolidated Summary Statements for 2009 and for the nine months ended December 31, 2009 for the Company prepared in accordance with Indian GAAP.

Some of the quantitative factors that may for the basis for computing the Issue Price are as follows:

1. Earnings Per Share (EPS) (as adjusted for change in capital)*

As per our Restated Unconsolidated Summary Statements:

Year Ended	Basic EPS (in Rs.)*	Diluted EPS (in Rs.)*	Weight
March 31, 2007	0.77	0.59	1
March 31, 2008	0.17	0.15	2
March 31, 2009	0.43	0.42	3
Weighted Average	0.40	0.36	

The Basic EPS (in Rs.) and the Diluted EPS (in Rs.) for the nine months ended (not annualised) December 31, 2009 was 1.03 and 1.02 respectively.

As per our Restated Consolidated Summary Statements:

Year Ended	Basic EPS (in Rs.)*	Diluted EPS (in Rs.)*	Weight
March 31, 2007	N.A.	N.A	1
March 31, 2008	N.A.	N.A	2
March 31, 2009	0.41	0.40	3
Weighted Average	0.41	0.40	

The Basic EPS (in Rs.) and the Diluted EPS (in Rs.) for the nine months ended (not annualised) December 31 2009 was (0.19) and (0.19) respectively.

**At the extra-ordinary general meeting of the shareholders held on October 9, 2009, the Company has issued 62,804,790 equity shares as bonus shares to the existing shareholders by way of capitalization of securities premium and balance in the profit and* *loss account in ratio of nine equity shares for every one equity share held. In accordance with Accounting Standard -20 "Earnings Per Share", the aforesaid shares have been adjusted for the event of bonus shares in computation of the Earnings per share.*

2. Price/Earning (P/E) ratio in relation to the Price Band

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based Basic EPS as per the Restated Unconsolidated Financial Statements of [●] for FY 2009	**[●]**	**[●]**
Based Basic EPS as per the Restated Consolidated Financial Statements of [●] for FY 2009	**[●]**	**[●]**

(ii) P/E ratio for the Industry is as follows:

Industry P/E	
Highest	152.9
Lowest	1.1
Industry Composite	32.3

Source: "Capital Market" magazine Vol. no. XXV/03 dated April 5-April 18, 2010 (Industry – Construction Sector)

3. Return on Net Worth (RONW)

As per Restated Unconsolidated Financial Statements:

Particulars	RONW %	Weight
Year ended March 31, 2007	7.4	1
Year ended March 31, 2008	0.9	2
Year ended March 31, 2009	5.3	3
Weighted Average	4.2	
Nine Months period ending December 31, 2009 (not annualised)	9.2	

As per Restated Consolidated Financial Statements:

Particulars	RONW %	Weight
Year ended March 31, 2007	N.A.	1
Year ended March 31, 2008	N.A.	2
Year ended March 31, 2009	5.0	3
Weighted Average	5.0	
Nine Months period ending December 31, 2009 (not annualised)	(1.9)	

Note: *the Return on Net worth has been computed by dividing Profit after Tax by Net Worth at the end of the year/period. The weighted average of RONW for these fiscal years have been computed by giving weights of 1, 2 and 3 for fiscal years ending March 31, 2007, 2008 and 2009.*

4. Minimum RONW after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2009:

i. Based on Restated Unconsolidated Financial Statements:
   1. At the Floor Price - [●]%
   2. At the Cap Price - [●]%

ii. Based on Restated Consolidated Financial Statements:
   1. At the Floor Price - [●]%
   2. At the Cap Price - [●]%

5. Net Asset Value per Equity Share of face value of Rs.10 each

(i) Net Asset Value per Equity Share as on March 31, 2009 as per Restated Unconsolidated Financial Statements is Rs. 8.15

(ii) Net Asset Value per Equity Share as on March 31, 2009 as per Restated Consolidated Financial Statements is Rs. 8.12

(iii) After the Issue as per Restated Unconsolidated Financial Statements: [●]

(iv) After the Issue as per Restated Consolidated Financial Statements: [●]

(v) Issue Price: Rs. [●]

Issue Price per Equity Share will be determined on conclusion of book building process.

6. Comparison with Industry Peers

S.No	Name of the company	Face Value (Rs. per Share)	EPS (Rs.)	P/E Ratio	RoNW (%)	NAV (Rs.)	Sales - fiscal 2009 (Rs.mn)
1	Ansal Properties	5	4.3	17.5	4.8	96.2	6,201.00
2	Brigade Enterprises	10	7.2	31.6	8.6	88.6	3,498.00
3	Mahindra Lifespaces	10	10.6	21.4	5.2	217.3	1,654.00
4	Omaxe	10	4.5	-	6.3	74.7	6,998.00
5	Orbit Corporation	10	7.1	13.3	7.6	138.3	2,835.00
6	Parsvanath Developers	10	5.7	19.2	6.1	105.1	7,335.00
7	Peninsula Land	2	5.6	7.6	15.0	37.9	5,417.00
8	Purvankara Projects	5	6.2	17.8	10.7	61.4	4,449.00
9	Sobha Developers	10	11.1	30.0	10.3	169.7	9,747.00
10	Nitesh Estates Limited#	10	0.41	[●]	5.3	8.15	878.02

Source: "Capital Market" magazine Vol. no. XXV/03 dated April 5-April 18, 2010 (Industry – Construction Sector)
 # Based on the Restated Consolidated Financial Statements for the year ended March 31, 2009

7. Debt Equity Ratios of other Indian Real Estate Companies

S.No	Name of the company	Debt / Equity Ratio
1	Ansal Properties	0.92
2	Brigade Enterprises	0.38
3	Mahindra Lifespaces	0.00
4	Omaxe	1.37
5	Orbit Corporation	0.75
6	Parsvanath Developers	0.95
7	Peninsula Land	0.31
8	Purvankara Projects	0.52
9	Sobha Developers	1.73
	Average	0.77

Source: Capitaline Databases (March 2009 Financials)
Based on our audited financial statements, our debt to equity ratios for the financial year 2009 was 1.42 and 2.53, on an unconsolidated and consolidated basis, respectively.

The Issue Price of Rs. [●] has been determined by our Company in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building Process. The BRLMs believe that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with the sections titled "Risk Factors", "Business" and "Financial Statements" beginning on pages 12, 132 and 215 respectively, to have a more informed view. The trading price of the Equity

Shares of our Company could decline due to the factors mentioned in "Risk Factors" on page 43 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

The Board of Directors
Nitesh Estates Limited
7th Floor, Nitesh Timesquare
#8, M.G. Road,
Bangalore – 560001

Dear Sirs,

Statement of Possible Tax Benefits available to Nitesh Estates Limited and its Shareholders

We report that the enclosed statement states the possible tax benefits available to Nitesh Estates Limited ('the Company') and to the shareholders of the Company under the Income Tax Act, 1961 amended by the Finance Act (No 2), 2009 and Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. Further, the statement does not include comments on the disallowances or other such implications, if any that are associated with the benefits specified therein. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

(i) the Company or its shareholders will continue to obtain these benefits in future; or

(ii) the conditions prescribed for availing the benefits have been / would be met with.

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

For S R Batliboi & Associates
Chartered Accountants

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382

Place: Bangalore
Date: March 5, 2010

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill. The following tax benefits may be available to the Company and the prospective Shareholders under Direct Tax laws.

I Benefits available to the Company - Under the Income-tax Act, 1961 ('the Act')

Special Tax Benefits

1. The Company being inter-alia engaged in the business of developing and building housing projects, is eligible to claim deduction under section 80-IB(10) of the Act, in respect of profits from its housing projects. The deduction under the subject section is equivalent to one hundred per cent of the profits derived from developing and building housing projects approved by the prescribed authority before the 31st day of March, 2008, subject to fulfillment of conditions specified in that section.

2. The Company being inter-alia engaged in the business of hotels located in specified areas, is eligible to claim deduction under section 80-ID of the Act for a period of five years from the initial year of commencement of business subject to fulfillment of conditions specified in that section. The deduction under the subject section is equivalent to one-hundred per cent of the profits derived from the hotel business located in the specified area, if such hotel is constructed and has started or starts functioning at any time during the period beginning on April 1, 2007 and ending on March 31, 2010 The Finance Bill 2010 ('the Bill'), introduced in the Parliament of India on February 26, 2010, proposes to extend the time limit for commencement of functioning of hotel or construction of convention centre from 31 March 2010 to 31 July 2010. The provisions of the Bill would become legislation upon passing of the Finance Act, 2010 by the Parliament of India and its notification by the President of India. Also refer Note 2 below.

General Tax benefits

1. Under section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after April 1, 2003 by domestic companies on which dividend distribution tax is payable by such companies) received on the shares of a domestic company is exempt from tax.

2. As per section 10(35) of the Act, any income received from units of a Mutual Fund specified under section 10(23D) of the Act, is exempt from tax.

3. As per section 2(29A) read with section 2(42A) of the Act, shares held in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are treated as long term capital asset if the same are held by the assessee for a period of more than twelve months immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are held for more than twelve months.

4. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax will be exempt in the hands of the Company.

   As per section 115JB, while calculating "book profits", the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay Minimum Alternate Tax @ 15% [18%, as proposed under the Bill; also refer Note 2 below] (plus applicable surcharge and education cess) on such book profits if 15% [18%, as proposed under the Bill; also refer Note 2 below] of "book profits" is higher than tax liability under normal provisions of the Act.

5. The Company being inter-alia engaged in the business of developing and building commercial projects is eligible for deduction of thirty percent of the annual value of the property, (as determined under section 23 of

the Act), with respect to the income from lease rentals that is assessed to tax under the head income from house property, under Chapter IV of the Act. If such income is assessed to tax as 'business income', under the head 'Profits and gains of business or profession', then allowance for depreciation and deduction for actual expenses incurred is available in terms of provisions of sections 29 to 37 of the Act.

6. As per the provisions of section 24(b) of the Act, where the property has been acquired, constructed, repaired, renewed or reconstructed by the Company 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 completion of construction of such property.

7. Under Section 32 of the Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, machinery, plant or furniture and intangible assets such as know-how, patents, copyrights, trademarks, licenses, franchises or other business or commercial rights of similar nature if acquired on or after April 1, 1998, subject to satisfaction of conditions. In terms of sub section (2) of 32 of the Act, the Company is entitled to carry forward and set off the unabsorbed depreciation arising due to absence / insufficiency of profits or gains chargeable for the previous year. The amount is allowed to be carried forward and set off in the succeeding previous years against any income (not restricted to business income) until the amount is exhausted, without any time limit.

8. Under Section 35D of the Act, the Company will be entitled to a deduction equal to one fifth of the expenditure incurred of the nature specified in that section, including expenditure incurred on the present public issue of shares, such as underwriting commission, brokerage and other charges, as specified in the provision, by way of amortization over a period of 5 successive years, subject to the stipulated limits specified in section 35D(3) of the Act. Other business expenses specifically referred to in sections 29 to 37 of the Act incurred by the Company are eligible for deduction in computing the taxable profits and gains of the business of the Company subject to conditions, if any, specified in the respective provisions.

9. Under section 49 of the Act, in cases where an asset held by the Company becomes its property under a scheme of amalgamation, demerger, etc, the cost of acquisition of such shares in the hands of the Company would be deemed to be the cost at which the previous owner of the asset acquired it. Further, on transfer of such asset by the Company, the period of holding of the previous owner would be included in the period of holding of the Company in order to determine the nature of capital gain (ie whether short term or long term).

10. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. It may be noted that investment made on or after April 1, 2007 in a long term specified asset by an assessee during any financial year cannot exceed Rs.50 Lacs. However, such exempt capital gains cannot be reduced from "book profits" of the Company under section 115JB and the Company will be required to pay Minimum Alternate Tax @ 15% [18%, as proposed under the Bill; also refer Note 2 below] (plus applicable surcharge and education cess) on such book profits if 15% [18%, as proposed under the Bill; also refer Note 2 below] of "book profits" is higher than tax liability under normal provisions of the Act.

    However, if the Company transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

    A "long term specified asset" for making investment under this section on or after April 1, 2007 means any bond, redeemable after three years and issued on or after the April 1, 2007 by:

(i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

(ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

11. As per provisions of section 71B of the Act, the company is entitled to carry forward losses arising under the head income from house property, that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Income from house property" in such assessment year.

12. As per provisions of section 72 of the Act, the company is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off.

    However, under section 73 of the Act, where the company is deemed to be carrying out speculation business, the losses incurred on such business would be permitted to be carried forward and set off only against profits and gains of another speculative business, for a period of 4 consecutive assessment years immediately succeeding the assessment year when the losses were first computed. In this regard, a company would be deemed to be carrying out speculation business where any part of the business of the company (other than a company whose gross total income consists mainly of income which is chargeable under the heads 'Interest on securities', 'Income from house property', 'Capital gains' and 'Income from other sources' or a company, the principal business of which is the business of banking or the granting of loans and advances) consists in the purchase and sale of shares of other companies, to the extent to which the business consists of the purchase and sale of such shares.

13. Under Section 74 of the Act, short-term capital loss suffered during the year is allowed to be carried forward and set-off against short-term as well as long-term capital gains of a subsequent year. Such loss is permitted to be carried forward for eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

14. The Company is entitled to deduction under section 80G of the Act in respect of amounts contributed as donations to certain funds, charitable institutions etc. covered under that section, subject to fulfillment of conditions specified therein.

15. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). However, where no securities transaction tax is paid on the sale of equity share or a unit of an equity oriented fund, short term capital gains will be subjected to tax at the normal tax rate applicable to Companies.

16. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is lower. All other long term capital gains (excluding capital gains on sale of depreciable assets) are chargeable at concessional rate of 20% (plus applicable surcharge and education cess).

17. Under section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax ('MAT') paid under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax

credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward to be set off against the difference between normal tax liability and MAT, for a period of up to ten years succeeding the year in which the MAT credit arises.

II Benefits available to resident shareholders of the Company – Under the Act

General benefits available to resident shareholders

1. Under section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act, will be exempt from tax to the extent of Rs 1,500 per minor child.

2. Under Section 10(34) of the Act, any income by way of dividends referred to in Section 115-O of the Act (i.e. dividends declared, distributed or paid on or after April 1, 2003 by domestic companies on which dividend distribution tax is payable by such companies) received on the shares of a domestic company is exempt from income-tax in the hands of the shareholders.

3. As per section 2(29A) read with section 2(42A) of the Act, shares held in a company are treated as long term capital asset if the same are held by the assessee for a period of more than twelve months immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

4. Under Section 10(38) of the Act, long term capital gains arising to the shareholder from transfer of a long term capital asset being an equity share in the company, where such transaction is chargeable to securities transaction tax, shall be exempt from tax. However, in case of a company, such long term capital gains shall be taken into account in computing tax payable under section 115JB of the Act.

5. Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of the taxable securities transactions entered into in the course of his business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profit and gains of business or profession". However, no deduction in respect of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.

6. Under section 48 of the Act, if the Company's shares are sold after being held for not less than twelve months, the gains (in case not covered under section 10(38) of the Act), if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition/ improvement. The indexed cost of acquisition/ improvement means an amount which bears to the cost of acquisition/ improvement the same proportion as cost inflation index for the year in which the asset is transferred, bears to the cost inflation index for the first year in which the asset was held/ for the year in which the improvement to the asset took place.

7. Under section 49 of the Act, in cases where the shares in the Company becomes the property of a shareholder under a scheme of amalgamation, demerger, etc, the cost of acquisition of such shares in the hands of the shareholder would be deemed to be the cost at which the previous owner of the shares acquired it. Further, on transfer of such shares by the shareholder, the period of holding of the previous owner would be included in the period of holding of the shareholder in order to determine the nature of capital gain (ie whether short term or long term).

8. Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets such as shares of the Company (other than those exempt u/s 10(38) of the Act) shall be exempt from tax, subject to the conditions and to the extent specified therein, if such capital gains are invested within a period of six months from the date of transfer in a "long term specified asset", specified in the section. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs 50 Lacs.

However, if the shareholder transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" means any bond, redeemable after three years and issued on or after the April 1 2007:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

9. Under Section 54F of the Act, where in the case of an individual or HUF capital gains arise from transfer of long term assets (other than a residential house and those exempt u/s 10(38) of the Act) such as shares of the Company, then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

Such benefit will not be available:

(a) If the individual or Hindu Undivided Family-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

- purchases another residential house other than the new house, within a period of one year after the date of transfer of the shares; or

- constructs another residential house within a period of three years after the date of transfer of the shares; and

(b) the income from such residential house, other than the one residential house owned on the date of transfer of the shares of the Company, is chargeable under the head "Income from house property".

If another residential house is purchased within the period of two years after the date of the transfer of the shares in the Company, or constructed within the period of three years after such date and the income from the new house is chargeable under the head "Income from house property", the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" relating to long term capital assets of the year in which the new residential house is purchased or constructed.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" relating to long term capital assets of the year in which the new residential house is transferred.

10. Under section 72 of the Act, the shareholder is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off.

However, under section 73 of the Act, where the company is deemed to be carrying out speculation business, the losses incurred on such business would be permitted to be carried forward and set off only against profits and gains of another speculative business, for a period of 4 consecutive assessment years immediately succeeding the assessment year when the losses were first computed. In this regard, a company would be deemed to be carrying out speculation business where any part of the business of the company (other than a company whose gross total income consists mainly of income which is chargeable under the heads 'Interest on securities', 'Income from house property', 'Capital gains' and 'Income from other sources' or a company, the principal business of which is the business of banking or the granting of loans and advances) consists in the purchase and sale of shares of other companies, to the extent to which the business consists of the purchase and sale of such shares.

11. Under Section 74 of the Act, short-term capital loss suffered during the year is allowed to be carried forward and set-off against short-term as well as long-term capital gains of a subsequent year. Such loss is permitted to be carried forward for eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

12. Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to securities transaction tax will be taxable under the Act at the rate of 15% (plus surcharge, if applicable and educational cess). However, if the total income as reduced by such short-term capital gains of an individual or a HUF, is below the maximum amount which is not chargeable to income-tax, then, such gains will be reduced by the amount by which the total income falls short of the maximum amount which is not chargeable to income-tax and the balance amount will be subject to tax at the rate of fifteen percent.

    However, where no securities transaction tax is paid on the sale of equity share or a unit of an equity oriented fund, short term capital gains will be subjected to tax at the normal tax rate applicable to the transferee of shares.

13. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains (not covered under Section 10(38) of the Act) arising on transfer of shares in a listed company, held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus surcharge, if applicable and educational cess) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) without indexation, whichever is lower.

    However, if the total income as reduced by such long term capital gains of an individual or a HUF, is below the maximum amount which is not chargeable to income-tax, then, such gains will be reduced by the amount by which the total income falls short of the maximum amount which is not chargeable to income-tax and the balance amount will be subject to tax at the rate of twenty/ ten percent, as applicable.

III. Benefits available to Non-Resident Indians/Non-Resident Shareholders (Other than Foreign Institutional Investors) – Under the Act

General Tax Benefits

1. Under section 10(34) of the Act, any income earned by way of dividends referred to in Section 115-O of the Act (i.e. dividends declared, distributed or paid on or after 1 April 2003 by domestic companies on which dividend distribution tax is payable by such companies), is exempt from tax in the hands of the shareholders.

2. Under section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for a period of more than twelve months immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

3. Under section 10(38) of the Act, long term capital gains arising to the shareholder from transfer of a long term capital asset being an equity share in the company where such transaction is chargeable to securities transaction tax, shall be exempt from tax. However, in case of a company, such long term capital gains shall be taken into account in computing tax payable under section 115JB of the Act.

4. Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of the taxable securities transactions entered into in the course of his business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profit and gains of business or profession". However, no deduction in respect of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.

5. Section 48 of the Act contains special provisions in relation to computation of long term capital gain on transfer of an Indian company's shares by non-residents. Under the first proviso to section 48 of the Act, in the case of a non resident shareholder, the capital gains/ loss arising from transfer of shares of the Company, acquired in convertible foreign exchange is to be 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 initially utilized in the purchase of shares. The capital gain computed in the original foreign currency is then re-converted into Indian rupees at the prevailing/ prescribed rate of exchange. However, indexation benefit cannot be availed by non residents in computing the capital gains as prescribed above.

6. Under section 49 of the Act, in cases where the shares in the company becomes the property of a shareholder under a scheme of amalgamation, demerger, etc, the cost of acquisition of such shares in the hands of the shareholder would be deemed to be the cost at which the previous owner of the shares acquired it. Further, on transfer of such shares by the shareholder, the period of holding of the previous owner would be included in the period of holding of the shareholder in order to determine the nature of capital gain (ie whether short term or long term).

7. Under section 54EC of the Act , capital gains arising from the transfer of long term capital assets (other than those exempt u/s 10(38) of the Act) shall be exempt from tax, subject to the conditions and to the extent specified therein, if such capital gains are invested within a period of six months from the date of transfer in a "long term specified asset", specified in the section. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

   However, if the shareholder transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

   A "long term specified asset" for making investment under this section on or after April 1, 2007 means any bond, redeemable after three years and issued on or after April 1, 2007 by:

   (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

   (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

8. Under Section 54F of the Act, where in the case of an individual or HUF capital gains arise from the transfer of long term assets (other than a residential house and those exempt u/s 10(38) of the Act) such as shares of the Company, then such capital gains, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

Such benefit will not be available:

(a) if the individual or Hindu Undivided Family-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house other than the new house, within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and

(b) the income from such residential house, other than the one residential house owned on the date of transfer of shares of the Company,, is chargeable under the head “Income from house property”.

If another residential house is purchased within the period of two years after the date of the transfer of the shares in the Company, or constructed within the period of three years after such date and the income from the new house is chargeable under the head “Income from house property”, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “Capital Gains” relating to long term capital assets of the year in which the new residential house is purchased or constructed.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “Capital Gains” relating to long term capital assets of the year in which the new residential house is transferred.

9. Under section 72 of the Act, the shareholder is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head “Profits and gains from business or profession” in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off.

   However, under section 73 of the Act, where the company is deemed to be carrying out speculation business, the losses incurred on such business would be permitted to be carried forward and set off only against profits and gains of another speculative business, for a period of 4 consecutive assessment years immediately succeeding the assessment year when the losses were first computed. In this regard, a company would be deemed to be carrying out speculation business where any part of the business of the company (other than a company whose gross total income consists mainly of income which is chargeable under the heads ‘Interest on securities’, ‘Income from house property’, ‘Capital gains’ and ‘Income from other sources’ or a company, the principal business of which is the business of banking or the granting of loans and advances) consists in the purchase and sale of shares of other companies, to the extent to which the business consists of the purchase and sale of such shares.

10. Under Section 74 of the Act, short-term capital loss suffered during the year is allowed to be carried forward and set-off against short-term as well as long-term capital gains of a subsequent year. Such loss is permitted to be carried forward for eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.

11. Under section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to securities transaction tax will be taxable under the Act at the rate of 15% (plus surcharge, if applicable and educational cess). However, where no securities transaction tax is paid on the sale of equity share or a unit of an equity oriented fund, short term capital gains will be subjected to tax at the normal tax rate applicable to the transferee of shares.

12. Under section 112 of the Act and other relevant provisions of the Act, long term capital gains (not covered under Section 10(38) of the Act) arising on transfer of shares in a company, if such shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus surcharge, if applicable and educational cess). However, in case of listed securities or units, the amount of such tax could be limited to 10% (plus surcharge, if applicable and cess), without indexation benefit, at the option of the shareholder, in cases where securities transaction tax is not levied.

13. Taxation of Income from investment and long term capital gains (other than those exempt u/s 10(38) of the Act)

    — A non-resident Indian, i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the special provisions contained in Chapter XIIA of the Act, i.e. "Special Provisions Relating to certain incomes of Non-Residents".

    — Under section 115E of the Act, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident Indian on transfer of shares held for a period exceeding 12 months shall (in cases not covered under Section 10(38) of the Act) be concessionally taxed at a flat rate of 10% (plus applicable educational cess) without indexation benefit, but with protection against foreign exchange fluctuation under the first proviso to Section 48 of the Act.

    — Under section 115F of the Act, long term capital gains (not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax if the entire net consideration is reinvested in specified new assets 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 new assets are transferred or converted into money within three years from the date of their acquisition.

    — Under section 115-G of the Act, non-resident Indians are not obliged to furnish a return of income if their only source of income is income from specified investments or long term capital gains or both arising out of specified investments acquired, purchased or subscribed in convertible foreign exchange, provided tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Act.

    — Under section 115-H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from specified investments for that year and subsequent assessment years until such investments are transferred or converted into money.

    — Under section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.

14. Under section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the Act or the applicable tax treaty, whichever is more beneficial.

IV Benefits available to Foreign Institutional Investors (FIIs) – Under the Act

1. Under section 10(34) of the Act, any income earned by way of dividends referred to in Section 115-O of the Act (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the domestic companies on which dividend distribution tax is payable by such companies), are exempt from tax in the hands of the institutional investor.

2. Under section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

3. Under section 10(38) of the Act, long term capital gains arising to the shareholder from transfer of a long term capital asset being an equity share in the company where such transaction is chargeable to securities transaction tax, shall be exempt from tax.

4. Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of the taxable securities transactions entered into in the course of his business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profit and gains of business or profession". However, no deduction in respect of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.

5. Under section 54EC of the Act, capital gains arising from the transfer of long term capital assets (other than those exempt u/s 10(38) of the Act) shall be exempt from tax, subject to the conditions and to the extent specified therein, if such capital gains are invested within a period of six months from the date of transfer in a "long term specified asset", specified in the section. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

   However, if the investor transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

   A "long term specified asset" for making investment under this section on or after April 1, 2007 means any bond, redeemable after three years and issued on or after April 1, 2007 by:

   (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

   (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

6. Under section 72 of the Act, the investor is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off.

   However, under section 73 of the Act, where the shareholder being a company is deemed to be carrying out speculation business, the losses incurred on such business would be permitted to be carried forward and set off only against profits and gains of another speculative business, for a period of 4 consecutive assessment years immediately succeeding the assessment year when the losses were first computed. In this regard, a company would be deemed to be carrying out speculation business where any part of the business of the company (other than a company whose gross total income consists mainly of income which is chargeable under the heads 'Interest on securities', 'Income from house property', 'Capital gains' and 'Income from other sources' or a company, the principal business of which is the business of banking or the granting of loans and advances) consists in the purchase and sale of shares of other companies, to the extent to which the business consists of the purchase and sale of such shares.

7. Under Section 74 of the Act, short-term capital loss suffered during the year is allowed to be carried forward and set-off against short-term as well as long-term capital gains of a subsequent year. Such loss is permitted to be carried forward for eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

8. Under section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to securities transaction tax will be taxable under the Act at the rate of 15% (plus applicable surcharge and educational cess).

9. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provision of section 10(38) of the Act, at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than those referred to in section 111A)	30

The above tax rates have to be increased by the applicable surcharge and education cess.

In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the indexation benefit on the cost of acquisition and without considering foreign exchange fluctuation protection benefit available under first and second provisos to section 48.

10. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

11. Under section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the Act or the applicable tax treaty, whichever is more beneficial.

V Benefits available to Mutual Funds – Under the Act

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

VI Benefits to shareholders of the Company under the Wealth Tax Act, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, shares are not liable to wealth tax.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act (No 2), 2009, and in so far as the tax benefits pertaining to the Company is concerned, based on the present business/ activities undertaken by the Company.

2. The Finance Bill 2010 was introduced in the Parliament of India on February 26, 2010. Relevant proposals of the Bill that may have an impact on the above statement have been highlighted at appropriate places, which could change before the Bill is enacted as a law. The provisions of the Bill would become legislation upon passing of the Finance Act, 2010 by the Parliament of India and its notification by the President of India.

3. The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences.

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

5. 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 Agreements, if any, between India and the country in which the non-resident has fiscal domicile.

This statement is intended only to provide general information to the investors. It is not intended to be exhaustive and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences of his/ her participation in the issue.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from government publications and industry sources, including reports that have been prepared by CRISIL Limited (CRISIL). Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein are as of a particular date and has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.

CRISIL has used due care and caution in preparing this report. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of this report may be published/reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in this report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

Overview 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 the CIA World Factbook, India's estimated population was 1.17 billion people as of July 2009. India had a GDP on a purchasing power parity basis estimated at approximately U.S.$ 3,304.00 billion in 2008. This makes it the fourth largest economy in the world after the United States of America, China and Japan *(Source: CIA World Factbook)* India has experienced rapid economic growth, with GDP growing at an average growth rate of 8.6% between the financial year 2003 and the financial year 2009. (*Source: Reserve Bank of India, Handbook of Statistics on Indian Economy, Table 233*)

FDI has been a key driver of economic growth in India. The Government of India has taken a number of steps to encourage and facilitate FDI. FDI is now permitted in almost every sector of the economy, including manufacturing, services and infrastructure. For many sub-sectors, 100.0% FDI is permitted through the "automatic route", under which no prior Foreign Investment Promotion Board ("FIPB") approval is required. FDI inflows into India have accelerated since the financial year 2007 due to regulatory reforms in the real estate sector, better infrastructure and a more vibrant financial sector. Total net inward foreign direct investment in India during the period between March and September 2009 was estimated to be approximately U.S.$ 21.0 billion. (*Source: Reserve Bank of India, Macroeconomic and Monetary Developments: Third Quarter Review 2009-10*)

While capital inflows, as a percentage of GDP, showed considerably growth during the financial years 2004 to 2008, a sharp decline was witnessed in the financial year 2009. Capital inflows reached a high of 9.3% of GDP in the financial year 2008 compared to modest growth of 3.1% in the financial year 2006. This led to an increase in foreign exchange reserves, from U.S.$ 151.6 billion in March 2006 to U.S.$ 309.7 billion in March 2008, and contributed to monetary expansion and liquidity growth. With the onset of the economic crisis, India's foreign exchange reserves fell to U.S.$ 252.0 billion in March 2009. However, for the period between April 1, 2009 and January 15, 2010, India's foreign exchange reserves have increased by U.S.$ 33.2 billion to U.S.$ 285.2 billion. India's capital account balance declined significantly from U.S.$ 106.6 billion, in the financial year 2008 to U.S.$ 16.09 billion, or 1.8 % of GDP, in the financial year 2009. As of September 30, 2009, India's capital account balance is estimated to be approximately U.S.$ 23.6 billion. (*Source: Reserve Bank of India, Macroeconomic and Monetary Developments: Third Quarter Review 2009-10)*

Countries	2007 (estimated)	2008 (estimated)	2009 (estimated)
Australia	4.0	2.4	0.8
Brazil	6.1	5.1	0.1
China	13.0	9.7	8.0
India	9.0	7.4	6.5
Japan	2.3	-0.7	-5.7
Malaysia	6.2	4.6	-2.8
Russia	8.1	5.6	-7.9
South Korea	5.1	2.2	-0.8
Thailand	4.9	2.6	-2.8
UK	2.6	0.7	-4.3
USA	2.1	0.4	-2.4

(Source: CIA World Factbook website)

Impact of the Global Financial Crisis

Economic activity in the high-income as well as developing countries fell abruptly in the second half of calendar year 2008 and in the first quarter of calendar year 2009. The financial crisis resulted in a broad liquidation of investments, substantial loss in wealth worldwide, a tightening of credit conditions and a widespread increase in economic uncertainty. During the global financial crisis, domestic growth in India remained subdued and decreased in the second half of the financial year 2009. In the financial year 2009, GDP grew at 6.7%, which was lower than the average GDP growth of 8.6% over the past five financial years. (*Source: Reserve Bank of India, Macroeconomic and Monetary Developments: First Quarter Review 2009-10*). It is estimated that real GDP growth will range from 5.1% to 7.2% for the financial year 2010. (*Source: Reserve Bank of India, Macroeconomic and Monetary Developments: Second Quarter Review 2009-10*) During the global financial crisis, there was also extreme volatility in stock prices, exchange rates and inflation levels.

According to the RBI, India’s structural growth opportunities continue to remain strong, given the high domestic savings rate, sound financial system and macroeconomic policy environment. Domestic deceleration in demand and persistent uncertainty in the global conditions, however, remain the major impediment to a quicker economic recovery. The RBI predicted that a strengthening of consumer and investor confidence in India would be necessary in order to sustain growth over the long term. (*Source: Reserve Bank of India, Macroeconomic and Monetary Developments: First Quarter Review 2009-10*)

To mitigate the impact of the global financial crisis on the Indian economy, the Government has provided tax relief, which may boost demand, and increased public spending. As a result, India’s fiscal deficit increased to 6.2% of GDP for the financial year 2009 from 2.7% of GDP for the financial year 2008. (*Source: Economic Survey 2008-2009, Ministry of Finance, Government of India*) Despite the slowdown in growth, investment in India continued to grow at a rate higher than the rate of the GDP. The ratio of fixed investment to GDP increased to 32.2% for the financial year 2009 from 31.6% for the financial year 2008. (*Source: Economic Survey 2008-2009, Ministry of Finance, Government of India*)

Real Estate Sector in India

The real estate sector in India comprises the development of residential housing, commercial buildings, hotels, restaurants, cinemas, retail outlets and the purchase and sale of land and development rights. The real estate and construction sectors play an important role in the overall development of India’s core infrastructure. The real estate sector in India has evolved over the years, accompanied by various regulatory reforms. In the past, factors such as the absence of a centralised title registry providing title guarantee, lack of uniformity in local laws affecting real estate and their application, the unavailability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values led to inefficiencies in the sector. However, in recent years, the real estate sector in India has exhibited a trend towards greater efficiency and transparency due to the various laws and regulations that have been implemented to govern the sector. This trend has contributed to the development of more reliable indicators of value and has triggered investment in the real estate sector by domestic and international financial institutions. These developments and factors such as higher disposable income, an increase in globalization and the introduction of new real estate products and services have also led to a rise in consumer expectations.

The following table shows the foreign direct investment (FDI) attracted by the various sectors of the Indian economy:

Sector	**Financial Year 2008(Rs. in millions)**	**Financial Year 2009 (Rs. in millions)**	**Change (in %) in Financial Year 2009**
Services	265,893.0	284,107.0	6.9
Housing and real estate	87,493.0	126,212.0	44.3
Telecommunications	51,026.0	117,269.0	129.8
Construction	69,893.0	87,919.0	25.8
Computer software & hardware	56,233.0	73,285.0	30.3
Automobiles	26,970.0	52,117.0	93.2
Power	38,775.0	43,818.0	13.0
Metallurgical industries	46,860.0	41,567.0	(11.3)
Information and broadcasting	12,903.0	34,924.0	170.7
Chemicals (except fertilisers)	9,176.0	34,271.0	273.5
Grand total of all FDI equity flows	**98,664.0**	**122,919.0**	**24.6**

Source: Economic Survey 2008-2009, Ministry of Finance, Government of India

Foreign investment in the housing and real estate sector was second only to the services sector in the financial years 2008 and 2009.

The growth in the Indian economy has stimulated demand for land and developed real estate. Although weakened by the global financial crisis, demand for residential, commercial and retail real estate has been increasing throughout India in recent years, accompanied by increased demand for hotel accommodation and improved infrastructure.

Key Characteristics of the Real Estate Sector in India

The Indian real estate sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise and/or financial resources. Historically, the sector has not benefited from institutional capital and has instead utilised high net-worth individuals and other informal sources of financing as its major sources of funding, leading to low levels of transparency. This has changed with the recent growth in the sector and reflects consumer's expectations of increased quality as India becomes more closely integrated with the global economy. Some of the key characteristics of the Indian real estate sector are:

- **Highly Fragmented Market Dominated by Regional Players**: Rapid growth in the last decade has contributed towards the emergence of larger regional players that have differentiated themselves through superior execution and branding. These players have been able to capitalise on their early mover advantage with high market shares, though generally they remain confined to local or regional markets. While the larger regional players are now initiating efforts to develop a broader geographic presence, their home markets continue to generate a majority of their profitability.

- **Local Knowledge is Critical to Successful Development**: The property sector is generally regulated at the state level. As a result, the rules and regulations that impact, among other things, approval processes and transaction costs, vary from state to state. Also, real estate is dramatically affected by the condition of the geographic area surrounding the property, which makes local knowledge essential for development.

- **High Transaction Costs**: The real estate sector has traditionally been burdened with high transaction costs as a result of stamp duty payable on transfers of title to property, the amount of which varies from state to state. Although the range and availability of financing products has been improving in recent years, transaction costs are often increased further by limited access to formal funding and the corresponding dependence on informal, high-cost sources for funding.

- **Enhanced Role of Mortgage Financing**: Over the past few years, a significant portion of new real estate purchases in India, particularly in the larger cities, have been financed through banks and financial institutions. This has been aided by a decline in interest rates and the broader availability of financing products, generally due to aggressive marketing and product development by financial institutions.

- **Lack of Clarity in Land Title**: A significant number of land plots in India do not have clear title because of disorganised land registries, a problem which is compounded by judicial delays in resolving ownership issues. Moreover, the transfer of land is subject to "caveat emptor" rules, which place the burden on the buyer to insure there are no defects in title prior to purchase. Finally, most land is held by individuals and families, which further obscures title to land.

Reforms in the Real Estate Sector

In recent years the real estate sector in India has exhibited a trend towards greater organisation transparency by various regulatory reforms including:

- The increased availability of financing from banks and other financial institutions;

- FDI being permitted in real estate sector, subject to certain conditions. The new FDI rules mainly relate to the minimum area required to be developed by such projects, minimum amounts to be invested and time limits within which such a project must be completed. For detailed information on key regulations, see the section entitled "Regulations and Policies" on page 160;

- The support of the Government of India for the repeal of the Urban Land (Ceiling and Regulation) Act, 1976, with nine state governments having already repealed the Act;

- Modifications to the Rent Control Act to provide greater protection to homeowners who wish to rent out their properties;

- The rationalisation of stamp duty on certain instruments in a number of states; and

- The proposed computerisation of land records.

Real Estate Market in Bengaluru

Residential Sector in Bengaluru

Traditionally, residents of Bengaluru have resided in bungalows or independent houses, with some pockets of the city still having independent houses. However, with increasing immigration, a growing number of nuclear families and an increase in disposable incomes, demand has shifted from bungalows and independent houses to apartments. Additionally, recently rising residential prices had led to a growth in demand for affordable housing, such as relatively smaller-sized apartments. (*Source: CRISIL Research, City Reality –Bengaluru, Outlook: 2009-2011* hereinafter "*CRISIL Bengaluru*")

Real estate prices were at all-time highs in the first half of 2008 across most cities in India. However, since then, prices have fallen as rising interest rates resulted in lower affordability of housing across all sections of society. The slowdown in the economy resulted in a further fall in real estates prices during this period. (*Source: CRISIL Bengaluru*) Although prices fell by 2.0% to 3.0% between March and November 2009, CRISIL believes that investor confidence, rising affordability and an improvement in the business environment will all play a role in a minor recovery. Consequently, CRISIL expects residential capital values to increase between 5.0% - 10% from November 2009 to March 2011. (*Source: CRISIL Research, City Reality Update – Bengaluru, December 2009* hereinafter "*CRISIL Bengaluru Update*")

At present, the residential real estate market in Bengaluru is primarily driven by the demand of end users, who account for approximately 95.0% of the total housing demand, while demand driven by investment makes up the balance. Among end users, salaried workers account for 80.0% to 85.0% of the demand. A major component of investment demand is from NRIs. The demand from NRIs has been fuelled by the increased possibility of relocation to India on account of greater economic opportunities in India as compared to foreign countries which faced a greater impact of the global economic slowdown. It is expected that from 2009 onwards, Bengaluru's residential market will continue to be fuelled by end users such as the salaried class and investors. It is also expected that a significant proportion of the potential demand will be from households with annual income between Rs. 320,000 to Rs. 380,000 and at least 41.2% of the potential demand from 2009 to 2011 will be from households with annual income between Rs. 320,000 and Rs. 500,000. (*Source: CRISIL Bengaluru and CRISIL Bengaluru Update*)

The development of the IT/ITeS sector in and around the city's eastern quadrant, has led to areas such as Whitefield growing rapidly during the last few years. The presence of Electronic City has transformed areas like Bannerghata, Kanakpura and Marathalli into prominent residential areas. The total planned supply of residential housing in these areas is expected to be in account for at least 50.0% of the total supply of residential real estate to be developed in Bengaluru. Also, following the announcement of the new international airport at Devanahalli, the development of areas in and around Hebbal has been gaining momentum in the last two to three years. (*Source: CRISIL Bengaluru*)

Commercial Real Estate Sector in Bengaluru

Commercial real estate in Bengaluru is spread throughout the city. Commercial real estate demand in Bengaluru continues to be driven primarily by the IT/ITeS sector. Bengaluru is also a hub for manufacturing and aviation companies. Major IT/ITeS companies are concentrated in the eastern and southern quadrants like Whitefield and Electronic City. Nearly all the major banks and other major financial services have their offices in and around the central part of the city, in areas such as M.G. Road. Peenya Industrial Estate, in the city's western quadrant, has many small and medium scale industries. Of late, demand from the IT/ITeS sector has been shifting to areas in and around Hebbal due to its proximity to the new international airport at Devanahalli. (*Source: CRISIL Bengaluru*)

On account of the slowdown, developers in Bengaluru are deferring completion dates for projects under development and the expected actual supply of commercial office space is 22.8 million square feet for the period from 2009 to 2011. (*Source: CRISIL Bengaluru Update*) For the same period, the demand for commercial office is expected to be 7.5 million square feet. The weak job market and the slowdown in the economy have resulted in a fall in lease rentals. The fall in prices, however, has not been uniformly spread across different parts of the city. While the decline in lease rentals in areas in and around Electronic City, Whitefield, Bannerghata and Marathalli is expected to be steeper due to the slowdown in the IT/ITeS sector, the decline in areas on and around M.G. Road is expected to be moderate due to the scarcity of land and lower planned supply of commercial real estate for each area, respectively, during the period from 2009 to 2010. A recovery in the value of lease rentals in Hebbal is expected to be swifter on account of its proximity to the new international airport, an announcement of major infrastructure initiatives in the surrounding area and Hebbal being a preferred location for IT/ITeS companies. (*Source: CRISIL Bengaluru*)

Retail Sector in Bengaluru

At present, many retail formats such as departmental stores, hypermarkets, malls and standalone stores are prevalent in the city. High disposable incomes and an increasingly cosmopolitan population have been the key demand drivers of the growth in organised retail in this city. The penetration of organised retail is likely to increase from 35.6% in the financial year 2008 to 42.0% by the financial year 2012. (*Source: CRISIL Bengaluru*)

Up to 2007, the supply of organised retail real estate in Bengaluru was mainly concentrated on and around M.G. Road. Lack of quality retail real estate and well-managed malls in other areas of Bengaluru led to a significant increase in the lease rental prices in malls on and around M.G. Road. Thus, by 2007, lease rentals paid by major retailers accounted, on average, for more than 12.0% of their operating income. In response to growing demand in the retail real estate market, developers in Bengaluru announced malls in newer residential and commercial areas like Whitefield and Hebbal. In 2008 alone, 0.7 million square feet of retail space was developed in such areas. Due to the relatively large supply of retail space being constructed in 2008, many projects were deferred to 2009. Until the beginning of 2008, the growth of organised retail in Bengaluru exceeded that in other southern cities like Hyderabad and Chennai.

However, growth in the year 2008 has slowed down considerably as a result of the general economic slowdown. (*Source: CRISIL Bengaluru*)

It is expected that the retail real estate sector in Bengaluru will continue to experience a slowdown in 2010. Many development plans have been deferred to avoid a launch in a weak market. The upcoming mall space in Bengaluru, for the financial years 2009 to 2011, is 4.3 million square feet, which is more than the existing mall space of 4.1 million square feet. (*Source: CRISIL Bengaluru Update*) In 2009, 0.9 million square feet of mall space was constructed. (*Source: CRISIL Bengaluru Update*) It is expected that lease rentals will show moderate decline in various regions of Bengaluru in 2010. (*Source: CRISIL Bengaluru*)

Hospitality Sector in Bengaluru

The room inventory in Bengaluru is skewed towards mid-market hotels. Three-star hotels constitute 48.0% of the room inventory in the city, while four-star hotels and premium hotels account for 16.0% and 36.0% respectively. Currently, most of the premium segment hotel rooms are concentrated in and around the central business district. (*Source: CRISIL Research, Hotels – Annual Review, December 2008*, hereinafter *"CRISIL Hotels"*)

Bengaluru is referred to as the 'Silicon Valley of India' owing to the presence of a large number of IT/ITeS companies in and around the city. Other sectors such as heavy engineering, aviation, banks and other financial services, especially in the central business district, also contribute to the demand for hotel rooms. Foreign business travellers account for 71.0% - 76.0% of the total customer-base of hotels in Bengaluru.

Many hotels in Bengaluru rely on IT/ITeS sector related travel and a change in the sector's travel expenditure impacts the performance of several hotels in the city. A number of hotels are expected to be constructed in areas such as Hebbal and Whitefield. Hotels in the peripheral areas of Whitefield are expected to register lower average room rates and occupancy rates as compared to their counterparts in the city centre. The lack of adequate social infrastructure in some of these areas will drive travellers to stay in hotels in the city centre. It may take at least two years for newly developed hotels in Whitefield, Yeshwanthpur and Hebbal to increase their occupancy rates to match the levels enjoyed by the hotels in the central areas of the city. (*Source: CRISIL Hotels*)

It is expected that average room rates will decline further by 10.0% in the financial year 2009, while occupancy rates will fall to 65.0% in the corresponding period. Average room rates in the financial years 2010 and 2011 are likely to see a 25.0% and 22.0% reduction, respectively, and occupancy rates are likely to fall to 50.0% and 44.0%, respectively. Room demand is expected to decline by 18.0% in the financial year 2010, as compared to the previous year, on account of an expected slowdown in business travel. A revival in room demand is expected in the financial year 2011. (*Source: CRISIL Hotels*)

Real Estate Market in Chennai

Residential Sector in Chennai

Between 2003 and the first half of 2008, the IT/ITeS sector witnessed high growth in Chennai, leading to a rise in disposable income. This resulted in a change in preferences of Chennai's residents, leading to a growing demand for luxury homes during the period. This, in turn, led to the emergence of integrated townships in the city. The growth in demand for residential real estate encouraged both existing and new developers to expand their residential offerings in an effort to take advantage of the growing residential market. The residential housing sector in Chennai also witnessed a shift from bungalows and independent houses to multi-storied apartments due to the lack of space and a rise in demand for such housing. (*Source: CRISIL Research, City Reality –Chennai, Outlook: 2009-2011* hereinafter "*CRISIL Chennai*")

The real estate sector in Chennai expanded between 2005 and the first half of 2008, largely driven by demand from the IT/ITeS sector, and consequently developers in Chennai had a large number of projects planned or under development in 2008. However, the residential real estate market in Chennai is expected to witness a decline in 2009 as a result of the significant gap between supply and demand. The total planned supply expected in Chennai between 2009 and 2011 is around 81.1 million square feet. However, a number of these projects are being reduced to smaller-sized apartments or are being delayed as the demand for houses has reduced significantly since the first half of 2008, owing to the economic slowdown. Therefore, it is likely that over the next three years, of the expected 47.9 million square feet of actual supply, only 30.1 million square feet may be purchased. (*Source: CRISIL Research, City Reality Update –Chennai December 2009* hereinafter "*CRISIL Chennai Update*") Consequently, it is expected that residential prices in Chennai will decline further in 2009. The fall in residential prices is expected to be sharpest in the areas in and around Rajiv Gandhi Salai and GST Road, as more than 50.0% of the upcoming supply is planned to come up in these areas. While prices in these areas are expected to fall by around 25.0%, central Chennai will register a more moderate decline, owing to the minimal expected supply of additional residential housing in the region. (*Source*: *CRISIL Chennai*) In 2010, residential real estate prices are likely to stabilise and for residential prices in certain areas to increase moderately. (*Source*: *CRISIL Chennai Update*).

Commercial Sector in Chennai

Chennai has grown from being a manufacturing hub to also being a destination for companies in the IT/ITeS, banking and financial services sectors. Consequently, the market for office space grew significantly between 2003 and the first half of 2008, primarily driven by the growth in the IT/ITeS sector and the automobile manufacturing sector. The IT/ITeS sector constitutes nearly 70.0% of the total office space demand. In the recent past, several IT parks have been developed in Rajiv Gandhi Salai and GST Road. More IT parks and SEZs are planned in these areas and around Sriperumbudur. Major global players in the automobile and electronic sectors have continued to set up their manufacturing facilities and offices in Chennai. (*Source*: *CRISIL Chennai*)

The total planned supply of commercial space in Chennai between 2009 and 2011 is expected to be around 60.5 million square feet. However, as demand for commercial space in Chennai is dominated by the IT/ITeS sector, the slowdown in this sector will continue to impact demand for commercial real estate in the city in 2009 and 2010. As a result of the fall in demand, most of the commercial projects planned by the developers are either being reduced in size, deferred or cancelled. Over the next three years, it is expected that office space of around 14.8 million square feet will be developed in Chennai, as against an estimated demand of 6.3 million square feet. Given the oversupply in the market and the lack of demand, lease rentals may fall in 2009 and 2010. (*Source*: *CRISIL Chennai Update*)

Retail Sector in Chennai

Chennai's retail sector is mainly characterised by high street retail, though organised retail is also expanding. The main high street retail areas are spread along T. Nagar, Khadar Nawaz Khan Road, Puraswakkam, Annanagar and Besant Nagar. There are currently only three malls in Chennai. More than ten new malls are planned along the key growth stretches of Rajiv Gandhi Salai, Velachery and GST Road. CRISIL expects that a total of 4.7 million square feet of retail space will be added between 2009 and 2011, most of which is expected along GST Road and Rajiv Gandhi Salai. (*Source*: *CRISIL Chennai Update*) While lease rentals in central business district is expected to fall by 8.0% - 10.0% over the next two years, the fall in other locations are expected to be at an average of 10.0% - 15.0%. (*Source*: *CRISIL Chennai*)

Hospitality Sector in Chennai

The room inventory in Chennai consists mainly of mid-market hotels. Three-star hotels account for approximately 45.0% of hotel rooms in the city, while four-star hotels and premium hotels account for 27.0% and 28.0%, respectively. Currently, most of the premium segment hotel rooms are concentrated around Anna Salai, Nungambakkam and T. Nagar. (*Source: CRISIL Hotels*)

Areas around Old Mahabalipuram Road are expected to witness increases in the number of hotel rooms to service the growing demands of nearby IT/ITeS companies. Sectors such as banking and telecom are also expected to contribute to the demand for hotel rooms. Slowing business demand has, however, impacted occupancy rates in hotels in Chennai. Average room rates are estimated to decline by 3.0% to Rs. 7,289 in the financial year 2009 as compared to the previous year. Average room rates are likely to fall by a further 22.0% and 17.0% in the financial years 2010 and 2011, respectively. Room availability is expected increase at a compounded annual growth rate of 7.0% from the financial year 2008 to the financial year 2011, while room demand is likely to fall by 12.0% in the financial year 2009 and fall by a further 18.0% in the financial year 2010. Thus, occupancy rates are expected to fall to 63.0% and 48.0%, during each period respectively. Room additions are expected in the financial year 2011 and this will partially offset the expected increase in room demand in that period, keeping occupancy rates unchanged at 48.0%. (*Source: CRISIL Hotels*)

Real Estate Market in Kochi

Kochi's real estate market has been predominantly driven by investors, mainly Non Resident Keralites ("NRKs") from the Middle East. Heavy real estate investment by NRKs has led to an expansion of real estate activities in the city over the last few years. The city has also witnessed the demand for apartments replacing the demand for independent bungalows and villas. This has led to the emergence of new residential areas surrounding Kochi such as Edappally, Maradu and Kakkanad, which were once perceived to be distant areas. However, the recession in the Middle East has caused investment led demand for housing by the NRKs to fall significantly to 0%-10.0% of the total housing demand. The city has also witnessed a shift in preferences for more affordable housing from premium apartments and villas, where the properties on offer are around Rs. 1.5 million. (*Source: CRISIL Research, City Reality –Kochi, Outlook: 2009-2011* hereinafter "*CRISIL Kochi*")

The drop in demand for premium houses has led to developers revising their product portfolio from premium housing to affordable housing. Some developers have been facing difficulties with liquidity on account of a fall in sales coupled with a lack of availability of funds from other sources. This has resulted in an increase in risk for some ongoing and planned projects. Improvements in the Indian economy as well as a revival in the global economy, especially in the Middle East, coupled with better liquidity in the system, are important indicators that may signal a revival in Kochi's real estate market. (*Source: CRISIL Kochi*)

Residential Sector in Kochi

Prices of residential properties increased at a compounded annual growth rate of between 8.0% and 25.0% between 2006 and the first half of 2008 across different regions of Kochi. However, during the second half of 2008, these prices fell by 7.0% to 18.0% from the levels reached in the first half of 2008. It is expected that residential prices will decline further by 16.0% - 20.0% in 2009 as compared to the previous year. With the exception of Kakkanad, where prices are expected to fall further, residential prices are expected to increase by 1.0% - 3.0% in 2010 as compared to 2009 on account of an increase in demand due to perceived improvements in affordability. Planned residential supply in Kochi for the period between 2009 and 2011 is estimated to be 53.9 million square feet. (*Source: CRISIL Research, City Reality Update – Kochi, December 2009* hereinafter "*CRISIL Kochi Update*") However, because of expected delays in project execution by developers in this period, it is expected that only 31 million square feet will be developed by 2011. (*Source: CRISIL Kochi Update*) Total demand for the corresponding period is expected to be 14.8 million square feet. (*Source: CRISIL Kochi*)

Commercial Sector in Kochi

Kochi has become a preferred destination for IT/ITeS investment due to its location, lower operational costs and the availability of an educated workforce. As a result, the IT/ITeS sector has been the major driver for commercial office space demand in Kochi, with nearly 70.0% - 75.0% of total commercial office space demand coming from the sector. (*Source: CRISIL Kochi Update*) Commercial lease rentals increased at a compounded annual growth rate of between 15.0% and 41.0% from 2006 to the first half of 2008 across the different regions of Kochi. However, the prices for these same lease rentals declined by 9.0% - 15.0% in the second half of 2008, from the first half of 2008, due to a decline in demand from IT/ITeS companies. It is expected that lease rentals will decline by a further 4.0% - 11.0% in 2009. (*Source: CRISIL Kochi*) However, lease rentals in the Central Business District region are expected increase marginally in 2010, due to the lack of supply in the region. Overall, the total planned commercial space in Kochi for the period between 2009 and 2011 is 41.1 million square feet, with only 6.3 million square feet of commercial space supply actually expected to be developed, as against a total demand of 3.1 million square feet for the period between 2009 and 2011. (*Source: CRISIL Kochi Update*)

Retail Sector in Kochi

The organised retail market comprises high street retail shopping complexes along with malls, but remains relatively underdeveloped in Kochi. Currently, there are only two malls in the city. Retail penetration in Kochi is expected to increase from 5.0% in the financial year 2008 to an estimated 12.0% in the financial year 2013 mainly on account of increase in number of malls and changes in the lifestyle of people. (*Source: CRISIL Kochi*) At this time, ten malls are scheduled to come up in Kochi, adding 4.7 million square feet of retail space to the existing 0.85 million square feet of retail space. (*Source: CRISIL Kochi Update*)

OUR BUSINESS

Overview

Our Company is in the business of real estate development and is primarily engaged in the development of residential projects in Bengaluru. We are also developing a hospitality project in Bengaluru and a residential and an office project in Kochi. We are in the process of diversifying into the development of shopping malls and are expanding our geographic reach to Chennai, Goa and Hyderabad. Our residential projects include multi-unit apartment buildings targeted at high-income and middle-income customers. We are currently developing our first hospitality project, the first 'Ritz-Carlton' brand hotel in India, on Residency Road in the central business district of Bengaluru.

Our Company was incorporated in 2004 and since then, we have developed three residential projects totalling 0.55 million sq. ft. of Saleable Area and Developable Area. Our Completed Projects are:

- Nitesh Garden Enclave, (formerly referred to as Nitesh Long Island), completed in 2009, a built-to-suit premium corporate residential project that we developed for ITC Limited near Bellary Road, Bengaluru;
- Nitesh Wimbledon Park, completed in 2007, a premium residential project, located on Race Course Road, Bengaluru; and
- Nitesh Mayfair, completed in 2007, a premium residential project, located on Lavelle Road, Bengaluru.

We undertake most of our projects through the joint-development model as compared to acquiring a freehold or leasehold interest in the land, which reduces the upfront cost of land acquisition and our total project financing costs. This allows us to deploy our capital towards development expenses and the expansion of our operations.

As of March 20, 2010, a summary of our Ongoing Projects, Forthcoming Projects and Land Parcels Available for Future Development is set out below:

	Number	Land Area (in Acres)	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)
Ongoing Projects*				
Residential **	5	21.91	3.96	1.69
Hospitality ***	1	2.58	0.50	0.10
Office	1	2.65	0.85	0.30
Sub-Total		**27.14**	**5.31**	**2.09**
Forthcoming Projects*				
Residential	3	51.57	1.49	0.97
Shopping Mall	1	5.06	1.16	0.58
Sub-Total		**56.63**	**2.65**	**1.55**
Land Parcels Available for Future Development*		**132.62**	-	-
Total		**216.39**	**7.96**	**3.64**

* *Four of our Ongoing Projects, one of our Forthcoming Projects and two Land Parcels Available for Future Development are being/ proposed to be developed by our subsidiary Nitesh Housing, in which, our Company holds 89.9% of the equity share capital. The assignment of the rights, obligations and interests in the Nitesh Wimbledon Gardens (Residential) and Nitesh Wimbledon Gardens (Commercial) projects to Nitesh Housing is subject to the earlier of either of these two events (i) a no-objection certificate from HDFC, the lender for these projects, for the assignment, or (ii) the repayment of the loan availed from HDFC in relation to these projects. Further, pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 90,000 sq.ft. of our our share in the Saleable Area of the projects, to such partners, upon completion of these projects.*

** *Two of our Ongoing Residential Projects are being developed by Nitesh Estates-Whitefield an "association of persons", in which our Company is entitled to a profit share of 24.0%.*

*** *Our Ongoing Hospitality Project is being developed by a special purpose vehicle, NRHPL in which our Company holds 20.7% of the equity share capital.*

For a more complete summary of our projects see "Summary of Projects" on page 137.

Our Ongoing Projects are:

- Nitesh Hyde Park, a residential project in the middle-income segment with 537 residential units, located at Bannerghatta Road, Bengaluru;
- Nitesh Forest Hills, a residential project in the middle-income segment with 284 residential units, located in Whitefield, Bengaluru;
- Nitesh Flushing Meadows, a residential project in the middle-income segment with 200 residential units, located in Whitefield, Bengaluru;
- Nitesh Columbus Square, a residential project in the middle-income segment with 390 residential units, located off Bellary Road, Bengaluru;
- Nitesh Wimbledon Gardens (Residential), a residential project in the middle-income segment with 672 residential units, located at Airport-Seaport road in Kochi;
- Nitesh Wimbledon Gardens (Commercial), an office project, located at Airport-Seaport road in Kochi; and
- the 'Ritz-Carlton' brand hotel with 281 keys, located at Residency Road in the central business district of Bengaluru, being executed by an SPV, in which our Company owns 20.7% of the equity share capital. One of our Promoters, Mr. Nitesh Shetty holds 5.3% of the equity share capital of this SPV.

We have an in-house, fully integrated property development team consisting of experienced professionals, which oversees key functions such as architectural and project planning, project execution, customer relationship management and facility management. Our employees regularly interact with our customers to enable an informed and customer-friendly purchasing experience. We place special emphasis on ensuring that our quality standards and delivery schedule are adhered to at every stage of a project. Our Company has documented its quality standards and internal policies and our management systems have been ISO 9001:2008 certified. We are also in the process of implementing enterprise resource planning software to enhance the efficiency of our various business processes in our Company.

Our financial investors include:

- AMIF I Limited, which holds 14.4% of the pre-Issue equity share capital in our Company;
- Citi Property Investors, which holds 74.0% of the equity share capital of Nitesh Residency, the SPV developing the 'Ritz-Carlton' brand hotel in Bengaluru. Nitesh Residency has entered into an operating agreement and related agreements with Marriott Hotels India Private Limited and its affiliates (collectively, "Marriott"), each dated May 14, 2007, in connection with the operation by Marriott of the 'Ritz-Carlton' brand hotel that is being developed by Nitesh Residency; and
- HDFC AMC, through its portfolio management services division, which recently subscribed to 10.1% of the equity share capital of our subsidiary, Nitesh Housing whose current portfolio includes four of our Ongoing Projects, one of our Forthcoming Projects and two of our Land Parcels Available for Future Development. HDFC AMC has invested an aggregate sum of Rs. 800.00 million in Nitesh Housing, out of which, an amount of Rs. 180.00 million was towards equity shares and Rs. 620.00 million was towards debentures convertible into preference shares. Further, HDFC AMC also has an option to invest an additional amount of Rs. 200.00 million in such debentures.
- Brand Equity Treaties Limited, which holds 1.48% of the pre-Issue share capital in our Company.

One of our Group Entities, Nitesh Infra, has developed two office projects, Nitesh Times Square and Nitesh Broadway both on M.G. Road, in the central business district of Bengaluru, comprising of a combined Developable Area of 0.21 million sq. ft. In addition, another Group Entity, Nitesh Projects has also developed two residential properties, Nitesh Buckingham Gate, a premium residential project at Lavelle Road, Bengaluru and Nitesh Canary Wharf, a premium residential project at Langford Town, Bengaluru, comprising combined Developable Area of 0.10 million sq. ft.

Our consolidated total income and net profit (as restated) for the financial year 2009 was Rs. 878.02 million and Rs. 27.68 million, respectively. Our consolidated total income and net loss (as restated) for the nine months ended December 31, 2009 was Rs. 665.66 million and Rs. 13.25 million, respectively.

Our Competitive Strengths

We believe that the following are our principal strengths:

Development of Projects through the Joint-Development Model

We undertake most of our projects through the joint-development model as compared to acquiring a freehold or leasehold interest in the land. Developing our projects through the joint-development model reduces the upfront land acquisition and our total project financing costs, though it requires us to either share revenue generated from such joint-developments or a portion of the developed area with the land-owners. This provides us with the financial leverage to deploy our capital towards development expenses, therefore reducing our need for project financing and enabling us to undertake further expansion of our operations. We believe that this developmental model also mitigates the risk of land banks losing their value or locational advantages because of external factors. In addition, the joint-development model also allows us to leverage the locational advantages of land parcels where the owners may not be willing to part with ownership of such land parcel because of its location or otherwise.

An Established Brand Name and Reputation for Quality

We believe we have an established brand name and reputation for quality in the real estate market in Bengaluru. Our Company was incorporated in 2004 and since then, we have developed three residential projects, Nitesh Garden Enclave (formerly referred to as Nitesh Long Island), Nitesh Wimbledon Park and Nitesh Mayfair. We received the ISO 9001:2008 certification in May 2009 for our management systems. We believe customers identify our projects with quality construction and, as a result, we enjoy customer confidence. We continue to develop our in-house competencies for every stage in the property development life cycle, commencing from property development inception to execution and culminating in property delivery. We have a separate in-house quality assurance team that undertakes regular inspection of our projects to ensure adherence to our quality standards. We also engage international architectural, structural and other consulting firms with established track record for some of our projects, such as Wimberly Allison Tong and Goo N.A. Inc. from Irvine, the United States, Callison LLC from Seattle, the United States, HOK International from London, the United Kingdom, Super Potato Company Limited from Japan and Jurong Consultants (India) Private Limited.

Strong Execution Capabilities

We have an experienced team that has capabilities in various aspects of project execution, established relationships with corporate and financial institutions and knowledge of the localities in which we develop our projects. We have established a detailed process for project development, implementation and monitoring. For example, the Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) project was awarded to us by ITC Limited after a competitive selection process in which a large number of reputed regional and pan-India real estate developers had participated. We believe we were successful in this selection process because of our execution capabilities. We endeavour to ensure proper identification and acquisition of potential project sites, effective and organised design and planning procedures and efficient procurement, construction and other execution processes. We believe these systems facilitate efficient operations and ensure consistent quality across all of our projects, thereby adhering to project timelines and allowing us to successfully execute complex projects. We endeavour to minimise accidents at our project sites and as of date, there have been no major accidents at our project-sites. Our Company engaged a reputed accounting firm and financial advisor to formulate the standard operating procedures for the various functions in our real estate business including project conceptualisation, planning and budgeting, procurement, project execution, project monitoring, marketing and post-sales activities, which we are in the process of implementing. Our Company is also in the process of implementing enterprise resource planning software across our various business functions and has engaged a reputed accounting firm and financial advisor to set up the functional framework for our finance department.

Focus on Residential Projects

Since our incorporation in 2004, we have developed three residential projects in Bengaluru, with 0.55 million sq. ft. of Saleable Area and Developable Area. We believe that we have developed the in-house expertise to deliver quality residential projects in a timely manner. In terms of Saleable Area, residential projects constitute 73.1% of our current portfolio of our Ongoing Projects and Forthcoming Projects. In our residential portfolio, our five Ongoing Projects comprise 1.69 million sq. ft. and 3.96 million sq. ft. of Saleable Area and Developable Area, respectively and our three Forthcoming Projects comprise 0.97 million sq. ft. and 1.49 million sq. ft. of Saleable Area and Developable Area, respectively. Due to India's favourable demographics, in the recent past, the residential segment demand within India has outpaced supply. Further, industry reports suggest that there is a shortage of housing in the middle-income segment. With our portfolio of residential projects and our strategic focus on middle-income housing, we believe we are in a position to leverage this demand.

Experienced Management Team and a Young Organisation

Our management team has significant experience in the real estate sector. Our key functions are headed by senior professionals, each averaging over 25 years of experience, who report directly to our Managing Director. Our management includes professionals from various disciplines such as architecture, engineering, project supervision, finance and accounting, marketing and sales. In addition, the experience of our management in dealing with the suppliers from whom we source construction materials and the contractors we engage for construction services enables us to better manage the quality, schedule and cost of the materials and construction in our projects. Our management and professional personnel have experience in anticipating market trends, identifying new markets and potential sites for development and acquiring land and development rights, as well as trends in design, engineering, construction and marketing of projects in accordance with demanding customer requirements. Further, as part of our human resource policy, we are increasingly recruiting professionals from sectors other than the real estate sector, such as banking and manufacturing, to adopt best practices from these sectors into our business.

In addition, we are a young organisation, having been in operation for approximately five years. We believe our flexible organisation structure gives our organisation a degree of agility to react to changes in market conditions, allowing us to change our product-mix and marketing strategies and to respond better to customer demands.

Eminent Board and High Standards of Corporate Governance

Our Board has had independent Directors since 2007, including, Mr. G.N. Bajpai, former chairman of SEBI and Mr. Darius E. Udwadia, a solicitor with over 45 years of standing in the profession and an independent director on the boards of several listed companies. Mr. James Brent Stephen and Mr. Ashok Aram were appointed as independent directors in 2009. Mr. James Brent Stephen worked as the global head of real estate investment banking at Citigroup from 2005 to 2007. Mr Ashok T. Aram, was formerly the head of global banking at Deutsche Bank and is currently the managing director of Abraaj Capital, a leading private equity firm. We believe that our Directors bring with them extensive knowledge and best practices from their varied experience. Further, we believe in high standards of ethical integrity and we ensure that all our business functions are carried out in a transparent manner. Our Company has also engaged Grant Thornton to assess the effectiveness of internal controls in our certain key business processes with the objective of implementing standard operating procedures across our business processes, thereby strengthening corporate governance in our organisation. We are in the process of implementing the recommendations provided by Grant Thornton.

Our Strategy

The following are the key elements of our business strategy:

Continue to Focus on Enhancing our Brand through Development of High Quality Real Estate Projects

We believe that project planning and execution capabilities will be one of the most important differentiating factors in the real estate industry in the future. We will continue to focus on developing high quality real estate projects and enhance our brand through the following:

- Understanding different consumer segments and tailoring our products accordingly;

- Continuing to invest in technology to enhance quality, minimise costs and increase efficiency; and

- Improving our key processes to deliver quality products to customers in a timely manner.

Our Company also engaged a leading brand equity research agency in 2009 to undertake an assessment of our brand equity in our relevant markets and we intend to implement the findings of this assessment to improve our brand further.

Continue to Focus on Development of Residential Projects

The majority of our Ongoing Projects and Forthcoming Projects involve the development of residential properties, constituting 73.1% of our current project portfolio, based on Saleable Area. We believe that we are able to derive better returns on our investments in residential projects and the cash flows generated from such projects continues to be robust when compared to other lines of the real estate business. We believe that favourable demographics, rising disposable incomes, a growing middle-class, increased urbanisation and the increase in nuclear families is likely to contribute to the growth in demand for residential property. While our strategy is to primarily focus on the residential segment to take advantage of this demand, we will continue to maintain a mix of office, shopping mall and hospitality projects in our portfolio.

Build on our Presence in Bengaluru, Chennai, Hyderabad and Kochi

Although we have historically focused on development activities in Bengaluru, we are expanding our geographic reach to Chennai, Hyderabad and Kochi. We intend to continue to focus our expansion plans in these cities in the short to medium term. Our core focus will continue to be the Bengaluru market, where we believe we have an established brand and a track-record of successful execution of projects. Further, we intend to leverage our existing relationship with contractors and financial institutions, as well as in-depth knowledge of this market to carry out our expansion plans in the region. We believe that economic growth in Chennai and Kochi is likely to result in higher demand in those cities for improved housing, as well as high quality shopping malls and office space and hospitality projects. We will also explore opportunities that arise in other cities in southern India. For example, one of our Forthcoming Projects is located in Goa, which we perceive is a lifestyle destination for a large section of the Indian population. We believe that the real estate market in India will be dominated by regional players rather than pan-India players and therefore, we will continue to focus on these regional markets.

Expand Our Operations in the Middle-Income Housing Segment

We commenced our operations in the premium housing segment with projects such as Nitesh Mayfair and Nitesh Wimbledon Park, which were targeted at the high-income segment. However, we intend to expand our operations in the middle-income housing segment, with all of our Ongoing Projects targeted at this segment. We intend to build our portfolio of projects in the middle-income housing segment where we will offer residential units priced between Rs. 2.00 million and Rs. 4.00 million. We believe that demand-supply mismatch will continue to exist in this segment as it is relatively less affected by the recent economic downturn. We believe that there is a strong potential for growth in this price range as the demand for such properties will continue to increase with the growth in the Indian economy and the corresponding increase in urbanisation. While the volumes of sales will be the primary growth driver within this segment and we have less experience than other developers in this segment, we believe that we will be able to command a premium as compared to similar offerings by other real estate developers on account of our brand name and quality of construction. In addition to our primary focus on the middle-income housing segment, we will continue to look for opportunities in the premium segment, with properties priced between Rs. 10.00 million and Rs. 30.00 million.

Continue to Undertake New Projects through the Joint-Development Model

We primarily intend to undertake new projects through the joint-development model as compared to acquiring a freehold or leasehold interest in the land. Six out of our seven Ongoing Projects are being undertaken through the joint-development model, and all of our Forthcoming Projects are proposed to be developed through this model. This is expected to allow us to deploy our capital towards development expenses and the expansion of our operations. However, we will also look for suitable opportunities to develop projects on purchased or leased land if such a method would offer better value than through joint-development.

Summary of Projects

As of March 20, 2010, a summary of our Ongoing Projects, Forthcoming Projects and Land Parcels Available for Future Development on a project-by-project basis is set out below:

	Classification of the Developer	**Developer's share in the project (in %)**	**Issuer's share in the Developer (in %)**	**Land Area (In Acres)**	**Developable Area (In million sq. ft.)**	**Saleable Area (In million sq. ft.)**
Ongoing Projects						
Residential						
Nitesh Forest Hills	Joint Venture - Nitesh Estates-Whitefield	100.0	24.0*	4.75	0.53*	0.13
Nitesh Flushing Meadows	Joint Venture - Nitesh Estates-Whitefield	100.0	24.0*	2.00	0.38	0.09
Nitesh Wimbledon Gardens#	Subsidiary - Nitesh Housing Developers Private Limited	37.5	89.9	5.37	1.64	0.57
Nitesh Hyde Park	Subsidiary - Nitesh Housing Developers Private Limited	61.0	89.9	5.43	0.68	0.42
Nitesh Columbus Square	Subsidiary - Nitesh Housing Developers Private Limited	66.0	89.9	4.36	0.73	0.48
Hospitality						
Ritz-Carlton Hotel	Associate Company – Nitesh Residency Hotels Private Limited	100.0	20.7	2.58	0.50	0.10
Office						
Nitesh Wimbledon Gardens##	Subsidiary – Nitesh Housing Developers Private Limited	37.5	89.9	2.65	0.85	0.30
Sub-Total				**27.14**	**5.31**	**2.09**
Forthcoming Projects						
Residential						
Nitesh Fischer Island	Subsidiary – Nitesh Housing Developers Private Limited	60.0	89.9	9.32	0.20	0.12
Nitesh Key Biscayne	Issuer	74.0	N.A	12.00	0.54	0.40
Nitesh Roland Garros	Issuer	60.0	N.A	30.25	0.75	0.45
Shopping Mall						
Nitesh Mall, Indiranagar	Subsidiary – Nitesh Indiranagar Retail Private Limited	50.0	99.9	5.06	1.16	0.58
Sub Total				**56.63**	**2.65**	**1.55**
Land Parcels Available for Future Development**						
Nitesh Napa Valley – I	Subsidiary – Nitesh Housing Developers Private Limited	62.0	89.9	6.93	-	-
Nitesh Napa Valley – II	Subsidiary – Nitesh Housing Developers Private Limited	63.0	N.A	13.20	-	-

	Classification of the Developer	Developer's share in the project (in %)	Issuer's share in the Developer (in %)	Land Area (In Acres)	Developable Area (In million sq. ft.)	Saleable Area (In million sq. ft.)
Nitesh Caesar's Palace	Issuer	69.0	N.A	5.00	-	-
Nitesh Malibu	Subsidiary – Nitesh Housing Developers Private Limited	62.0	N.A	11.75	-	-
Nitesh Madison Square	Issuer	60.0	N.A	3.94	-	-
Devanahalli, Bengaluru (Office)***	Issuer	The land-owner is required to be provided 300,000 sq.ft. of developed area while the balance is the Issuer's share	N.A	4.13	-	-
Nitesh Long Island, Bengaluru (Residential)	Issuer	68.0	N.A	52.00	-	-
Nitesh Hunter Valley (Residential and Office)	Issuer	68.25	N.A	21.29	-	-
R.R. District, Hyderabad (Residential)	Issuer	82.0	N.A	10.82	-	-
Subtotal				**132.62**	**-**	**-**
TOTAL				**216.39**	**7.96**	**3.64**

* *Our Company is entitled to 24.0% of profits of the Joint Venture.*

** *The Developable Area and Saleable Area for the Land Parcels Available for Future Development shall be assessed at the time of project planning*

*** .

\# *In accordance with the MoU dated August 27, 2008 between Dr. C.R. Devendra and the Company, out of the total land area of 11.88 acres, the Company is entitled to 1,401,543 sq.ft. of the super built up area and Dr. C.R. Devendra is entitled to 300,000 sq.ft. of the super built up area and hence the Company's proportionate economic interest is 79.0% of the Developable Area and the remaining 21.0 % of the economic interest of the Developable Area is owned by Dr. C.R. Devendra.*

\# *The assignment of the rights, obligations and interests in the Nitesh Wimbledon Gardens (Residential) and Nitesh Wimbledon Gardens (Commercial) projects to Nitesh Housing is subject to the earlier of either of these two events (i) a no-objection certificate from HDFC, the lender for these projects, for the assignment, or (ii) the repayment of the loan availed from HDFC in relation to these projects. Further, pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 90,000 sq.ft. of our our share in the Saleable Area of the projects, to such partners, upon completion of these projects.*

Our Residential Projects

Our residential projects comprise high-income and middle-income multi-unit apartment buildings. Our high-income residential projects consist of centrally located, large-size luxury apartments, typically within a single block with one large residential unit per floor and amenities such as private swimming pools, gardens and a gymnasium. Our middle-income residential projects consist of multi-block apartment buildings with units ranging from one bedroom apartments to three bedroom apartments and amenities such as a swimming pool, a gymnasium and other sports facilities. We have also ventured into the development of gated communities, which generally include a combination of villas, office and retail space, recreational clubs, parks, and car parking. We have completed three residential projects and have five Ongoing Projects and three Forthcoming Projects in our residential portfolio:

Residential Projects	No. of projects	Developable Area (in million sq. ft.)	Percentage of Total Developable Area	Saleable Area (in million sq. ft.)	Percentage of Total Saleable Area
Completed Projects	3	0.55	-	0.55	-
Ongoing Projects* (A)	5	3.96	72.7%	1.69	63.5%
Forthcoming Projects(B)	4	1.49	27.3%	0.97	36.5%
Total (A+B)		**5.45**	**100.0%**	**2.66**	**100.0%**

* *Two of our Ongoing Residential Projects are being developed by Nitesh Estates-Whitefield an "association of persons", in which our Company is entitled to a profit share of 24.0%. Three of our Ongoing Residential Projects are being developed by Nitesh Housing, our subsidiary, in which, our Company holds 89.9% of the equity share capital.*

Completed Residential Projects

The following table sets forth the details of the Completed Projects in our residential portfolio:

Name of the Residential Project	Year of Completion	Location	No. of Units	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)
Nitesh Garden Enclave (formerly referred to as Nitesh Long Island)	2009	Off Bellary Road, Bengaluru	80	0.49	0.49
Nitesh Wimbledon Park	2007	Race Course Road, Bengaluru	10	0.03	0.03
Nitesh Mayfair	2007	Off Lavelle Road, Bengaluru	13	0.03	0.03
Total				**0.55**	**0.55**

Given below is an overview of our Completed Projects in our residential portfolio:

Nitesh Garden Enclave (formerly referred to as Nitesh Long Island): Nitesh Garden Enclave is a built-to-suit corporate premium housing project that we developed for ITC Limited off Bellary Road, on the way to the Bengaluru International Airport. This project was awarded to us by ITC Limited after a competitive selection process in which a large number of reputed regional and pan-India real estate developers had participated. It consists of 80 large apartments each having an area of 3,600 to 4,800 sq. ft., a park and other facilities such as a swimming pool, club house, gymnasium, tennis courts, squash courts, an amphitheatre and basement parking. We sold the development rights over the land acquired by us for this project to ITC Limited and we were paid for the development activity carried out by us separately. We sub-contracted the structural work for this project, such as masonry, plastering and foundation work, to Larsen and Toubro Limited. This project was designed by Jurong Consultants (India) Private Limited.

Nitesh Wimbledon Park: Nitesh Wimbledon Park is a single-block residential apartment building in the high-income segment located on Race Course Road, Bengaluru, overlooking the Bangalore Turf Club. It consists of 10 large-size apartments with an area of 2,500 sq. ft. to 7,000 sq. ft. and facilities such as a swimming pool, gymnasium and video-phone for each apartment. We applied for the occupancy certificate for the project in March, 2007, which is pending approval by the BBMP. However, we have been paying electricity and water charges and property tax levied by the BBMP in respect of this project.

Nitesh Mayfair: Nitesh Mayfair is a single-block residential apartment building in the high-income segment located off Lavelle Road, Bengaluru. It consists of 13 large-size apartments with an area of 2,500 sq. ft. to 4,500 sq. ft. and facilities such as private gardens, a gymnasium and close-circuit TV security service. We applied for the occupancy certificate for the project in February, 2008, which is pending approval by the BBMP. However, we have been paying electricity and water charges and property tax levied by the BBMP in respect of this project.

Ongoing Residential Projects

The following table sets forth the details of the Ongoing Projects in our residential portfolio:

Name of the Residential Project	Location	Land Area (in acres)*	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)	Commencement Date	Estimated Completion Date
Nitesh Forest Hills**	Whitefield, Bengaluru	4.75	0.53	0.13	January 2008	May 2010
Nitesh Flushing Meadows**	Whitefield, Bengaluru	2.00	0.38	0.09	October 2009	September 2011
Nitesh Wimbledon Gardens (Residential)***	Airport-Seaport Road, Kochi	5.37	1.64	0.57	April 2008	March 2013
Nitesh Hyde Park***	Bannerghatta Road, Bengaluru	5.43	0.68	0.42	August 2009	July 2012
Nitesh Columbus Square***	Off Bellary Road, Bengaluru	4.36	0.73	0.48	October 2009	September 2012
Total		**21.91**	**3.96**	**1.69**		

* *Total land area refers to the total parcel of land on which the project is being developed.*

** *Being developed by an "association of persons", in which our Company is entitled to a profit share of 24.0%.*

*** *Being developed by Nitesh Housing, our subsidiary, in which, our Company holds 89.9% of the equity share capital. The assignment of the rights, obligations and interests in the Nitesh Wimbledon Gardens (Residential) and Nitesh Wimbledon Gardens (Commercial) projects to Nitesh Housing is subject to the earlier of either of these two events (i) a no-objection certificate from HDFC, the lender for these projects, for the assignment, or (ii) the repayment of the loan availed from HDFC in relation to these projects. Further, pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 60,000 sq.ft. of our our share in the Saleable Area of the project, to such partners, upon completion of this project.*

\# *We are currently redesigning this project and during the financial year 2010, we have not carried out any construction activity.*

For details on the interest of our Company, our Subsidiaries and our Joint Ventures in these projects, see "– Summary of Projects" on page 137.

Given below is an overview of the Ongoing Projects in our residential portfolio:

Nitesh Forest Hills*:* Our Joint Venture, Nitesh Estates - Whitefield, commenced the development of this middle-income residential property located in Whitefield, Bengaluru in January, 2008 and expect to complete it in May, 2010. Once completed, this project is expected to have 284 two and three bedroom apartments, with amenities such as an amphitheatre, a gymnasium, meditation centre, swimming pool, jogging track, skating rink, basketball dribble court and children's play area. As of March 20, 2010, we have pre-sold 224 apartments in this project, and have received Rs. 590.02 million in the aggregate as advances. Nitesh Forest Hills is spread over 4.75 acres of land. Our Company has formed an '*association of persons'* with the land-owners in relation to this land parcel where we have agreed to a profit sharing ratio of 76.0% and 24.0% between the land-owners and our Company, respectively.

Nitesh Flushing Meadows*:* Our Joint Venture, Nitesh Estates - Whitefield, commenced the development of this middle-income residential property located at Whitefield, Bengaluru in October, 2009 and expect to complete it in September, 2011. This project is the second phase of the Nitesh Forest Hills project and is being developed through the '*associations persons'* referred to above. Once completed, this project is expected to have 200 two to three bedroom apartments, with amenities such as a club house, swimming pool, children's play area, jogging track and basement car parking. As of March 20, 2010, we have pre-sold 41 apartments in this project, and have received Rs. 13.07 million in the aggregate as advances. Nitesh Flushing Meadows is spread over 2.00 acres of land.

Nitesh Wimbledon Gardens (Residential)*:* We commenced the development of this middle-income residential property located at Airport-Seaport Road, Kochi in April, 2008 and expect to complete it in March, 2013. This project is being developed by Nitesh Housing, the subsidiary of our Company. The assignment of the rights, obligations and interests in the Nitesh Wimbledon Gardens (Residential) project to Nitesh Housing is subject to the earlier of either of these two events (i) a no-objection certificate from HDFC, the lender for these projects, for the assignment, or (ii) the repayment of the loan availed from HDFC in relation to these projects. Our Company has engaged HOK International to design this project. Once completed, this project is expected to have 672 one to three bedroom apartments, with amenities such as concierge services, gymnasium, swimming pool, outdoor play area, unisex beauty salon, day-care centre, conference hall, community hall, express elevators and two helipads. We are currently redesigning this project and we have not made any sales of apartments in this project. Nitesh Wimbledon Gardens is spread over 5.37 acres of land. Our Company has entered into a joint-venture agreement in relation to this project where our Company has contributed half of the land parcel and has agreed to a profit-sharing ratio of 37.5:62.5 with our joint venture partners. Further, pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 60,000 sq.ft. of our share in the Saleable Area of the project, to such partners, upon completion of this project. See "*Risk Factor – The construction activity in respect of two of our Ongoing Projects, Wimbledon Gardens (Residential) and Wimbledon Gardens (Commercial), has been suspended as we are currently in the process of redesigning the development plans. If we are not able to recommence such construction, our business, results of operations, cash flows and financial condition may be adversely affected.* "on page 22.

Nitesh Hyde Park*:* We commenced the development of this middle-income residential project located on Bannerghatta Road, Bengaluru in August, 2009 and expect to complete it in July, 2012. This project is being developed by Nitesh Housing, the subsidiary of our Company. Once completed, this project is expected to have 537 one to three bedroom apartments, with amenities such as landscaped gardens, an amphitheatre, gymnasium, meditation centre, swimming pool, skating rink, basketball dribble court and children's play area. As of March 20, 2010, we have pre-sold 175 apartments in this project, and have received Rs. 37.89 million in the aggregate as advances. Nitesh Hyde Park is spread over 5.43 acres of land. Our Company has entered into a joint-development agreement in relation to this land parcel in which we have agreed to share 39.0% of the revenue generated from this project or the built-up area with the land-owner, with the balance 61.0% being our share. In addition, we have also made an interest-free refundable deposit of Rs. 70.0 million with the land-owner, which is refundable in three tranches depending on certain milestones being achieved in the project development process.

Nitesh Columbus Square*:* We commenced the development of this middle-income residential project located near Bellary Road, Bengaluru in October, 2009 and expect to complete it in September, 2012. This project is being developed by Nitesh Housing, a subsidiary of our Company. Once completed, this project is expected to have 390 residential units, with amenities such as landscaped gardens, a gymnasium, swimming pool, and children's play area. Nitesh Columbus Square is spread over 4.36 acres of land. Our Company has entered into a joint-development agreement in relation to this land parcel in which we have agreed to share 34.0% of the revenue generated from this project or the built-up area with the land-owner, with the balance 66.0% being our share. In addition, we have made a non-refundable deposit of Rs. 20.00 million with the land-owner. We are also required to make a refundable deposit of Rs. 20.00 million, of which we have paid Rs. 10.00 million. This deposit is recoverable through the land owner's share of the built-up area or in cash.

Forthcoming Residential Projects

The following table sets forth the details of our Forthcoming Residential Projects in our residential portfolio:

Name of the Residential Project	Location	Land Area (in acres)*	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)	Estimated Commencement Date	Estimated Completion Date
Nitesh Fischer Island[#]	Goa	9.32	0.20	0.12	April 2010	March 2012
Nitesh Key Biscayne	Devanahalli, Bengaluru	12.00	0.54	0.40	July 2011	June 2013
Nitesh Roland Garros	Devanahalli, Bengaluru	30.25	0.75	0.45	October 2011	September 2013
Total		**51.57**	**1.49**	**0.97**		

* *Total land area refers to the total parcel of land on which the project is being developed.*

** *To be developed by Nitesh Housing, our subsidiary, in which, our Company holds 89.9% of the equity share capital.*

Nitesh Fischer Island: We propose to develop this residential project in the high-income segment on the banks of the River Sal, Cavelossim, south Goa, consisting of 36 villas. This project is proposed to be developed by Nitesh Housing, a subsidiary of our Company. Nitesh Fischer Island is proposed to be spread over 9.32 acres of land. Our Company has entered into a joint-development agreement in relation to this land parcel where we have agreed to share 40.0% of the revenue generated from this project or the built-up area with the land-owner, with the balance 60.0% being our share. Pursuant to the terms of the joint-development agreement, Nitesh Housing is required to commence construction of this project by April 2, 2010 with an additional grace period of 90 days. In addition, we have also made an interest-free non refundable deposit of Rs. 45.00 million with the land-owner.

Nitesh Key Biscayne: We propose to develop this residential project in the high-income and middle-income segments in Devanahalli, Bengaluru, consisting of 60 villas as well as high-rise apartments with residential units. Nitesh Key Biscayne is proposed to be spread over 12.00 acres of land. Our Company has entered into a joint-development agreement in relation to this land parcel in which we have agreed to share 26.0% of the revenue generated from this project with the land-owner, with the balance 74.0% being our share. In addition, we have also made an interest-free refundable deposit of Rs. 14.00 million with the land-owner, which can be recovered from the land-owner's share of the revenue from this project or in cash.

Nitesh Roland Garros: We propose to develop this residential project in the high-income segment in Devanahalli, Bengaluru, consisting of 207 villas. Nitesh Roland Garros is proposed to be spread over 30.25 acres of land. Our Company has entered into a memorandum of understanding to execute a joint-development agreement in relation to this land parcel where we have agreed to share 40.0% of the revenue generated or the built-up area from this project with the land-owners, with the balance 60.0% being our share. We are required to pay the land-owner's share before we can record our share of the revenue. In addition, we are also required to make an interest-free refundable deposit of Rs. 200.00 million with the land-owners, out of which, we have already paid Rs. 20.00 million. This deposit can be recovered from the share of the land-owners' in revenue from this project.

Our Hospitality Projects

We recently commenced the development of our first hospitality project, the 'Ritz-Carlton' brand hotel on Residency Road in Bengaluru.

The 'Ritz-Carlton' Brand Hotel: This project is being developed through an SPV, Nitesh Residency, where our Company holds 20.7%, one of our Promoters, Mr. Nitesh Shetty holds 5.3% and Citi Property Investors, holds 74.0% of the equity share capital. Our Company and Citi Property Investors have entered into a shareholders agreement in relation to the management of Nitesh Residency. See "Group Entities – Nitesh Residency Hotels Private Limited – Shareholders Agreement". This hotel is being developed on a land area of 2.58 acres and the total sanctioned Developable Area for the hotel is 0.5 million sq. ft. The hotel is designed to have 281 keys including a presidential suite, meeting space, shops of high-end luxury brands, a high-end spa, banquet and a helipad. We commenced the construction of this hotel in February 2008 and are scheduled for completion in April 2011.

Nitesh Residency has entered into a hotel design, development and construction agreement to appoint our Company as the project manager and general contractor to oversee, monitor and implement the design and construction of this project. Our Company will be paid a gross maximum price and an additional development fee at the rates set out in this agreement. Our Company has sub-contracted the civil construction activity for this project to Simplex Infrastructure Limited, for a total consideration of Rs. 817.19 million, which is subject to certain revisions set out in our agreement with them.

Nitesh Residency has appointed Wimberly Allison Tong and Goo N.A. Inc., a leading international design consultant for the hospitality industry to design this hotel. In addition, Super Potato Company Limited, a leading international interior design firm has been appointed to design the restaurants and other dining facilities in the hotel.

Nitesh Residency has entered into a lease agreement in January, 2007 and a subsequent addendum to the lease agreement in August, 2009 in relation to the land parcel where this hotel is being developed. The lease is for a 40 year period, starting January 11, 2009, which can be extended for a further period of 25 years at the option of Nitesh Residency. Nitesh Residency is required to make monthly rental payments of Rs. 3,936,625 for the first 12 months, Rs. 6,467,312 for the next 12 months and Rs. 12,934,625 thereafter, which shall be subject to an upward revision of 15.0% every three years thereafter. In addition, Nitesh Residency, has made an interest free refundable security deposit of Rs. 100.00 million which shall be adjusted against 10.0% of the monthly rental payment from the 25th month of the lease period, an additional interest free refundable security deposit of Rs. 77,607,750 which is to be paid back in full on August 13, 2019 and a non-refundable security deposit of Rs. 300,000,000. Nitesh Residency has also issued a bank guarantee in favour of the lessor for a sum of Rs. 11,800,000, equivalent to three months rent and valid for 24 months, which is required to be valid throughout the term of the lease for the equivalent of three months rent at the time of each renewal.

Nitesh Residency has entered into the agreements set out below with various entities of the Marriott group, which owns the 'Ritz-Carlton' brand, in relation to the operation of this hotel:

- An operating agreement with Marriot Hotels India Private Limited (the "Operator") for the management of this hotel, which is valid up to January, 2047 and may be renewed for a further period of 10 years at the option of the parties. The Operator will be paid a fee amounting to 0.4% of the gross revenues based on a payment priority mechanism set out in this agreement.

- A technical services agreement with the Ritz-Carlton Hotel Company for advice in relation to the preliminary designing and construction phase of this project.

- A training and computer systems agreement with Renaissance Services B.V. for training pertaining to the proposed reservation and property management system for the hotel.

- A marketing program participation agreement with International Hotel Licensing Company S.A. for promotional and marketing activities outside India.

- A license and royalty agreement with Marriott International Licensing Company for obtaining an exclusive non-transferable license to use 'Ritz-Carlton' trademarks in relation to the proposed hotel in Bengaluru, India.

Our Office Projects

Currently, we have one Ongoing Project, Nitesh Wimbledon Gardens (Commercial) in our office portfolio.

Nitesh Wimbledon Gardens (Commercial) - We commenced the development of this office project located on Airport-Seaport Road, Kochi in April, 2008 and expect to complete it in August 2013. This project is being developed by Nitesh Housing, a subsidiary of our Company. The assignment of the rights, obligations and interests in the Nitesh Wimbledon Gardens (Commercial) project to Nitesh Housing is subject to the earlier of either of these two events (i) a no-objection certificate from HDFC, the lender for these projects, for the assignment, or (ii) the repayment of the loan availed from HDFC in relation to these projects. Nitesh Wimbledon Gardens (Commercial) is spread over 2.65 acres of land and will comprise 0.30 million sq. ft. of Saleable Area and 0.85 million sq. ft. of Developable Area. Our Company has engaged HOK International to design this project. We intend to lease out the office space developed in this project. We are currently redesigning this project and we have not entered into any leasing arrangement. We have entered into a joint-venture agreement in relation to this project where we have contributed half of the land parcel and have agreed to a profit-sharing ratio of 37.5:62.5 with our joint venture partners. Further, pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 30,000 sq.ft. of our share in the Saleable Area of the project, to such partners, upon completion of this project. See "*Risk Factor – The construction activity in respect of two of our Ongoing Projects, Wimbledon Gardens (Residential) and Wimbledon Gardens (Commercial), has been suspended as we are currently in the process of redesigning the development plans. If we are not able to recommence such construction, our business, results of operations, cash flows and financial condition may be adversely affected.* " on page 22.

Our Shopping Mall Projects

We are in the process of venturing into the development of shopping malls with one of our Forthcoming Projects Nitesh Mall.

***Nitesh Mall**:* We propose to develop a five-storey shopping mall designed to have six anchor tenants including a hypermarket, 130 shops, a food court, a multiplex with 11 screens and restaurants, in Indiranagar, Bengaluru. This project is being developed through a wholly owned subsidiary of our Company, Nitesh Indiranagar. Nitesh Indiranagar has engaged Callison, a leading international architectural firm to design this shopping mall. We expect to commence development of this project in July 2010 and complete the development in September 2013. Nitesh Mall is proposed to be spread over 5.06 acres of land with total Saleable and Developable Area of 0.58 million sq. ft. and 1.16 million sq. ft., respectively. Nitesh Indiranagar has entered into a memorandum of understanding to enter into a joint-development agreement in relation to this land parcel in which it is required to make an interest-free non-refundable deposit of Rs. 1,050.00 million, out of which it has paid Rs. 355.00 million. Under this memorandum of understanding, Nitesh Indiranagar shall have a 50.0% share in the profits of Nitesh Mall. Further, a second supplementary MoU dated March 29, 2010 was executed between Mr. George Thangiah and Nitesh Indiranagar, where it was agreed to extend the rights and obligations of the parties under the MoU dated October 19, 2007. Under this second supplementary MoU, the deposit of Rs. 355.00 million has been converted to an advance and may not be refunded in any way, regardless of whether development of the project commences. In addition, the deposit amounts have been adjusted and Nitesh Indiranagar is required to make the following payments:

- non-refundable security deposit of Rs. 745.00 million to be paid on or before the following milestones:
    - Rs. 495.00 million to be paid on or before April 30, 2010 or with 15.0% per annum interest by June 30, 2010;
    - Rs. 100.00 million to be paid on or before March 31, 2011;
    - Rs. 50.00 million to be paid on or before September 30, 2011; and
    - Rs. 100.00 million to be paid on or before March 31, 2012.
- electricity and security charges of Rs. 2.31 million for the period from February 2009 to March 31, 2010, on or before the execution of the joint-development agreement and all future electricity and security charges;
- insurance charges for the period from February 2009 until the signing of the joint-development agreement on or before the execution of the joint-development agreement and future insurance charges, from the signing of this memorandum of understanding until the demolition of buildings on the land parcel;
- property taxes of 0.67 million for the financial year 2010 and any property taxes for the financial year 2011;
- maintenance charges of Rs. 3.90 million for the period from February 2009 to March 31, 2010 on or before the execution of the joint-development agreement and all future maintenance charges, from April 2010 until the demolition of buildings on the land parcel, at the rate of Rs. 0.50 million per month; and
- property charges of Rs. 25.40 million for land parcels purchased by the landowner, with respect to the development of the project, by June 30, 2010.

Nitesh Indiranagar may also be required to pay betterment charges of Rs. 1.97 million on behalf of the landowner to the BBMP, if the landowner is not successful in appealing the charges assessed by the BBMP. These charges, if assessed, would be due by June 30, 2010.

The second supplementary MoU requires the parties to enter into a joint-development agreement on or before June 30, 2010. If the landowner does not sign the joint-development agreement due to a breach of the second supplementary MoU by Nitesh Indiranagar, or in the case of either our Company or Nitesh Indiranagar failing to sign the joint-development agreement, the landowner is entitled to terminate the second supplementary MoU. The landowner must return any deposit paid of up to Rs. 495.00 million without any interest and after deduction of any dues payable to, or taxes/duties payable by, the landowner in respect of the Nitesh Mall property. Subsequent to the termination of the second supplementary MoU, the landowner is free to use the property in any manner without interference from our Company. See Risk Factors number 21 and 25 on pages 21 and 24 respectively for risks relating to the project.

Land Parcels Available for Future Development

In addition to our projects set out above, we also have development rights over the following Land Parcels Available for Future Development:

Name/ Location	Proposed Development Type	Land Area (In acres)*	Land Arrangement
Nitesh Napa Valley-I ** Off Bellary, Bengaluru	Residential	6.93	Land Arrangement – JDA Revenue Sharing# – 62: 38 Refundable Deposit – Rs. 35.40 million paid
Nitesh Napa Valley-II, Bengaluru**	Mixed-Use	13.20	Land Arrangement – JDA Revenue Sharing# - 63:37 Non-Refundable Deposit - Rs. 59.40 million payable, of which Rs. 21.62 million paid
Nitesh Caesar's Palace, Kanakapura, Bengaluru	Residential	5.00	Land Arrangement – MOU Revenue Sharing# – 69:31 Refundable Deposit – Rs. 10.00 million paid Non-Refundable Deposit – Rs. 30.00 million payable
Bolghatty Island, Kochi	Residential	3.56	Agreement to sell for a consideration of Rs. 898.09 million, of which Rs. 215.00 million paid
Nitesh Malibu, Hennur, Bengaluru **	Residential	11.75	Land Arrangement – MOU Revenue Sharing# – 62:38 Non-Refundable Deposit – Rs. 25.30 million payable, of which Rs. 22.30 million paid Refundable Deposit – Rs. 27.00 million payable, of which Rs. 20.00 million paid
Nitesh Madison Square, Old Airport Road, Bengaluru	Office	3.94	Land Arrangement – Agreement to enter into a JDA Revenue Sharing# – 60:40 Refundable Deposit – Rs. 34.00 million payable Non-Refundable Deposit – Rs. 30.00 million payable, of which Rs. 10.00 million paid
Devanahalli, Bengaluru	Office	4.13	Land Arrangement – MOU Revenue Sharing – The land-owner is required to be provided 300,000 sq. ft. of developed area while the balance is our Company's share. Refundable Deposit – Rs. 60.00 million payable, of which Rs. 2.50 million paid Non-Refundable Deposit – Rs. 30.00 million payable
Nitesh Long Island, Bengaluru	Residential	52.00	Land Arrangement – Letter of Understanding Revenue Sharing# – 68:32 Refundable Deposit – Rs. 300.00 million payable, of which Rs. 100.00 million paid
Nitesh Hunter Valley, Bengaluru ##	Mixed-Use	21.29	Land arrangement – MOU Revenue Sharing# – 68.25:31.75 Refundable Deposit – Rs. 87.50 million payable of which Rs. 30.00 million paid
R.R. District, Hyderabad	Residential	10.82	Land arrangement – MOU Revenue Sharing# – 82:18 Refundable Deposit – Rs. 50.00 million paid
Total		**132.62**	

* *Total land area refers to the total parcel of land on which the project is being developed.*

** *To be developed by Nitesh Housing, our subsidiary, in which, our Company holds 89.9% of the equity share capital.*

\# *Company: Land-owner*

\#\# *Our memorandum of understanding is with respect to 25.04 acres of land area. However, land area measuring 3.0 acres is subject to litigation and land area measuring 0.75 acres is subject to rectification in the revenue records. Therefore, the land area measuring 21.29 acres has been considered for inclusion in the Land Parcel Available for Development. For further details, see "—Our Land Reserves" on page 149.*

Our Company has also entered into an memorandum of understanding to enter into a lease agreement dated November 12, 2007 ("MoU") with Sir John D'Monte Trust, represented by its trustee, the Archdiocese of Madras, to lease the property situated at Chamiers road, Chennai measuring 8.26 acres for the development of a mixed use project which we propose to call Nitesh City. As stated in the MoU, entering into the lease agreement by the parties is subject to receiving the sanction and final order from the High Court of Madras.

Pursuant to a resolution passed by the Board of Directors of our Company on February 24, 2010, it has been decided that the Nitesh City shall be developed through a special purpose vehicle ("**SPV**") identified for this purpose where our Company may own a minority stake and would invest in the said SPV as and when required. For further details refer to the Risk Factor No. 5 on page 15.

Our Property Development Cycle

Our Company engaged a reputed accounting firm and financial advisor to formulate the standard operating procedure for the various functions in our real estate business including project conceptualisation, planning and budgeting, procurement, project execution, project monitoring, marketing and post-sales activities which we are in the process of implementation. A brief overview of the key stages in our property development cycle is set out below:

Identification of Land and Potential Areas of Development

One of the key factors in the real estate development sector is the ability to assess the potential of a location after evaluating its demographic and economic trends. Our land development team is led by an executive director. This team reports directly to our Managing Director. The process of land identification starts with selecting an appropriate area, which we believe has growth potential. Our land development team gathers market data on possible sites while selecting an area for development, which is cross verified with the information that we have already collated. We also obtain a title opinion of the land in these locations. Thereafter, we generally conduct market research with reference to the proposed site and a detailed feasibility report is generally prepared on this basis. The next step, after area identification, involves conceptualising the type and scale of property development to be undertaken in that particular area.

Evaluation of Applicable Laws and Obtaining Requisite Approvals

While evaluating the feasibility of an area for the implementation of a project, it is imperative to understand the legal regime governing land development at the relevant location, which varies from state to state. The approvals generally required for the development of a property include approvals of building plans, lay-outs, approval from airport and fire authorities for buildings above a stipulated height, environment approvals, and infrastructure facilities such as power and water and, occasionally, approvals for conversion of agricultural lands to non-agricultural lands. Building completion certificates are obtained from the appropriate authorities after the construction of properties is complete, in accordance with applicable law. See the section titled 'Regulations and Policies' on page 160 for more details.

Acquisition of Title and/or Development Rights of Land

Rights to purchase land primarily depend upon the laws and regulations governing the location of the proposed property. We enter into a joint-development agreement with the owner of the land to develop a property and/or lease the land or acquire the land we intend to develop. We require the land-owner to provide us a title certificate and a no-encumbrance certificate before entering into a joint-development agreement.

Designing and Construction

The design and planning of our projects is developed by our in-house planning department in association with external architects and subsequently, the structural consultants are appointed by us. Some of the international designers and architects appointed by us for our Ongoing Projects and Forthcoming Projects include Wimberly Allison Tong and Goo N.A. Inc., Kohn Pedersen Fox Associates P.C., Callison LLC, HOK International, Super Potato Company Limited and Jurong Consultants (India) Private Limited.

The design and planning department and/or the appointed architect provide us with the structural design of the property as well as estimates of the requirements for manpower, materials, and machinery. Once the design and the estimates for the property have been finalised, the commercial department makes arrangements to purchase the material required for the proposed construction while the project execution team led by senior personnel executes the project. Currently, a substantial majority of our aggregate Developable Area is subcontracted for construction. We do not have any long-term contracts for purchasing steel and cement.

We conduct regular site visits and have developed a system of internal reporting. We also have a separate quality assurance team for monitoring of the progress and quality of all the projects being developed by us at any given point in time.

Sales and Marketing

We undertake sales efforts through a combination of telephonic or electronic marketing and advertising in mass media, either centrally from our head office or through our business representatives. We conduct our indirect marketing through our external network of sales associates across India. We actively participate in real estate exhibitions that are attended by the local population in India.

We employ various marketing approaches such as launch events, web marketing, direct and indirect marketing, as well as newspaper and outdoor advertising. Our Company also engaged one of our Group Entities, Serve & Volley Outdoor Advertising Private Limited in 2006 to assist us with out-of-home advertising campaigns. The engagement is on a non-exclusive basis and is valid until 2012. We have also entered into a retainer contract with Dentsu to provide advertising related services for a period of one year which expires in April 2010.

We prefer to market our properties through our in-house sales teams and only a small portion of our sales is made through brokers. Most of the sale bookings are performed at project sites, although sales are also made at our corporate offices. Our sales teams have incentives tied to their sales performance. 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. A client servicing team services our customers from the property booking stage, through to the final delivery of the property. We liaise with various banks and housing finance companies to provide our customers with convenient access to finance in order to purchase their apartments.

We have an in-house property management services team to maintain the residential premises developed by us.

Completion and Handover of the Property

We transfer the title of the properties to the customer upon the completion and closure of the sales process. We ensure the entire consideration is paid to us prior to the transfer of title or before possession is granted, whichever is earlier. After all of the properties within a project are sold to the customers, the day-to-day management and control of the development is generally handed-over to a society of the apartment- owners.

Our Competitors

We face competition from various domestic and international property developers. Moreover, as we seek to diversify in geographies other than Bengaluru, we face the risk that some of our competitors have a wider geographical reach while some other competitors have a strong presence in regional markets. Our competitors include both large and small real estate developers in the regions where we operate. Our key competitors include Brigade Enterprises Limited, Mantri Developers, Prestige Estates Projects Private Limited, Puravankara Projects Limited and Sobha Developers Limited. We also face competition from various small unorganised operators in the residential segment.

Safety, Health and Environment

We are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. To help ensure effective implementation of our safety policies and practices, at the beginning of each project we identify potential material hazards, evaluate all material risks and institute, implement and monitor appropriate risk mitigation measures. We endeavour to minimise accidents at our project sites policy and as of date, there have been no such incidents. We believe that accidents and occupational health hazards can be significantly reduced through systematic analysis, risks control mechanisms and training of management, employees and sub-contractors.

Information Technology

We use information technology systems to enhance our performance and efficiency. We are in the process of implementing enterprise resource planning software across the various business functions in our Company to integrate systems among our departments, including engineering and accounting. This system will allow us to streamline our processes while enhancing our monitoring and control functions.

Employees

Our registered and corporate office is located in Bengaluru. This houses the employees who oversee our financial, administrative, design and planning and other reporting functions. Our employees are not covered by any collective bargaining agreements. We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees. As part of our strategy to improve operational efficiency, we regularly organise in-house and external training programs for our employees. We also follow a transparent appraisal system for our employees.

Our work-force consists of our permanent employees, consultants and labour work force that work at projects through sub-contractors. As of March 20, 2010, we had 139 permanent employees. The function-wise break-up of our permanent employees is as set forth below:

Location	No. of Employees
Management	15
Planning	7
Project Execution	36
Procurement	5
Finance	11
Sales and Marketing	17
Business Development	3
Legal	4
HR & Admin	26
Facilities	9
IT	3
Corporate	3
Total	**139**

For the development of some of our projects, we also engage third party consultant engineers, architects, interior designers and landscape designers. In addition to our employees, we also engage the services of contractual workers which include tradesmen, car drivers, housekeeping personnel and other skilled, unskilled and semi-skilled workers. Our consultants, contractors and sub-contractors who work on our projects also employ a significant labour force.

Intellectual Property

Our Company has a registered trade mark for “Nitesh Estates” that appears on the cover page of this Red Herring Prospectus. Our Company has also made an application to the trade mark registry for the mark “More happiness per square foot” on February 4, 2010.

Insurance

Our operations are subject to hazards inherent to construction industry, such as accidents at work sites. We are also subject to *force majeure* events such as fires, earthquakes, floods, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property, equipment and environment. We obtain standard fire and special perils insurance policies for our already constructed buildings to cover construction risks, maintain contractors all risk insurance policy for the projects under construction and third party liabilities for the duration of the property development. The table below provides detailed information regarding our current insurance policies:

Period	Insurer	Type of Policy	Coverage	Sum Assured (Rs.)
June 13, 2009 – June 12, 2010	ICICI Lombard General Insurance Company Limited	Executive Corporate Liability Insurance	Directors	360,000,000
December 18, 2009 – June 17, 2010	United India Insurance Company Limited	Contractors All Risk Insurance Policy	Nitesh Forest Hills	1,237,500,000
June 27, 2009 – June 26, 2010	HDFC Ergo General Insurance Company Limited	Business Suraksha Insurance Policy - Fire & Burglary	Nitesh Wimbledon Park - Building & Contents	73,000,000
June 28, 2009 – June 27, 2010	Tata AIG General Insurance Company Limited	Business Guard Insurance Policy - Fire & Burglary	Nitesh Mayfair - Building & Contents	54,500,000
February 29, 2008 – August 28, 2010	ICICI Lombard General Insurance Company Limited	Contractors All Risk Insurance Policy	Hotel Project	3,500,000,000
February 14, 2010- February 13, 2011	Bharati AXA General Insurance Company Limited	Group Personal Accident Insurance Policy	Employees	25,300,000
February 14, 2010 – February 13, 2011	Bharti AXA General Insurance Company Limited	Group Health Insurance Policy	Employees	In accordance with factors set out in policy
March 1, 2010 – February 28, 2011	ICICI Lombard General Insurance Company Limited	Fidelity Guarantee Insurance policy	Employees-Hotel Project	20,000,000
December 17, 2009 – December 16, 2011	Royal Sundaram Alliance Insurance Company Limited	Contractors All Risk Insurance Policy	Nitesh Flushing Meadows	350,000,000

Currently, we also maintain ten vehicle insurance policies with an aggregate sum assured of Rs. 6.94 million.

We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. We also ensure that contractors obtain insurance while carrying out any activities on our behalf. We have obtained directors' and officers' liability insurance for all our Directors and our employees are covered under group personnel accident policies.

Registered and Corporate Offices

A rental agreement ("**Agreement**") dated November 15, 2006 was executed among Nitesh Infra, Ms. Nalini Mohan ("**Lessors**") and our Company to lease the property situated at, Nitesh Timesquare, 7th floor , No. 8, M.G. Road, Bangalore, our Company's registered and corporate office for a period of 10 years from the date of signing this agreement. The lease rent for the said property under the Agreement is Rs. 602,525 per month calculated at Rs. 55 per sq. ft. of the super built up area of the property.

Our Land Reserves

Our Land Reserves are lands to which our Company and/or our Subsidiaries/Associate Company/Joint Ventures or other entities in which we have a stake, have title, development rights or other interest. These also include lands from which our Company can derive economic benefits through a documented framework or lands in relation to which our Company and/or our Subsidiaries/Associate Company/Joint Ventures or other entities in which we have a stake, have executed a JDA or an MoU to enter into a JDA or an agreement to sell.

As of March 20, 2010, our Land Reserves aggregate approximately to 216.37 acres for which we have made certain advance payments aggregating approximately Rs. 1768.43 million and are further required to make additional payments of approximately Rs. 2094.87 million. The amounts paid and the remaining amounts payable that are reflected in this section include the total costs incurred by our Company and/or our Subsidiaries/Joint Ventures or other entities towards acquiring a stake/title/development rights or other interest.

Our Land Reserves are located in and around the cities of Bengaluru, Kochi, Hyderabad and Goa.

The following is a summary of our Land Reserves as of March 20, 2010:

S. No	Land Reserves (Category wise)	Total land Area (in acres)	% of total acreage	Estimated Developable Area (in million Sq. ft.)*	% of Developable Area
(i)	Land Owned by the Company				
	1. By itself	Nil	Nil	Nil	Nil
	2. Through its Subsidiaries	Nil	Nil	Nil	Nil
	3. Through entities other than (1) and (2) above	Nil	Nil	Nil	Nil
(ii)	Land over which the Company has sole development rights				
	1. Directly by the Company	Nil	Nil	Nil	Nil
	2. Through its Subsidiaries	Nil	Nil	Nil	Nil
	3. Through entities other than (1) and (2) above	Nil	Nil	Nil	Nil
(iii)	Memorandum of Understanding/ Agreements to acquire/ letters of acceptance and/ or its group companies are parties, of which:				
	1. Land subject to government allocation	Nil	Nil	Nil	Nil
	2. Land subject to private acquisition	157.12	72.6	2.11	26.5
(A)	***Sub-total (i)+(ii)+(iii):***	**157.12**	**72.6**	**2.11**	**26.5**
	Joint developments with partners				
(iv)	Land for which joint development agreements have been entered into by:				
	1. By the Company directly	12.00	5.5	0.54	6.8
	2. Through the Subsidiaries	37.94	17.6	3.90	49.0
	3. Through entities other than (1) and (2) above	Nil	Nil	Nil	Nil
(v)	Proportionate interest in lands owned indirectly by the Company through joint ventures	9.33	4.3	1.41	17.7
(B)	***Sub-total (iv)+(v):***	**59.27**	**27.4**	**5.85**	**73.5**
(C)	***Total (i)+(ii)+(iii)+(iv)+(v):***	**216.39**	**100.0**	**7.96**	**100.0**

** Based on architect certificate dated April 6, 2010 by Mr. Anand Chalawadi. The developable area is in relation to our Ongoing and Forthcoming Projects.*

(i) Land owned by the Company

(i).1 By Itself:

We do not hold any land in this category.

(i).2 Through its Subsidiaries:

We do not hold any land in this category.

(i).3 Through entities other than (i).1 and (i).2 above:

We do not have any lands in this category.

We do not have any material agreements in this category i.e., 'Lands owned by the Company'.

(ii) Lands over which the Company has the sole development rights

Lands on which we have sole development rights are lands on which we have the complete right to carry out construction and development activities and receive the benefits from such activities.

(ii).1 Directly by the Company:

We do not have any lands in this category.

(ii).2 Through its Subsidiaries:

We do not have lands in this category.

(ii).3 Through entities other than (ii).1 and (ii).2 above:

We do not have any lands in this category.

We do not have any material agreements in this category i.e., 'Lands over which the Company has the sole development rights'.

(iii) Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which Company and/or its Subsidiaries/Joint Ventures and/or other entities in which we have an economic interest are parties, of which:

(iii).1 Land subject to government allocation:

We do not have any lands in this category.

(iii).2 Land subject to private acquisition:

Our Company and/or our Subsidiaries/Joint Ventures or entities in which we have an economic interest have entered into memoranda of understanding with the owners of the lands for the purposes of the development or purchase of land. These memoranda of understanding are intended to be followed by the execution of definitive documents such as sale deeds or development agreements.

Approximately 157.10 acres, located in Bengaluru, Kochi, Hyderabad and Goa constituting 72.6 % of the total Land Reserves, are held under this category. The details of the same are laid down in the table below. Of the said lands, we plan to develop approximately 2.25 million sq.ft. of Developable Area and our economic interest is 104.94 acres.

S.No	City/location	Date of the Agreement	Land held by	Total Area (In acres)	Our economic interest (in %)	Our economic interest (in acres)	Amount paid as on March 20, 2010 (in rupees million)		Amount payable as on March 20, 2010 (in rupees million)	
							Refundable	Non-refundable	Refundable	Non-refundable
	Our Company									
1.	Kochi	March 18, 2010#	Mr. Ibrahim & others	3.56	100.00	3.56	-	215.00*	-	683.09*
2.	Bengaluru	June 21, 2007	V.V. Math	3.94	60.00	2.36	-	10.00	34.00	20.00
3.	Bengaluru	August 27, 2008	Dr. C.R. Devendra**	4.13	79.00	3.26	2.50	-	57.50	30.00
4.	Bengaluru	April 23, 2008	Bangalore Best Realty Private Limited	30.25	60.00	18.15	20.00	-	180.00	

S.No	City/location	Date of the Agreement	Land held by	Total Area (In acres)	Our economic interest (in %)	Our economic interest (in acres)	Amount paid as on March 20, 2010 (in rupees million)		Amount payable as on March 20, 2010 (in rupees million)	
							Refundable	Non-refundable	Refundable	Non-refundable
5.	Bengaluru	February 22, 2010	Mr. B.R. Shetty	5.00	69.00	3.45	10.00	-	-	30.00
6.	Bengaluru	November 14, 2007	Alpha Holdings and Infrastructures Private Limited, Mr. T. Ripunjata Reddy and others	52.00	68.00	35.36	100.00	-	200.00	-
	Our Subsidiaries									
7.	Bengaluru	March 29, 2010	Mr. George Thangiah(1)	5.06	50.00	2.53	-	355.00	-	745.00
8.	Bengaluru	March 18, 2010	Himmatbhai & others (2)	11.75	62.00	7.29	20.00	22.30	7.00	3.00
9.	Goa	September 30, 2009	Shree Balaji Concepts(2)	9.32	60.00	5.59	-	45.00	-	-
10.	Bengaluru	December 7, 2009	Ms. Rani Alex and another	21.29	68.25	14.53	30.00	-	57.50	-
11.	Hyderabad	February 13, 2010	Pooja Ventures Private Limited	10.82	82.00	8.87	50.00	-	-	-
			Total	**157.12**	**-**	**104.95**	**232.50**	**647.30**	**536.00**	**1,511.09**

(1)Nitesh Indiranagar

(2) Nitesh Housing (Our Company holds 89.9% of the issued and paid up capital of Nitesh Housing)

* This amount is in relation to the total land cost. The amount paid is Rs. 215.00 million including a registration fee of 13% on the land cost and the amount payable is Rs. 683.10 million.

**As per the MoU dated August 27, 2008 between Dr. C.R. Devendra and our Company, out of the total land area of 11.88 acres, our Company is entitled to 1,401,543 sq.ft. of the super built up area and Dr. C.R. Devendra is entitled to 300,000 sq.ft. of the super built up area and hence our Company's proportionate economic interest is 79.0% of the Developable Area and the remaining 21.0 % of the economic interest of the Developable Area is owned by Dr. C.R. Devendra.

#On February 14, 2008 Mr. Roy J. Vayalat as an agent to our Company executed an agreement to sell with Mr. Ibrahim pursuant to which Mr. Ibrahim agreed to sell the land parcels located at Bolgatty to Mr. Roy J. Vayalat or its nominees. Subsequently on March 18, 2010, pursuant to an assignment deed, Mr. Roy J. Vayalata agreed to assign the rights and obligations on the land parcels located at Bolgatty to our Company.

- An agreement of sale dated February 9, 2008 was executed between Mr. Roy J. Vayalat and our Company, where in Mr. Roy J. Vayalat was required to act as an agent of our Company for thr purpose of procuring the sale of the property situated at Mulavukad village near Bolgatty palace. Subsequently, Mr. Roy J. Vayalat entered into an agreement for sale dated February 14, 2008 ("**Subject Agreement**") with the Vendors (as defined in the Subejct Agreement) pursuant to which, the Vendors agreed to sell the said property to Mr. Roy J. Vayalat. Now, Mr. Roy J. Vayalat and our Company have entered into an assignment deed dated March 18, 2010 wherein Mr. Roy J. Vayalat has agreed to assign to our Company all the rights, claims and interests under the Subject Agreement to develop the said property. Under this agreement, a total amount aggregating to Rs. 898.09 million is payable of which our Company has paid Rs. 215.00 million and Rs. 683.09 million is remaining to be paid.

- An MoU dated August 3, 2006 was executed between V.V. Math and our Company, where we have been granted the rights to develop the property owned by V.V. Math situated at Vibhutipura village, Benguluru. An agreement dated June 21, 2007 was executed between V.V. Math and our Company, whereby the parties agreed to enter into a JDA subsequent to the conversion of the said land from agricultural land to non agricultural land. As per the MoU, our Company has agreed to share 38.0% of the revenue generated from developing the property with the land-owner, with the balance 62.0% being our share.

- An MoU dated August 27, 2008 was executed between Dr. Devendra and our Company, where we have been granted the rights to develop the property owned by Dr. Devendra situated at Meenakunte village, Bengaluru. A total amount of interest free refundable deposit of Rs. 60.00 million is payable, of which Rs. 2.50 million has been paid under the MoU. A further amount of Rs. 30.00 million is remaining to be paid as a non-refundable deposit. See table above titled "Land subject to private acquisition" in (iii).2. for the revenue sharing ratio.

- An MoU dated April 23, 2008 was executed between Bangalore Best Realty Private Limited and our Company, where we have been granted the rights to develop the land owned by Bangalore Best Realty Private Limited situated at Huttanahalli village, Bengaluru. For further details, see "Our Business" on page 132.

- An MoU dated November 2, 2009 was executed between Mr. B.R. Shetty and our Company, where we have been granted the rights to develop the land owned by Mr. B.R. Shetty situated at Raghuvanahalli village, Bengaluru. Subsequently, a supplementary MoU dated February 22, 2010 was executed between the abovementioned parties extending the timelines of the previous MoU. Under the MoU, our Company has agreed to share 31.0% of the revenue generated from developing the property with the land-owner, with the balance 69.0% being our share. A total amount of interest free refundable deposit of Rs. 10.00 million has been paid under the MoU and an amount of Rs. 30.00 million is remaining to be paid as a non-refundable deposit.

- An MoU dated November 14, 2007 was executed among Alpha Holdings and Infrastructures Private Limited and others, Kings Aircrew Habitat Private Limited and our Company to jointly develop the land owned by Alpha Holdings and Infrastructures Private Limited and others situated at Devanahalli, Bengaluru. Under this MoU, Kings Aircrew Habitat Private Limited is a special purpose vehicle which has agreed to hold the entire property for the purpose of developing the land. Subsequently, a letter of understanding dated October 30, 2009 was executed between our Company and Alpha Holdings and Infrastructures Private Limited and others to revise the amount to be paid in relation to the development of the property. Further, under this letter, our Company has agreed to share 32.0% of the revenue generated from developing the property with the land-owner, with the balance 68.0% being our share. A total amount of interest free refundable deposit of Rs. 300.00 million is payable, of which Rs. 100.00 million has been paid. A further amount of Rs. 200.00 million is remaining to be paid.

- An MoU dated October 19, 2007 was executed between Mr. George Thangiah and Nitesh Indiranagar, where Nitesh Indiranagar has been granted the rights to develop the land owned by Mr. George Thangiah situated at No. 21, 80 feet road, Indiranagar, Bengaluru. Subsequently, a supplementary MoU dated October 26, 2007 was executed between the parties to Mr. George Thangiah and Nitesh Indiranagar, where it was agreed that in the event Mr. George Thangiah does not comply with the undertakings mentioned in the supplementary MoU, Nitesh Indiranagar shall not be obligated to enter into a JDA with Mr. George Thangiah to undertake development of the shopping mall. Further, a second supplementary MoU dated March 29, 2010 was executed between Mr. George Thangiah and Nitesh Indiranagar, where it was agreed to extend the rights and obligations of the parties under the MoU dated October 19, 2007. For further details, see "Our Business" on page 132.

- An MoU dated November 7, 2007 was executed between Mr. Himmatbhai and others and our Company, where our Company was granted rights to develop the property owned by Mr. Himmatbhai and others situated at Byrathi village, Bengaluru. Further, supplemental agreements were executed to extend the date for execution of the JDA. Subsequently, an MoU dated October 1, 2009 was executed among Mr. Himmatbhai and others and our Company to extend the time for execution of the JDA as contemplated under the MoU. Further, an agreement to assign dated October 21, 2009 was executed between our Company and Nitesh Housing transferring the rights to develop the property to our Subsidiary Nitesh Housing. Nitesh Housing has agreed to share 38.0% of the revenue generated from developing the property with the land-owner, with the balance 62.0% being its share. Further, under the MoU dated March 18, 2010, executed among Mr. Pankaj H. Parikh, son of late Mr. Himmatbhai, and others, the parties have agreed to extend the time for execution of the JDA. Further A total amount of interest free refundable deposit of Rs. 27.00 million is payable, of which Rs. 20.00 million has been paid. A further amount of Rs. 22.30 million has also been paid as a non-refundable deposit.

- An agreement dated May 18, 2009 was executed between Shree Balaji Concepts and our Company, where our Company was granted rights to develop the property owned by Shree Balaji Concepts situated at Cavelossim village, Goa. Subsequently, an agreement to assign dated September 30, 2009 was executed between our Company and Nitesh Housing transferring the rights to develop the property to Nitesh Housing. For further details, see "Our Business" on page 132.

- An MoU dated December 7, 2009 was executed amongst Ms. Rani Alex, Mr. K.N. Chacko and our Company, where our Company was granted rights to develop the property owned by Ms. Rani Alex and Mr. K.N. Chacko situated at Sy.Nos. 9, 35, 28, 10, 100 and 102 at Hennur, Bidarahalli Hobli, Bengaluru. Under this MoU, our Company was granted rights to develop 25.00 acres of the land situated at Hennur, Bengaluru. However, there are two outstanding litigations on land situated at Sy.No. 9 aggregating to 3 acres. Further, with respect to the land located at Sy.No. 28/3 measuring 3 acres and 10 guntas, the revenue documents have only recorded 2 acres and 20 guntas. Our Company has agreed to share 31.75% of the revenue generated from developing the property with the land-owner, with the balance 68.25% being our share. A total amount of interest free refundable deposit of Rs. 30.00 million has been paid and Rs. 57.50 million is remaining to be paid under the MoU. For further details on the outstanding litigations with respect to the land situated at Sy.No. 9, see "Otstanding Litigation and Material Developments on page 357.

- An MoU dated November 27, 2009 was executed between Pooja Ventures Private Limited ("**PVPL**") and our Company, where PVPL had offered to sell the property situated at Budvel village, R.R. District, Hyderabad to our Company. With respect to the propose sale of the property, our Company had paid Rs. 50.00 million to PVPL as an advance. However, due to certain circumstances PVPL could not procure the necessary consents and approvals from its shareholders and thereby expressed its inability to sell the aforementioned property to our Company. Thus, by way of an MoU dated December 29, 2009, PVPL agreed to pay Rs. 50.00 million as damages to our Company. On January 18, 2010, PVPL and our Company executed an MoU to enter into a joint development agreement in respect of the said property. Under this MoU, our Company has been the granted the rights to develop the said property. Subsequently, an addendum dated February 13, 2010 was executed between the parties, wherein it was agreed that the damages payable by PVPL under the MoU dated December 29, 2009 was cancelled and nullified. Further under the said addendum, the parties acknowledge and agree that a total of Rs. 50.00 million has been paid as interest-free refundable security deposit.

As of March 20, 2010, we have paid a sum of Rs. 879.80 million towards the purchase and development of these lands and are further required to pay a sum of Rs. 2,047.09 million towards the purchase and development of these lands.

The materiality of the agreements in relation to land has been considered on the basis of 10.0% or more of the aggregate agreement value of lands under each category.

The Issuer shall make continuous disclosures on stages of development on the material agreements that have been disclosed in the offer document, to stock exchanges on a continuous basis, for the purpose of public dissemination.

The material agreements in this category i.e., 'Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which Company and/or its Subsidiaries and/or other entities in which we have an economic interest are parties' are as follows:

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (In Rupees million)	Amount Paid as of March 20, 2010 (In Rupees million)	Deposit Paid as of March 20, 2010 (as a % of Agreement Value)
1.	Bengaluru	November 14, 2007	Alpha Holdings and Infrastructures Private Limited, Mr. T. Ripunjata Reddy	300.00	100.00	33.3

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (In Rupees million)	Amount Paid as of March 20, 2010 (In Rupees million)	Deposit Paid as of March 20, 2010 (as a % of Agreement Value)
			and others			
2.	Kochi	March 18, 2010	Mr. Roy. J. Vayalat	898.09	215.00	23.9
3.	Bengaluru	March 29, 2010	Mr. George Thangiah and Nitesh Indiranagar	1,100.00	355.00	32.2

The aggregate agreement value of the non-material agreements in this category is Rs. 628.80 million and the aggregate amount paid is Rs. 209.80 million.

(iv). Land under which joint development agreements have been entered into:

We and our Subsidiaries/Joint Ventures and other entities in which we have an economic interest, as the case maybe have entered into joint development agreements directly with land owners who grant us permission to develop and sell our portion of the developed plot in one or several parts. The terms of these joint development agreements do not convey any title in the land with respect to which the joint development agreement is being executed. Under certain of these joint development agreements we are required to pay a refundable/non refundable deposit to the owner of the land.

(iv).1 By the Company directly:

We are engaged in the development of 12.00 acres, of which our economic interest amounts to 8.88 acres, located in Bengaluru. Lands held in this category constitute 5.5 % of the total Land Reserves. Of the said lands we plan to develop approximately 0.54 million sq.ft. of Developable Area. We are required to make certain payments under the joint development agreements and failure to develop these projects on time may result in penalties/non-recovery of the amounts paid. See "Risk Factors" on page 12.

The details of the joint development agreements, the name of the land owner, the percentage accruing to us under these agreements and the amounts paid and payable under these agreements, are specified in the table below.

(Rs, in million)

S.No	City/location	Date of the Agreement	Land held by	Total Area (In acres)	Our economic interest (in %)	Our economic interest (in acres)	Amount paid as on March 20, 2010 (in rupees million)		Amount payable as on March 20, 2010 (in rupees million)	
							Refundable	Non-refundable	Refundable	Non-refundable
1.	Bengaluru	August 11, 2005	Mewaram & others	12.00	74.00	8.88	14.00	-	-	-
			TOTAL	**12.00**		**8.88**	**14.00**	**-**	**-**	**-**

A JDA dated August 11, 2005 was executed between Mr. Mewaram and others and our Company, where our Company has been granted rights to jointly develop the property situated at Chikkasane village, Bengaluru. For details, see "Our Business" on page 132. As of March 20, 2010, we have paid a sum of Rs. 14.00 million towards an interest free refundable deposit in relation to this property.

(iv).2 Through the Subsidiaries:

We are engaged in the development of approximately 37.94 acres, out of which the economic interest of our Subsidiaries amounts to 22.80 acres. These lands are located in Bengaluru and Kochi constituting

17.6% of the total Land Reserves. Of the said lands, we plan to develop approximately 3.90 million sq.ft. of Developable Area. The details of the joint development agreements, the name of the land owner, the percentage accruing to us under these agreements and the amounts paid and payable under these agreements, are specified in the table below.

(Rs. in million)

S. No	City/location	Date of the Agreement	Land held by	Name of the Subsidiary**	Total Area (In acres)	Our economic interest (in %)	Our economic interest (in acres)	Amount paid as on March 20, 2010 (in rupees million)		Amount payable as on March 2010 (In rupees million)	
								Refundable	Non-refundable	Refundable	Non-refundable
1.	Bengaluru	September 30, 2009	NSL SEZ (Hyderabad) Private Limited	Nitesh Housing	5.43	61.00	3.31	70.00	-	-	-
2.	Bengaluru	September 30, 2009	Mr. H.R. Suresh	Nitesh Housing	4.36	66.00	2.88	10.00	20.00	10.00	-
3.	Kochi	April 6, 2010	Mr. Vayalat, Vayalat Estates Private Limited and NEPL	Nitesh Housing	8.02***	37.50	3.00	-	200.00*	-	-*
4.	Bengaluru	January 21, 2010	Mr. Mirza & others	Nitesh Housing	6.93	62.00	4.29	35.40	-	-	-
5.	Bengaluru	March 19, 2010	Mr. Kailashnath Patil & others	Nitesh Housing	13.20	63.00	8.31	-	21.62	-	37.78
			Total		**37.94**		**21.79**	**115.40**	**241.62**	**10.00**	**37.78**

*This amount is in relation to the total land cost. The amount paid is Rs. 200.00 million and the amount payable is Rs. 200.00 million. Pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 90,000 sq.ft. of our our share in the Saleable Area of the projects, to such partners, upon completion of these projects.
**Nitesh Housing is our Company's subsidiary wherein our Company holds 89.9% of the issued and paid-up capital
*** Refers to the land parcel on which Nitesh Wimbledon Gardens – Residential and Commercial are being developed by Nitesh Housing subject to the earlier of either of these two events (i) a no-objection certificate from HDFC, the lender for these projects, for the assignment, or (ii) the repayment of the loan availed from HDFC in relation to these projects.

1. A JDA dated December 15, 2007 was executed among Topnotch Infrastructure Private Limited, our Company and Nuziveedu Seeds Limited being the confirming party. Our Company was granted the rights to develop the property owned by Topnotch Infrastructure Private Limited to develop the property situated at Bannerghatta Road, Bengaluru. This JDA was amended on August 17, 2009 to alter the revenue sharing ratio between the parties. Subsequently, another JDA dated September 30, 2009 was executed between NSL SEZ (Hyderabad) Private Limited (formerly known as Topnotch Infrastructure Private Limited) and Nitesh Housing, where the development rights have been transferred from our Company to Nitesh Housing. For further details, see "Our Business" on page 132.

2. An MoU dated January 17, 2008 was executed between Mr. H.R. Suresh and our Company, where our Company was granted the rights to develop the property owned by Mr. H.R. Suresh situated at Kattigenehalli village, Bengaluru. Subsequently, a JDA dated September 30, 2009 was executed among Mr. H.R. Suresh, our Company and Nitesh Housing, where the development rights have been transferred from our Company to Nitesh Housing. For further details, see "Our Business" on page 132.

3. A JV dated October 10, 2008 was executed between Mr. Roy J. Vayalat and others and our Company, where our Company was granted the rights to develop the property owned by Mr. Roy J. Vayalat and others situated at Kakkanadu village, Kochi ("**Nitesh Wimbledon Gardens**"). Further, various sale deeds

were executed between Mr. Roy J. Vayalat and others and our Company conveying 4.05 acres of the aforementioned property. Subsequently, a letter dated February 23, 2009 was executed among Mr. Roy J. Vayalat, our Company and NEPPL to transfer 25.0% of the development rights in the property to Nitesh Projects. Pursuant to the Agreement dated April 6, 2010 between our Company, Nitesh Housing and NEPPL (collectively referred to as the "**Parties**") the Parties to this Agreement supercede the agreements dated October 21, 2009, December 22, 2009 and February 23, 2010. Our Company absolutely and irrevocably agrees to assign and transfer 37.5% of the development rights from its share of 50.0% of the development rights in the aforementioned property to Nitesh Housing subject to the earlier of either of these two events (i) a no-objection certificate from HDFC, the lender for these projects, for the assignment, or (ii) the repayment of the loan availed by our Company from HDFC in relation to these projects. Pursuant to the right available to our joint venture partners under the JV, in light of the non-payment of the required security deposit, our Company has agreed to transfer 60,000 sq.ft. (residential portion) of our share in the Saleable Area of the project and 30,000 sq.ft. (commercial portion) of our share in the Saleable Area of the project aggregating to 90,000 sq.ft. of our share in the Saleable Area of the projects, to such partners, upon completion of these projects by way of a letter dated January 15, 2010. For further details, see "Our Business" on page 132.

4. A JDA dated March 14, 2008 was executed between Mr. Mirza and others and our Company, where our Company has been granted the rights to develop the property owned by Mr. Mirza and others situated at Vadeyarapura village, Bengaluru. Subsequently, an agreement to assign dated November 13, 2009 has been executed among Mr. Mirza and others, our Company and Nitesh Housing to transfer all the development rights in the property to Nitesh Housing. On January 21, 2010, a revised JDA was executed between the parties revising the total area of land to be developed by Nitesh Housing from 7.88 acres to 6.93 acres. Nitesh Housing has agreed to share 38.0% of the revenue generated from developing the property with the land-owner, with the balance 62.0% being its share. A total amount of interest free refundable deposit of Rs. 35.40 million has been paid under this JDA.

5. A memorandum of expression of interest dated May 24, 2006 was executed between Mr. Kailashnath Patil and others and our Company, where we have been granted the rights to develop the land owned by Mr. Kailashnath Patil situated at Manchenahalli and Vadeyarapura villages, Bengaluru. Subsequently, a JDA was executed dated March 19, 2010 among Mr. Kailashnath Patil and others, our Company and Nitesh Housing wherein, our subsidiary, Nitesh Housing has been granted the rights to develop the abovementioned property. Under this JDA, Nitesh Housing has agreed to share 37.0% of the revenue generated from developing the property with the land-owner, with the balance 63.0% being its share. A non-refundable deposit amounting to Rs. 21.62 million has been paid and an amount of Rs. 37.78 million is remaining to be paid under this JDA.

As of March 20, 2010, we have paid a sum of Rs. 357.02 million in relation to the purchase and development of these lands and are further required to pay a sum of Rs. 47.78 million towards the purchase and development of these lands.

(iv).3 Through entities other than (iv).1 and (iv).2 above:

We do not have any lands in this category.

The materiality of the agreements in relation to land has been considered on the basis of 10.0% or more of the aggregate agreement value of lands under each category.

The Issuer shall make continuous disclosures on stages of development on the material agreements that have been disclosed in the offer document, to stock exchanges on a continuous basis, for the purpose of public dissemination.

The material agreements in this category i.e., 'Land under which joint development agreements have been entered into by our Company directly' are as follows:

S.No.	Location of Land	Date of Agreement	Parties to the Agreement	Agreement Value (In Rupees million)	Amount Paid as of March 20, 2010 (In Rupees million)	Deposit Paid as of March 20, 2010 (as a % of Agreement Value)
1.	Kochi	October 21, 2009	Mr. Vayalat Estates Private Limited and NEL	200.00*	200.00	50.0
2.	Bengaluru	March 19, 2010	Mr. Kailashnath Patil & others	59.40	21.62	36.4
3.	Bengaluru	September 30, 2009	NSL SEZ (Hyderabad) Private Limited	70.00	70.00	100.0

*This amount is in relation to the total land cost. The amount paid is Rs. 200.00 million and the amount payable is Rs. 200.00 million under the joint-venture agreement. Pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 90,000 sq.ft. of our our share in the Saleable Area of the projects, to such partners, upon completion of these projects.

The aggregate agreement value of the non-material agreements in this category is Rs. 89.40 million and the aggregate amount paid is Rs. 79.40 million.

(v) *Proportionate interest in lands owned indirectly by our Company through joint ventures:*

We also have interest in the following entities in whose names lands are held through various types of transfers. Thus, we have interest indirectly in such lands forming part of this category. Of the said lands, we plan to develop approximately 1.41 million sq.ft.. of Developable Area and our economic interest is 1.74 acres.

The details of the entities in which we have a stake and through we undertake construction and development activities are as follows:

S No.	Name of Entity	Nature of the entity	Our Stake/Interest (in %)	Total land (in acres)	Our economic interest (in acres)
1	Nitesh Estates-Whitefield	Joint Venture	24.00	6.75	1.51
2	Nitesh Residency	Private Limited Company	20.74	2.58	0.53
		Total		**9.33**	**2.04**

1. An agreement dated January 25, 2006 was executed between Mr. Joji Reddy and others and our Company, where our Company has been granted rights to develop the property owned by Mr. Joji Reddy and others situated at Seegehalli, Bengaluru. Under this agreement, our Company has paid an interest free refundable security deposit of Rs. 30.00 million and a non-refundable deposit of Rs. 10.00 million. For further details, see "Our Business" on page 132.

2. A lease deed dated January 11, 2007 was executed between the Archdiocese of Bengaluru and Nitesh Residency, where Nitesh Residency has been granted the rights to develop the property owned by the Archdiocese of Bengaluru situated at Residency road, Bgaluru. Our Company is also a confirming party to this lease agreement. Under the lease deed, Nitesh Residency has paid Rs. 177.60 million as an interest free refundable security deposit and Rs. 300.00 million as a non-refundable security deposit. Further, Nitesh Residency is required to make monthly rental payments of Rs. 3.94 million for the first 12 months, Rs. 6.47 million for the next 12 months and Rs. 12.93 million, thereafter, which shall be subject to an upward revision of 15.0% every three years thereafter. For further details, see "Our Business" on page 132.

As of March 20, 2010 we have paid a sum of Rs. 517.61 million towards the purchase and development of these lands.

The materiality of the agreements in relation to land has been considered on the basis of 10.0% or more of the aggregate agreement value of lands under each category.

The Issuer shall make continuous disclosures on stages of development on the material agreements that have been disclosed in the offer document, to stock exchanges on a continuous basis, for the purpose of public dissemination.

The material agreements in this category i.e., 'Proportionate interest in lands owned indirectly by our Company through joint ventures' are as follows:

S.No.	Location of Land	Date of Agreement	Parties to the Agreement	Agreement Value (In Rupees million)	Amount Paid as of March 20, 2010 (In Rupees million)	Deposit Paid as of March 20, 2010 (as a % of Agreement Value)
1	Bengaluru	January 11, 2007	Archdiocese of Bengaluru and Nitesh Residency	477.61	477.61	100.0

The aggregate agreement value of the non-material agreements in this category is Rs. 40.00 million and the aggregate amount paid is Rs. 40.00 million.

For risk factors relating to each applicable category of our Land Reserves above (falling under category (i), (ii) and (iii), please see the section entitled "Risk Factors" on page 12.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and policies in India and in Karnataka, Tamil Nadu and Kerala and the respective bye laws framed by the local bodies incorporated under the laws of these States. The information detailed in this section has been obtained from the various local legislations and bye laws of the respective local authorities that are available in the public domain. The regulations set forth below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The real estate and construction sector in India is governed by central and State legislations that regulate the substantive and procedural aspects of the acquisition and transfer of land and the construction of housing and commercial establishments.

The real estate and construction industry in India operates in a largely fragmented manner, with each State prescribing its own regulations. We are limiting the discussion herein to laws and regulations, which are currently applicable to us for carrying on our business in the State of Karnataka, Tamil Nadu and Kerala. Investors are advised to undertake their independent study in relation to the regulations applicable to us, for carrying out our business in various States in India. We are broadly subject to laws which provide for the acquisition of land, its registration and related aspects like payments of stamp duty, local legislation providing for the regulation and supervision of building and residential premises and certain other State specific laws.

Given below is a brief description of the various legislations, including central and State legislations that are currently applicable to the business carried on by us.

Constitution of India

The Constitution of India, in Schedule VII provides the list of the various fields of legislation in which the union, the State and the union and State are allowed to make laws. The fields of legislation as specified in the union list allow the Union of India to make laws, while the entries in the State list allow the respective States to make laws in relation to the same. The entries in the Concurrent list are where the centre and the States can both make laws. Provided below are certain important entries in relation to land which appear both in the Union as well as the State list.

Union List

Entry 86 of the Union list is in relation to '*Taxes on the capital value of the assets, exclusive of agricultural land, of individuals and companies; taxes on the capital of companies*'. Further entry 87 deals with '*Estate duty in respect of property other than agricultural land*'.

State List

Entry 18 of the State List deals with '*land that is to say right in or over the land, land tenures including the relation of landlord and tenant, and the collection of rents, transfer and alienation of agricultural lands; land improvement and agricultural loans; colonisation*'. Further entry 49 empowers the State in relation to '*taxes on land and buildings*'.

Therefore, as provided for in the Constitution of India, as regards lands in specific and real estate in general, the same are governed both by the laws enacted by the States as well as by the Union of India.

Laws enacted by the Union of India

The Urban Land (Ceiling & Regulation) Act, 1976 ("Urban Land Ceiling Act")

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

Transfer of Property Act, 1882 ("T.P. Act")

The Transfer of Property Act, 1882 deals with the various methods in which transfer of property including transfer of immovable property or any interest in relation to that property, between individuals, firms and companies takes place. This mode of transfer between individuals is governed by the provisions of the T.P. Act, as opposed to the transfer of property or interest by the operation of law. The transfer of property as provided under the T.P. Act, can be through the mode of sale, gift and exchange while an interest in the property can be transferred by way of a 'lease' or 'mortgage'.

The T.P. Act stipulates 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 ("Registration Act")

The Registration Act has been enacted with the object of providing public notice of the execution of documents affecting a transfer of any interest in an immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, publication of documents and prevention of fraud. It lays down in detail, 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 eleven months or reserving a yearly rent.

An unregistered document will not adversely 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. However, the amount of the fees under the Registration Act for the purpose of registration, vary from State to State.

The Indian Stamp Act, 1899 ("Stamp Act")

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list, is governed by the provisions of the Stamp Act which is enacted by the Central Government. All other instruments are required to be stamped, as per the rates prescribed by the respective State governments. Stamp duty is required to be paid on all documents that are registered, as stated above, the percentage of stamp duty payable varies from one State to another. Certain States in India have enacted their own legislation in relation to stamp duty, while other States have amended the Stamp Act, as per the rates applicable to in the State. The Stamp Act provides for stamp duty at specified rates on instruments listed in the Schedule to the said Act.

The stamp duty in relation to the lease or conveyancing of any immovable property is prescribed by the respective States in which the land is situated and it varies from State to State. Instruments which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. Further the State government also has the power to impound insufficiently stamped documents.

Pursuant to the recent budget announced by the Government of Karnataka, certain changes have been proposed to the provisions of the exising Karnataka Stamp Act but have not been notified.

Easements Act, 1882 ("Easements Act")

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.

Labour Laws

We are also required to comply with the laws, rules and regulations in relation to hiring and employment of labour. The laws applicable to us include the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 ("**Construction Workers Act**"), which is a social welfare legislation which aims to provide certain benefits as enumerated in the Construction Workers Act to the workers engaged in establishments that use manual labour for purposes of construction activities. The Construction Workers Act also provides for the regulatory regime to establish 'Boards' at the Central and the State level, to regulate the functioning of its provisions. All establishments involved in construction, are required to be registered under the Construction Workers Act.

The Minimum Wages Act, 1948 ("**Minimum Wages Act**"), provides for the fixing of appropriate minimum wages for workers involved in the various scheduled industries as specified in the Minimum Wages Act. The schedule of the Minimum Wages Act refers to 'employment on the construction' or 'maintenance of roads or in building operations'.

The Payment of Bonus Act, 1965 prescribes the compulsory payment of bonuses to employees by establishments not expressly excluded by the statute. The Payment of Wages Act, 1936 aims to regulate the payment of wages to certain classes of employed persons. It establishes a regulatory regime for implementation of the objects of the Act. Pursuant to the insertion of Section 2(g) of the Act, it also applies to the construction industry. Further, in the event that any aspect of the activity is outsourced and is carried by labourers hired on contractual basis, compliance with the Contract Labour (Regulation and Abolition) Act, 1970 shall also be necessary.

The Payment of Gratuity Act, 1972 provides for the payment of gratuity to employees in certain prescribed establishments. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years on his superannuation, on his retirement or resignation or on his death or disablement due to accident.

We are also required to comply with the laws applicable to the housing and the real estate sector in the State of Karnataka Tamil Nadu and Kerala, which include laws in relation to the availability of land, obtaining the no objection certificates prior to the commencement of construction, obtaining approvals required during and after the construction and finally obtaining the completion and occupancy certificate. We are required to comply with the various laws at different stages in the life-cycle of a project. Some of the important main local legislations applicable to us are provided below.

The Land Acquisition Act, 1894

Land holdings are subject to the Land Acquisition Act 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 has the right to compensation. In addition, certain states have amended the central statute and framed their own rules for compulsory land acquisition. The Company has to abide by the State legislations in those states in which it conducts its business, in addition to the Central legislation.

Classification of Lands

Usually, land is broadly classified as agricultural and non-agricultural. Further non-agricultural land has different categories such as residential, commercial, industrial etc, based on the specified land usage. Land classified under a specified category is permitted to be used only for such purpose. In order to use land for any other purpose, prior permission from the relevant revenue, municipal or planning authorities would be required. Where the land is originally classified as agricultural land, in order to use the land for any other purpose, the land is required to be converted or alienated for non-agricultural purposes. In addition, some State governments in India have imposed various restrictions, which vary from State to State, on the transfer of property within such States.

Development of Agricultural Land

The acquisition of agricultural land is regulated by state land reform laws, which prescribe limits up to which an entity may acquire agricultural land. Any transfer of land which results in the aggregate land holdings of the acquirer in the state to exceed this ceiling is void, and the surplus land is deemed, from the date of the transfer, to have been vested in the State government free of all encumbrances. Certain States also prohibit the acquisition of agricultural land by non-agriculturists.

When a local or planning authority earmarks certain areas for non-agricultural use such as, townships and commercial complexes, agricultural lands may be acquired for such specified development. After obtaining a conversion certificate from the appropriate authority with respect to a change in use of the land from agricultural to non-agricultural, the ceiling limits in relation to agricultural lands will not be applicable. Appropriate licenses would need to be obtained for development of land. While granting licenses for development, the authorities generally levy proportional development charges for the provision of services such as laying down of main lines, drainage, sewerage, water supply and electricity.

Land Use Planning

Land use planning and its regulation, including the formulation of regulations for building construction, form a vital part of the urban planning and development process. Various enactments, rules and regulations have been made by the Government, concerned State Governments, planning authorities, municipal corporations and municipalities, village panchayats etc which deal with the acquisition, ownership, possession, development, zoning and usage of land. All relevant applicable laws, rules and regulations have to be taken into consideration by any person or entity proposing to enter into any real estate development or construction activity in this sector in India.

Building Consents

Each state and city has its own set of laws for construction, which govern planned development (such as floor area ratio or floor space index limits, set backs, height restrictions etc). The various authorities that govern building activities in states include the town and country planning department, municipal corporations. Any application for undertaking any construction or development activity has to be made to the town planning authority, municipality, municipal corporation, village panchayat etc as the case may be, who has jurisdiction to sanction such construction.

The Urban Arts Commission advises the relevant State Government in the matter of preserving, developing and maintaining the aesthetic quality of urban and environmental design in some states and also provides advice and guidance to any local body with respect to building or engineering operations or any development proposal which affects or is likely to affect the skyline or the aesthetic quality of the surroundings or any public amenity provided therein. Under certain State laws, the local body, before it accords its approval for building operations, engineering operations or development proposals, is obliged to refer all such operations to the Urban Arts Commission and seek its approval for the project. Additionally, certain approvals and consents may also be required from various other departments, such as the Pollution Control Board, Fire Services Department, the Airports Authority of India, the Archaeological Survey of India etc.

State specific laws

State legislations provide for the planned development of urban areas and the establishment of regional and local development authorities charged with the responsibility of planning and development of urban areas within their jurisdiction. Real estate projects have to be planned and developed in conformity with the norms established in these laws and regulations made thereunder and require sanctions from the government departments and developmental authorities at various stages.

Laws enacted by the State of Karnataka

Karnataka Town and Country Planning Act, 1961 ("KTCP Act")

The main objective of the KTCP Act is to regulate planned growth of land use and to develop and execute town planning schemes in the State of Karnataka. The KTCP Act operates through planning authorities constituted under the KTCP Act for every local planning area and such areas are to be governed by its own local bye laws, rules and/or regulations. Every local planning authority is required to create a master plan and to ensure that all activities carried out are done in accordance with the master plan.

Comprehensive Development Plan ("CDP")

Under the KTCP Act, the BDA is the Planning Authority for the metropolitan area of Bengaluru. A CDP that divides the city into a number of use zones, such as residential, commercial, industrial, public and semi-public is issued every 10 years by the BDA.

The latest CDP ("**Revised Master Plan 2015**") was notified by the Government of Karnataka on June 25, 2007 and covers a total planning area of 1,307 square kilometres. The Revised Master Plan 2015 contains a master plan vision document, existing and proposed land use maps, land use zoning regulations and planning district reports. Under the Revised Master Plan 2015, there has been an enhancement of the FAR to a maximum of three and depending on the width of the road, up to four and an enhancement of FAR to a maximum of four around proposed metro stations. The land requirement for different uses like residential, commercial, industrial, public and semi-public, traffic and transportation, parks and open spaces have been also been set out in the plan. The Revised Master Plan 2015 lays down the policies and programmes for the overall development of the area taking into consideration the long term requirements of the city. In each use / zone, certain uses are normally permitted and certain other uses may be permitted by the BDA under special circumstances.

Comprehensive Development Plan for Mysore ("CDPM")

To ensure economic and healthy development of the city, Mysore is divided into a number of use zones, such as residential, commercial, industrial, public and semipublic. In order to promote public health, safety and the general welfare of the community, the State government thought it necessary to impose limitations on the use of land and buildings.

The CDPM was earlier approved by the Government of Karnataka in 1981 and has subsequently been revised in 1997 by the Mysore Urban Development Authority ("**MUDA**"), which is the planning authority for Mysore-Nanjangud area, as per Section 25 of the KTCP Act. The regulations issued by the MUDA and currently applicable are the Zoning of Land Use and Regulations dated May 16, 1997, and have been issued under the Revised Master Plan 2011.

The CDPM covers a total area of 495.32 square kilometers. The CDPM serves as the foundation for developing strategic plans and local area plans and designing neighborhoods. It also lays down the policies and programs for the overall development of the area within its ambit, taking into consideration certain long term requirements. The land requirement for different zones like residential, commercial, industrial, public and semipublic, traffic and transportation, parks and open spaces have been worked out and suitably located. Each zone can normally be used for certain purposes, however, in order to use it for certain other purpose, permission can be sought from the MUDA under special circumstances.

The zoning regulations and their enforcement are a major tool in keeping the land use pattern of the master plan. The zoning regulations for Mysore-Nanjangud local planning area are prepared under Section 12 (2)(iii) and Section 21(1)(a) of the KTCP Act. Section 12 of the KTCP Act deals with the contents of the master plan, which shall consist of a series of maps and documents, indicating the manner in which the development and improvement of the entire planning area within the planning authority is carried out. For the purpose of the KTCP Act, a planning authority includes the MUDA and any such local planning authority that is constituted under the KTCP Act. The CDPM requires that development will be spatially organized under eight zones:

- Residential zone – this includes dwellings, hostels, places of public worship, public libraries, post and telegraph offices, clubs, milk booths, neighborhood, convenience shops or buildings occupying a floor area not exceeding twenty square metres, *etc*., which fall under permitted use. Uses permissible under special circumstance by the MUDA are State and Central government offices, banks, public utility buildings, colleges, tailoring, nursing homes, *etc*.

- Commercial zone – this is split into two heads: (i) retail business and wholesale business, which cover offices, residential buildings, shops and service establishment; and (ii) establishments with power up to 20 horse power.
- Industrial zone – this is spilt into three heads: (i) light industrial zone, employing not more than 50 workmen; (ii) medium industrial zone, employing not more than 500 workmen; and (iii) heavy industrial zone, employing more than 500 workmen.
- Utilities and services – all government administrative centres, district offices, law offices, educational, cultural and religious institutions, fall under the permissible use. Government printing press, parking lots and repair shops, fall under uses permissible by MUDA under special circumstances.
- Parks, open spaces and play grounds – this includes sports grounds, stadium, play grounds, parks and swimming pools which fall under uses permissible under this category, and open air theatres, indoor recreational uses, social clubs and canteens, which fall under uses permissible under special circumstance by the MUDA.
- Traffic and transportation – this category covers railway yards, railway stations, bus stands and bus shelters, which fall under uses permissible, while canteens, banking counters, clubs, and godowns, fall under use permissible under special circumstances by the MUDA.
- Utilities and services – this includes water supply installation, treatment plants, drainage and sanitary installation, which fall under the uses permissible, and canteen, banking counters, clubs, indoor and recreational use, which fall under the uses permissible under special circumstances by the MUDA.
- Agricultural zone – this includes agriculture, horticulture, farming, dairy and poultry as the uses permissible, and places of worship, schools, hospitals, and libraries, uses permissible under special circumstances by the MUDA.

Karnataka Land Revenue Act, 1964 ("KLR Act")

The KLR Act was enacted to consolidate and amend the laws relating to land and the revenue administration in the State of Karnataka. The KLR Act states that any owner of an agricultural land shall require the permission of the Deputy Commissioner, to convert the use of such land for any other purpose. The KLR Act states that such a request for the conversion of the agricultural land cannot be refused, if such lands are in the CDP. Certain activites which are allowed to be carried out in the green belt areas include construction of places of worship, hospitals, libraries, sports clubs and cultural buildings. Any other form of activity, to be carried out will require the prior consent of the relevant authority.

Karnataka Town and Country Planning Act, 1961 ("KTCP Act")

The KTCP Act was enacted to provide for the regulation of planned growth of land use and development and for the making and execution of town planning schemes in the State of Karnataka. The KTCP Act provides for the declaration of a local planning area and shall be governed by its own local bye laws, rules and regulations, as the case may be. A local planning authority is constituted for such a local planning area.

Every local planning authority, shall be required to create a master plan and all activities shall be carried out pursuant to such a master plan.

Karnataka Municipal Corporation Act, 1976 ("KMC Act")

The KMC Act was established to consolidate and amend the laws, relating to the establishment of 'Municipal Corporations' in the State of Karnataka. The Municipal Corporations then have the power to regulate the construction industry by imposing mandatory requirements such as necessary approvals, building bye-laws, regulation of future constructions, *etc*. Pursuant to the provisions contained in Chapter XV of the Act, the corporations have been given the powers to regulate buildings and other related activity.

Under Chapter II of the KMC Act, a 'Corporation' is established based on certain criteria, which include the population of the area, the density of the population and certain other factors. Further, the KMC Act under Section 295 empowers a corporation to make bye laws for the use of sites and buildings. The Corporation shall have the power to make bye laws, for the regulation or restriction for the use of sites or buildings. Such a corporation may also make bye laws for all matters that are required or allowed to be carried on under this Act.

Bangalore Mahanagara Palike Building Bye Laws - 2003 ("BMP Bye Laws")

All land use and real estate development within the jurisdiction of the Bruhat Bangalore Mahanagara Palike ("**Authority**") requires compliance with the BMP Bye Laws. There are about 100 wards in Bangalore to which the BMP Bye Laws are applicable at present. The BMP Bye Laws classify land use as (i) residential (ii) commercial (retail and wholesale business) (iii) industrial (iv) public and semi public use (v) parks, open spaces and playgrounds (vi) transport and communication (vii) utilities and services (viii) agricultural zone. The construction of residential buildings is permitted in the commercial (retail business) zone.

Every person who intends to construct, erect, re-erect a building or make material alterations to a building is required to obtain a license from the commissioner of the Authority under Part II of the BMP Bye Laws by submitting the prescribed documents. The specifications mentioned in the BMP Bye Laws must be complied with in respect of the building proposed to be constructed. In relation to the construction of any building, *inter alia*, the conditions regarding the FAR, (i.e. 'quotient obtained by dividing the total covered area of all the floors by the area of the plot') and the "set back line" (i.e. a line prescribed beyond which nothing can be constructed towards the plot boundary except those not included under the definition of coverage) set out in the BMP Bye Laws have to be complied with and will be considered by the Authority before it grants a license for construction. Upon grant of a license by the Authority the construction of the building must commence within a period of two years from the date of grant of the license. Upon completion of construction, the Authority will issue a completion or occupancy certificate for the building after the physical inspection of the building to verify that the construction is in compliance with the approved plans and specifications.

Bhoomi Programme

Pursuant to the computerisation of land records ("**CoLR**") scheme initiated by the Government of India, the State of Karnataka implemented the Bhoomi Program. The objectives of the Bhoomi program are to computerise the ownership and plot wise details of the land records, facilitate the easy maintenance and updation of changes occurring in land holdings. Computerisation has been done to ensure long term preservation of land records that are tamper proof and which can be maintained, reproduced and retrieved efficiently at low cost.

By March 2002, the computerisation of the land records in the entire State of Karnataka was completed, which involved digitisation of nearly 20 million land records and further validation by 10,000 village accountants who were traditionally entrusted with custody and maintenance of the land records. After the implementation of the Scheme, farmers were issued printed copies of computerized records of Rights, Tenancy and Crop Inspection certificate (RTC) for a modest fee of Rs. 15 and issue of manual certificates has been banned. These computer-generated documents have statutory authority, and can be used for judicial and financial purposes. The Bhoomi program has been provided with fingerprint biometrics to ensure foolproof authentication. The Bhoomi databases at the taluk offices have been consolidated at the state data centre. Therefore the replication and consolidation of databases takes place on a daily basis which enables delivery of land records through the internet. Further, the offices of the registration department have been electronically linked to Bhoomi offices in the taluka thus transferring electronic data to the Bhoomi database.

Computerisation has also led to other benefits such as laying down standard processes like First in First out (FIFO) for disposal of mutation applications and reducing the discretionary power of government officials.

Bangalore Mysore Infrastructure Corridor Area Planning Authority ("BMICAPA") and Bengaluru International Airport Area Planning Authority ("BIAAPA")

The BMICAPA and the BIAAPA have been constituted pursuant to the KTCP Act, as a local planning Authority. The Bangalore Mysore Infrastructure Corridor Project consists of tolled four lane express highways (including their peripheral and link roads) and 5 new townships, along this corridor. The Bengaluru International Airport Planning

Authority regulates the lands coming within its jurisdiction.

Under the provisions of the KTCP Act, such a local planning authority shall have its own rules and regulations, which shall govern the area within its jurisdiction. In light of the above, the BMICAPA and the BIAAPA constitute independent planning authorities, and therefore in the event that any land is situated in their jurisdiction, they shall pursuant to the authority vested in them, have the powers to govern such areas.

Bangalore Development Authority Act, 1976 ("BDA Act")

The BDA Act was enacted for the establishment of a development authority to provide for the development of the city of Bengaluru and areas adjacent to it. Section 67 of the BDA Act has amended the KTCP Act and states that for the city of Bengaluru, the Bangalore Development Authority ("**BDA**") shall be the local planning authority for the local planning area.

Section 81-B of the KTCP Act states that the BDA shall be the local planning authority for the local planning area comprising of the city of Bengaluru and the BDA shall exercise powers and perform functions as if it were a local planning authority for the Bengaluru City.

Bangalore Metropolitan Region Development Authority Act, 1985 ("BMRDA Act")

The BMRDA Act was enacted for the purpose of establishing the Bangalore Metropolitan Region Development Authority ("**BMRDA**") to plan, co-ordinate and supervise the proper and orderly development of the Bangalore metropolitan region. Any development in the Bengaluru district and the Bengaluru rural district shall require the prior permission of the BMRDA.

Karnataka Apartment Ownership Act, 1972 ("KAO Act")

Under the provisions of the KAO Act, every owner of an apartment is required to execute a declaration to adhere to the provisions of the KAO Act. The KAO Act states that the administration of every property, shall be bound by its own bye laws.

Karnataka Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1972

As a matter of regulating the matters connected with the promotion, development, construction, sale and management of all types of flats (including industrial, commercial and residential). It deals in detail with the duties of the developer, the manner of booking a flat under construction, etc.

Karnataka Rent Control Act, 1999 ("Rent Act")

The earlier legislation, the Karnataka Rent Control Act, 1961 was replaced by the Rent Act in order to encourage further construction and balance the interests of the landlord and the tenant. Under the Rent Act, the "standard rent" in relation to any premises is calculated on the basis of 10.0% per annum of the aggregate amount of the cost of construction and the market price of the land comprised in the premises on the date of commencement of the construction subject to other charges payable as specified in the Rent Act.

Karnataka Stamp Act, 1957 ("KSA")

Stamp duty on instruments in the state of Karnataka is governed by the KSA. The KSA levies stamp duty on documents/instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Some of the instruments on which the KSA levies stamp duty include instruments for conveyance of land, lease of immoveable property, powers of attorney etc. All instruments chargeable with duty and executed by any person are required to be stamped adequately. Instruments not duly stamped are incapable of being admitted in court as evidence of the transaction in question. The State Government has the authority to impound insufficiently stamped documents. The KSA prescribes a penalty not exceeding ten times the amount of duty payable in respect of the instrument which is insufficiently stamped. The stamp duty payable on conveyance of immoveable property in the State of Karnataka is six %, plus other additional duties and is subject to revision by the government from time to time.

Laws enacted by the State of Tamil Nadu

The Tamil Nadu Town and Country Planning Act, 1971 ("TNTCP")

The main objective of the TNTCP Act is to regulate planned growth of land use and to develop and execute town planning schemes in the State of Tamil Nadu. The TNTCP Act notifies the areas, constitution of authorities like Chennai Metropolitan Development Authority, preparation and implementation of master plan and detailed development plan and enforcement of development control regulations. The development plan/master plan specifies the usage of land within the local area which provides for allotment or reservation of land for residential, commercial, industrial and agricultural purposes for parks and open spaces, major streets, airport and canals, area reserved for further developments, expansion and for new housing. The plans may also include detailed development of specific areas for housing, shopping, industries, the height, and number of storeys and size of the building.

This TNTCP Act further provides for the preparation of a 'regional plan' which is a tool to integrate the urban and the rural areas. The TNTCP Act has resulted in a situation whereby a developer has to submit two applications and obtain two permissions. The first permission is the planning permission under the TNTCP Act and the second permission for building license, layout from the relevant licensing authorities.

The land use and planning/development activities in municipal areas (urban/local) is controlled and regulated by the local body authorities (municipalities) under the provisions of the Tamil Nadu Urban Local Bodies Act, 1998 and in panchayat areas by the Panchayat Authorities (Panchayat Board) under the provisions of the Tamil Nadu Panchayats Act, 1994.

Chennai Metropolitan Development Authority ("CMDA")

The CMDA is an authority constituted under the TNTCP Act. The purpose of establishing the CMDA is to plan, co-ordinate and supervise the proper and orderly development of the "Chennai metropolitan area". The CMDA co-ordinates and monitors projects executed through Government agencies, Non-Governmental organizations and community based organizations.

Tamil Nadu District Municipalities Act, 1920 ("TNDM Act")

The TNDM Act was established to consolidate and amend the laws, relating to the establishment of 'municipal corporations' in the State of Tamil Nadu except in Chennai. Under the TNDM Act, the construction industry is regulated by the municipal office which imposes mandatory requirements such as obtaining of approvals, compliance with building bye-laws, regulation of future constructions, etc.

Tamil Nadu District Municipalities Building Rules, 1972 ("TN Building Rules")

The TN Building Rules are applicable to the whole area which has been declared as municipality under the TNDM Act. These rules apply to all building activity within the jurisdiction of the body mentioned above and prescribe the conditions for construction of a building, including restrictions on the minimum building plot size along the abutting roads in all new developments areas and layouts, height and set back of buildings etc. Every application to construct or reconstruct or for alteration to existing buildings is to be made to the relevant sanctioning authority in the prescribed form and accompanied by the prescribed documents.

Chennai City Municipal Corporation Act, 1919 ("CCMC Act")

The CCMC Act was established to consolidate and amend the laws, relating to Municipal affairs in the city of Chennai. Under the CCMC Act, the construction industry is regulated by the municipal office who impose mandatory requirements such as approvals, building bye-laws, regulation of future constructions, etc

Tamil Nadu Apartment Ownership Act, 1994 ("TNAO Act")

Every owner of an apartment in the State of Tamil Nadu is required to execute a declaration to adhere to the provisions of the TNAO Act. The TNAO Act states that the administration of every building shall be bound by its building regulations under the municipal laws, TNTCP Act and own bye laws.

Tamil Nadu Buildings (Lease and Rent Control) Act, 1960 ("TNLRC Act")

The TNLRC Act was enacted to regulate the leasing of buildings, and to exercise rent control. Under the TNLRC Act the "fair rent" in relation to any residential apartment shall be nine percent of the gross return per annum on the total cost of such building, and on any non residential building it shall be 12% of the gross return per annum on the total cost of such building. The total cost shall consist of the market value of the site in which the building is constructed and the cost of the construction of the building.

Tamil Nadu Fire Services Act, 1985 ("TNFS Act")

The maintenance of fire services in the State of Tamil Nadu is regulated by the provisions of the TNFS Act. The primary function of the fire and rescue services department is to save life and property of the public from fire and other accidents. The fire and rescue services department also provides advice on fire protection measures for high-rise buildings, factories, places of public resort, fairs and festivals. 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 for approval from the concerned authority.

Laws enacted by the State of Kerala

Kerala Land Reforms Act, 1963 ("KLRA Act")

The main objective of the KLRA is to codify the limits of land held in Kerala by persons or firms. Sections 80 to 85 of the KLRA prescribe ceilings on the land a person or a firm can hold, along with the different types of lands that can be held by such entities. These provisions also prescribe other conditions to be complied with while purchasing any land in Kerala.

Kerala Municipalities Act, 1994 ("KM Act")

The KM Act was established to consolidate and amend the laws, relating to the establishment of 'municipal corporations' in the State of Kerala. Under the KM Act, the construction industry is regulated by the municipal corporations which impose mandatory requirements such as approvals, building bye-laws, regulation of future constructions, etc. The KM Act empowers municipal corporations to make bye laws for the use of sites and buildings and for all matters that are required or allowed to be carried on under the KM Act.

Kerala Municipality Building Rules, 1999 ("KMB Rules")

The KMB Rules prescribes the rules applicable to municipal corporations in Kerala. These rules apply to all public and private buildings and prescribe the conditions for construction of a building, including restrictions on the minimum building plot size along the abutting roads in all new developments areas and layouts, height and set back of buildings etc. In relation to high rise buildings, located in vicinity of airports the maximum height of such building has to be in accordance with the KMB Rules and in the event that the building exceeds the maximum height limits, the approval for the same should be obtained from the airport authority and is regulated by their rules/requirements.

Every application to construct or reconstruct or for alteration to existing high rise buildings is to be made to the relevant sanctioning authority in the prescribed form and accompanied by the prescribed documents. The KMB Rules also prescribe that 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.

Kerala Land Development Act, 1963 (“KLD Act”)

The KLD Act was enacted to provide for a unified law relating to preparation and execution of land development schemes including schemes for the conservation and development of soil resources, the control and prevention of soil erosion and the reclamation of waste lands in the State of Kerala. The Kerala Land Development Scheme Rules, 1977 framed under the KLD Act details the powers, duties and functions of the authorities approving and implementing the schemes.

Kerala Apartment Ownership Act, 1983

Every owner of an apartment in the State of Kerala is required to execute a declaration to adhere to the provisions of the Kerala Apartment Ownership Act, 1983. The Kerala Apartment Ownership Act, 1983 states that the administration of every property shall be bound by its own bye laws.

Kerala (Lease & Rent Control) Act, 1965 (“KLRC Act”)

The KLRC Act was enacted to regulate the leasing of buildings, and to exercise rent control. Under the KLRC Act, the “fair rent” in relation to any premises is calculated on the basis, of the property tax or house tax fixed for the building at the time of letting in the property tax register or house tax register of the authority within whose area the building is situated.

Kerala Survey and Boundaries Act, 1961 (“KSB Act”)

The KSB Act was enacted to amend and unify the laws relating to survey of lands and settlement of boundary disputes.

Kerala Fire Force Act, 1962 (“KFF Act”)

The maintenance of fire services in the State of Kerala is regulated by the provisions of the KFF Act. The primary function of the fire and rescue services department is to save life and property of the public from fire and other accidents. 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 concerned licensing authority and the same shall be forwarded by the licensing authority to the fire and rescue services department.

Laws enacted by the State of Andhra Pradesh

Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act, 1973 (“APLRC Act”)

This APLRC Act lays down the ceiling limit on holding agricultural land in the state of Andhra Pradesh. The ceiling area of individual and in the case of any other person is ‘one standard holding’. Person has been defined to include an individual, a family unit, a trustee, a company, a firm, a society or an association of individuals whether incorporated or not under APLRC Act. The procedure for computation of ‘one standard holding’ for difference classes of lands has been specified in APLRC Act.

Every person who holds land beyond the specified limits under the APLRC Act, is required to declare the details of such excess holding to the relevant tribunal which is empowered to hold an enquiry under the APLRC Act. APLRC Act prohibits a person holding land in excess of the specified limits from alienating his holding and any alienation in contravention of APLRC Act is null and void. Any contravention of any provisions of the APLRC Act is punishable with imprisonment or with fine or with both under APLRC Act.

Andhra Pradesh Rights in Land and Pattadar Pass Books Act, 1971 (“APRLP Act”)

This APRLP Act is applicable to the whole of state of Andhra Pradesh and deals with preparation and updation of Record of Rights Register by the Government for maintaining records of agricultural lands including names of owners, possessors, mortgagees, occupants or tenants of land, nature of land, extent of rights and interest of such persons, liabilities, rent/revenue if any, payable. Every owner/possessor of land is required to apply for an issue of pass book and title deed under APRLP Act, by paying the prescribed fee. A patta pass book is issued to owners and persons having rights and interest in land. The holder of pass book and title deed is required to have entries of alienations/creation/transfer of any interest in land to be recorded in the pass book and title deed by the registering officer at the time of registration. It is pertinent to note that a patta pass book and title deed is not issued to a Company under APRLP Act. The APRLP Act provides for inspection and obtaining copies of record of rights by public on payment of fees prescribed. Further APRLP Act, also provides for regularization of alienation or transfer of land made otherwise than a registered instrument.

Andhra Pradesh Assigned Lands (Prohibition of Transfer) Act, 1977 ("APALPT Act")

APALPT Act extends to the whole of the State of Andhra Pradesh. APALPT Act prohibits transfer of lands assigned to land-less poor and provides for restoration of such transferred lands to the original assignees. APALPT Act also prohibits registration of transfer of documents relating to the transfer of any assigned lands or documents creating any interest therein and further provides for penal provisions with respect to persons acquiring any assigned lands in contravention of provision of APALPT Act, including imprisonment and fine or with both.

Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006 ("APALCAP Act")

APALCAP deals with conversion of agricultural land to non agricultural use. As per APALPT Act no agricultural land can be put to non agricultural use without the prior permission of the concerned officer authorized under APALPT Act. Any owner converting agricultural land for non-agricultural use is required to pay a conversion fee as prescribed. Further APALPT Act prescribes penalty on the persons/owners who put the agriculture land to non agriculture use without the prior permission of the concerned officer authorised under APALPT Act. APALPT Act also provides exemptions to certain lands. It is pertinent to note that the government authorities dealing with issue of sanctioned layouts do not issue permissions for construction without the mandatory land conversion certificate.

Andhra Pradesh (Telangana Area) Land Revenue Act, 1317 Fasli ("APTALR Act")

APTALR Act empowers the Government to impose land revenue on the land in the Telangana area. APTALR Act prescribes the responsibility of pattadar and other occupants of land for payment of land revenue and also lays down the manner in which the same is collected and recovered by the authorized officers of the Government under APTALR Act. As per APTALR Act, land revenue has priority over other demands like debts, mortgages etc., further the Government also has the first charge to collect arrears on land other than the land on which the land revenue is due.

Andhra Pradesh Revenue Recovery Act, 1864 ("APRR Act")

APRR Act deals with manner of collecting arrears of public revenue due on land including cess or the other dues payable to the State Government on account of water supplied for irrigation of land by the Government. APRR Act empowers a Collector to recover the arrears together with interest and costs of process, by the sale of the defaulter's movable and immovable property or by execution against the defaulter. APRR Act also prescribes the rules for seizure and sale of movable property for recovery of arrears of revenue due. Further APRR Act also lays down a penal provision for fraudulent conveyance of property to prevent distress for arrears.

Andhra Pradesh Town Planning Act, 1920 ("APTP Act")

APTP Act provides for preparation of planning schemes for the development of town to secure their present and future inhabitants sanitary conditions, amenity and convenience including and not limited to improvement of roads, reservation of land for streets, roads, schools, gardens, recreation grounds, market, hospital, communication, construction and demolition of building and structures, transport facilities, water supply, lighting, drainage, surface drainage and sewage disposal, in the state of Andhra Pradesh.

Foreign Ownership

The Industrial Policy, 1991 prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy. The Government of India has since amended the Industrial Policy, 1991 from time to time in order to enable FDI in various sectors in a phased manner gradually allowing higher levels of foreign participation in Indian companies. The FEMA regulates the precise manner in which such investment may be made.

The Government of India has permitted FDI of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure), subject to certain conditions contained in Press Note 2 and Press Note No. 4 (2006 series).

A short summary of the conditions of Press Note 2 is as follows:

(a) Minimum area to be developed is 10.0 hectares in case of serviced housing plots and 50,000 sq. mts. in case of construction development projects. Where the development is a combination project, the minimum area can be either 10.0 hectares or 50,000 sq. mts.

(b) Minimum capitalization of US$10.0 million for wholly-owned subsidiary and US$5.0 million for a joint venture has been specified and it is required to be brought in within six months of commencement of business of the company.

(c) Further, the investment is not permitted to be repatriated before three years from completion of minimum capitalization except with prior approval from FIPB.

(d) At least 50% of the project is required to be developed within five years of obtaining all statutory clearances and the responsibility for obtaining it is cast on the foreign investor. Further, the sale of undeveloped plots is prohibited.

(e) Compliance with rules, regulations and bye-laws of state government, municipal and local body has been mandated and the investor is given the responsibility for obtaining all necessary approvals.

However, Press Note 2 and Press Note 4 (2006 series) are not applicable to foreign investment under the Portfolio Investment Scheme by FIIs under Schedule II of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended from time to time. The Company is eligible to issue Shares to FIIs under the Portfolio Investment Scheme, covered under notification FEMA No. 20/2000-RB dated May 3, 2000 and subsequent amendments thereto.

With effect from April 1, 2010, the consoldiated FDI Policy shall be applicable.

Investment by FIIs and Sub-accounts

As per the Portfolio Investment Scheme, FIIs registered with the SEBI may buy or sell securities of Indian companies on stock exchanges in India through registered stock brokers. FIIs are also permitted to purchase shares and convertible debentures of an Indian company, subject to the percentage limits specified either through:

- a public offer, where the price of the shares to be issued is not less than the price at which the shares are issued to Indian residents; or

- a private placement, where the price of the shares to be issued is not less than the price according to the terms of the relevant SEBI guidelines or the guidelines issued by the former Controller of Capital Issues as applicable.

Further, in respect of an FII investing in equity shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of the company or 5% of the total issued capital of the company in case such sub-account is a foreign corporate or an individual.

The above regulations and policies are in summary form only and is not a complete analysis or description of all regulation and polices applicable to the business of the Company.

Foreign Exchange Remittances from India

The FEMA regulates transactions involving foreign exchange and provides that certain transactions cannot be carried out without the general or special permission of the RBI. The FEMA has eased restrictions on current account transactions. However, the RBI continues to exercise control over capital account transactions (i.e., those which alter the assets or liabilities, including contingent liabilities, of persons) and has issued regulations to regulate the various kinds of capital account transactions, including certain aspects of the purchase and issuance of shares of Indian companies.

Dividends

Dividends on the equity shares received by foreign investors may be freely repatriated in foreign currency.

Restrictions on Sale of the Equity Shares and Repatriation of Sale Proceeds

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain conditions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. An FII holding equity shares is permitted to sell them on a recognised Indian Stock Exchange through a registered broker and the sale proceeds may be credited to a special non-resident Rupee account that it holds.

HISTORY AND CORPORATE STRUCTURE

Our History

Our Company was originally incorporated as Nitesh Estates Private Limited on February 20, 2004 as a private limited company under the Companies Act, in Bengaluru, Karnataka, India. The name of our Company was subsequently changed to Nitesh Estates Limited by a special resolution of the members passed at an EGM of our Company on October 9, 2009. The fresh certificate of incorporation consequent upon change of name was granted to our Company on November 3, 2009 by the Registrar of Companies, Karnataka.

Changes in the Registered Office

The registered office of our Company was originally located at 107, 1st Floor, Andrews Building, M.G. Road, Bengaluru 560 001, Karnataka, India. Pursuant to a resolution of our Board dated December 16, 2006, the registered office of our Company was changed to Du Parc Trinity, 11th floor, West Wing, No. 17, M.G. Road, Bengaluru 560 001, Karnataka, India with effect from December 18, 2006. Further, pursuant to a resolution of our Board dated March 27, 2007 our Company's registered office was changed to Nitesh Timesquare, 7th Floor, No. 8, M.G. Road, Bengaluru 560 001, Karnataka, India to facilitate business operations with effect from March 8, 2007.

Shareholder Agreements

There are no agreements between our Company and its shareholders, except as stated herein.

Strategic and Financial Partners

Termination and Reinstatement Agreement ("**Agreement**") *dated October 6, 2009 executed among AMIF I Limited* ("**Investor**"), *our Company and Ms. Pushpalatha V. Shetty, Mr. Nitesh Shetty and Nitesh Industries Private Limited* ("**Promoters**").

The Investor, our Company and the Promoters (collectively referred to as the "**Parties**") are Parties to a share subscription agreement and shareholders agreement, both dated January 10, 2007 pursuant to which the Investor was allotted 1,700,616 Equity Shares of our Company consisting of 1,390,001 Class A Shares and 310,615 Class B shares at an issue price of Rs. 193.16 including a premium of Rs. 183.16 on January 12, 2007, for a total consideration of Rs. 365.00 million. Pursuant to a meeting of the shareholders at the AGM held on September 30, 2009, our Company has reclassified its share capital into one single class of Equity Share ranking *pari passu* in all respects. The Investor currently holds 14.41% of the issued and paid-up share capital of the Company.

The parties agreed to terminate the share subscription and shareholders agreement by way of this Agreement. Under this Agreement, all the Parties have consented to the amendments to the articles of association of the Company to be in a mutually agreed form, with a view to facilitate and ensure compliance with the terms of this Agreement.

The Investor has consented to the actions contemplated under this Agreement, including but not limited to the amendment of the articles of association of our Company, solely to facilitate the proposed initial public offering. Further, all the Parties shall deem to have irrevocably waived all their other rights in this Agreement, and shall be freed from all liabilities and obligations, under the Agreement only upon commencement of trading of the equity shares of our Company on the stock exchange and not earlier. It is further clarified that during the intervening period, that is, the date on which this Agreemest is executed and the date of commencement of trading of the equity shares of our Company on the stock exchange, the rights under this Agreement will stand suspended.

It has been acknowledged by all the Parties that this Agreement is entered into to facilitate the consummation of the initial public offering. Accordingly, the Parties have agreed that in the event (a) the Draft Red Herring Prospectus is not filed by December 31, 2009 or (b) the initial public offering is not completed by January 31, 2010, or in each case such later date as may be mutually agreed to in writing by both the Investor and the Company in their respective sole discretion, this Agreement shall be deemed to be automatically reinstated with effect from the first day immediately following December 31, 2009 or January 31,2010, as the case may be.

In the event (a) the Draft Red Herring Prospectus is not filed by December 31, 2009 or (b) the initial public offering is not completed by January 31, 2010, or in each case such later date as may be mutually agreed to in writing by both the Investor and our Company in their respective sole discretion, the Promoters have agreed to take all such actions and do all such things, as may be required by the Investor, to ensure that the Investor is placed in materially the same position and possesses materially the same rights as though no waiver and/or amendment to this Agreement and the articles of association of the Company had occurred, so as to ensure that the Investor is not disadvantaged on account of the waiver of its rights under this Agreement and the Investor shall have the right to sell any or all its shares to any potential purchaser at such price and upon such terms as the Investor may deem necessary in addition to requiring the Promoters to sell an appropriate number of their shares to the potential purchaser such that the potential purchaser shall hold at least 26.0% of the issued and paid-up capital of the Company. Pursuant to a letter dated March 18, 2010, the Parties have agreed to extend the date of completion of the initial public offering of the Company to May 31, 2010.

Subsequent to the shareholders agreement, a Promoter Call Option Notice dated October 4, 2009 was issued by Mr. Nitesh Shetty to the Investor to purchase 10.0% of the issued and paid-up share capital of our Company held by the Investor. Pursuant to the Promoter Call Option Notice the actual purchase of the Equity Shares of the Investor by one of the Promoters, Mr. Nitesh Shetty was required to be completed within February 10, 2010 (but in all cases prior to the filing of the Red Herring Prospectus). Under the shareholders agreement, the Promoter Call Option couldn be exercised during the Call Option Exercise Period for purchasing the due proportion of shares held by the Investor at a price specified in the said shareholders agreement. The Call Option Exercise Period commences on the third anniversary of the closing date being January 10, 2010 and expires after a period of 30 days thereof, that is, February 9, 2010. However, in light of the fact that SEBI Regulations mandate that the capital structure of the Company and the list of the shareholder are finalised prior to the date of filing of the Draft Red Herring Prospectus, the Promoter Call Option was exercised as of the date of the Promoter Call Option Notice.

Pursuant to the Promoter Call Option Notice and as agreed between Mr. Nitesh Shetty and the Investor, 6,802,460 (including the shares issued and allotted pursuant to the bonus issue) Equity Shares were purchased by Mr. Nitesh Shetty from the Investor. These Equity Shares were purchased for a consideration of Rs. 32.79 per Equity Share amounting to a total consideration of Rs. 223,051,990 and such number of Equity Shares were subsequently transferred from Mr. Nitesh Shetty to Nitesh Land on February 10, 2010 .

*Shareholders Agreement dated January 10, 2007 executed among AMIF I Limited ("**Investor**"), Ms. Pushpalatha V. Shetty, Mr. Nitesh Shetty, Nitesh Industries Private Limited ("**Promoters**") and our Company.*

The Investor, Promoters and our Company had entered into a shareholders agreement wherein the Investor has subscribed to 1,700,615 shares of the Company consisting of 1,390,000 Class A shares and 310,615 Class B shares, for a total consideration of Rs. 328.50 million at the rate of Rs. 193.16 per share on January 10, 2007 and subsequently on June 23, 2007 one Class A share was allotted to the investor such that the Investor holds 28.97% of the issued and paid-up capital of the Company after the investment.

Pursuant to the agreement, the Investor is obligated to subscribe to the shares of the Company only on the fulfilment of the conditions mentioned therein. Further, our Company has certain obligations with respect to the issue and allotment of such number of shares to the Investor, such as appointing Mr. Zoltan Varga and Mr. Gabriel Fong, the nominees of the Investor as Directors of the Company. Also as per the shareholders agreement, the Promoter has a call option that may be exercisable between January 10, 2010 and February 9, 2010 and the actual sale and purchase of the shares shall be consummated within a period of two months from the Call Option Exercise Period as defined in the shareholders agreement. The number of shares that can be acquired by the Promoters pursuant to the exercise of their call option would be higher of such number of shares held by the Investor that represent 10.0% of the issued and paid-up equity share capital of the Company as on the date of closing of the aforesaid shareholders agreement. And such proportion of the Investor shares that represent the portion of the uninvested Committed Corpus as defined in the shareholders agreement (being an amount of Rs. 1900.00 million) during the Participation Period (being 1 year from the issue of Potential Project Notice) as defined in the shareholders agreement save and except for 5.0% of the issued and paid-up equity share capital of the company.

The Promoters have agreed to indemnify the Investor against all damages which directly and actually arise out of or become payable by virtue of any falsity, default or breach of any of the warranties given by the Promoter, any default, breach of any of the covenants and obligation, any liabilities, losses, claims penalties or damages arising from any allegation brought by Siachen Capital LLC or any of its affiliates. The Investor is not entitled to make a claim for damages unless the amont of such single claim exceeds Rs. 2.50 million, or where the amount of two or more claims which are connected and/or arise from any connected matters exceeds Rs. 5.00 million Our Company is restricted from disposing, creating or extending any encumbrance on any of its assets, acquire any business or material asset, enter into any joint venture, consortium or partnership agreement, initiate any litigation, arbitration, prosecution or other legal proceedings among other restrictions.

Pre-IPO Placement

*Share Subscription Agreement ("**SSA**") amongst Brand Equity Treaties Limited ("**BETL/Investor**"), our Company, Mr. Nitesh Shetty and Nitesh Industries Private Limited ("**Promoters**")*

BETL, our Company and the Promoters (collectively referred to as the "**Parties**") are parties to a share subscription agreement dated February 12, 2010 pursuant to which the Investor was allotted on February 19, 2010, by way of the Pre-IPO placement, 1,049,000 Equity Shares ("**Subscription Shares**") at a price of Rs. 143.00 aggregating to Rs. 150,007,000.00. BETL has also covenanted under the SSA that the Subscription Shares shall be subject to a lock-in in accordance with the ICDR Regulations, for a period of one year from the date of allotment of the Equity Shares under the IPO. The SSA grants BETL the right to transfer or sell or otherwise dispose of the Subscription Shares at the expiry of the applicable lock-in period. The parties have agreed under the SSA that all the provisions of the SSA shall terminate upon the listing of the Subscription Shares of our Company on any recognized stock exchange in India. It has also been agreed among the parties that upon the listing of the Subscription Shares on a recognized stock exchange, the parties shall cease to have the right, obligations and privileges contained in the SSA. It is agreed by the parties that in the event the IPO of our Company and the listing of the Subscription Shares on a recognized stock exchange is not completed within a period of one year from the date of the SSA, certain rights such as a put-option right, tag-along right and right of first refusal available to BETL shall become applicable.

Furthermore, BETL and our Company have executed an advertising agreement on February 11, 2010 for advertising the Company's products, services and brands in media for a total value of Rs. 150,000,000 net of agency commission.

Our Company hereby undertakes that pursuant to the (i) Shareholders Agreement dated January 10, 2007 executed among AMIF I Limited ("**Investor**"), Ms. Pushpalatha V. Shetty, Mr. Nitesh Shetty, Nitesh Industries Private Limited ("**Promoters**") and our Company and (ii) the Share Subscription Agreement ("**SSA**") dated February 12, 2010 amongst Brand Equity Treaties Limited ("**BETL/Investor**"), our Company, Mr. Nitesh Shetty and Nitesh Industries Private Limited ("**Promoters**"), there are no clauses granting special or additional rights to any of the Investors (which are not available to other public shareholders) that would be inserted in the articles of association of the Company.

Key Events and Milestones

Month/Year	Key Events, Milestones and Achievements
April, 2006	Corporate housing project for ITC
December, 2006	Citi Property Investors acquired 74.0% stake in Nitesh Residency which is developing the Ritz-Carlton brand hotel
January, 2007	AMIF I Limited, a Och-Ziff Captial Management Group entity acquired 28.98% stake in our Company
May, 2007	Agreement signed to develop India's first the Ritz-Carlton brand hotel in Bengaluru by Nitesh Residency
November, 2007	Won the bid for a 8.26 acre property in the Boat Club area in the heart of Chennai
September, 2009	HDFC AMC pick up 10.1% stake in Nitesh Housing, an SPV formed to develop projects
October, 2009	Executed MoU with Luxury Hotels International Management Company B.V. to set up a full-service luxury international hotel and luxury condominium residences under the Ritz-Carlton brand name
February 12, 2010	BETL acquired 1.48% stake in our Company

Main Objects

Our main objects enable us to carry on our current business. The business proposed to be carried on by us as contained in our Memorandum of Association and are as follows:

(i) *To carry on business of designing, planning, managing developing estates, apartments, houses, factories, godowns, warehouses, hotels, farm houses, health clubs, holiday resorts, club houses, industrial sheds, housing colonies, townships, layouts, factory buildings, public buildings, multistoried bulidngs, schools, colleges, community halls, shopping complex, shopping malls, dams, bridges, canals, power projects and other hydraulic structures, roads and highways, golf course, playgrounds, tennis court, to carry on business as civil, mechanical, electrical, water supply and sanitary contractors, builders, real estate agents, real estate developers, suppliers of various services required for residential, commercial, industrial and other units.*

(ii) *To carry on business of owners, lessors, lessees, managers, licensors, licensee of retail shops, shopping malls, business centres, industrial parks, guest houses, hotels, motels, inns, resorts on time share basis or otherwise, resturants and clubs, stadiums, auditoriums and centers for sports, health, amusment, arts, entertainment, hospitals and supplies of various services required for the above.*

(iii) *To carry on the business of purchase, sale or otherwise to deal with building materials of all kinds and descriptions.*

(iv) *To carry on all or any of the business of lending, investing and advancing money, to persons, customers, subsidiaries, and group companies in connection with or in relation to the business referred to in objects (i), (ii) and (iii) above and repayment, prepayment or generally discharge of any indebtedness including by way of redemption of convertible or non convertible debentures.*

Amendments to our Memorandum of Association

Date of Shareholders Approval	Nature of Amendment
October 24, 2005	The authorized capital of Rs. 10.00 million consisting of 1,000,000 Equity Shares was increased to Rs. 50.00 million consisting of 5,000,000 Equity Shares
September 25, 2006	The authorized capital of Rs. 50.00 million consisting of 5,000,000 Equity Shares was increased to Rs. 100.00 million consisting of 10,000,000 Equity Shares
January 11, 2007	Authorised share capital of Rs. 100.00 million divided into 9,600,000 Class A Equity Shares of Rs. 10 each and Rs. 0.40 million Class B Equity Shares of Rs. 10 each
September 30, 2009	The authorized capital of Rs. 100.00 million consisting of 9,600,000 Class A Equity Shares of Rs. 10 each and 0.40 million Class B Equity Shares of Rs. 10 each was increased to Rs. 1,500.00 million consisting of 150,000,000 Equity Shares by reclassification of Class A Equity Shares to ordinary Equity Shares
November 24, 2009	Addition as Clause iv in the main objects of our Company which is as follows: *"To carry on all or any of the business of lending, investing and advancing money, to persons, customers, subsidiaries, and group companies in connection with or in relation to the business referred to in objects (i), (ii) and (iii) above and repayment, prepayment or generally discharge of any indebtedness including by way of redemption of convertible or non convertible debentures."*

Details of Subsidiaries

Nitesh Indiranagar

Corporate Information

Nitesh Indiranagar, a company duly incorporated under the Act on April 30, 2007 as a private limited company is engaged in the business of real estate development. Mr. Nitesh Shetty and Mr. L.S. Vaidyanathan are on the board of Nitesh Indiranagar. They handle the operations of Nitesh Indiranagar in consultation with the management of the Company. For brief biographies of Mr. Nitesh Shetty and Mr. L.S. Vaidyanathan please refer '*Our Management*' section on page 183.

Capital Structure

The authorised share capital of Nitesh Indiranagar is Rs. 20.00 million divided into two (2) million equity shares of Rs. 10 each and the paid-up capital of Nitesh Indiranagar is Rs. 11.60 million divided into 1.16 million equity shares of Rs. 10 each.

Shareholding

Our Company holds 1,159,900 equity shares in Nitesh Indiranagar, that is 99.99% of the issued and paid-up capital of Nitesh Indiranagar, while the remaining 0.01% is held by Ms. Pushpalatha V. Shetty.

*Financial Performance**

(Rs. in million except per share data)

	Financial Year 2009	Financial Year 2008
Sales and other income	-	-
Profit/Loss after tax	-	-
Reserves and Surplus	103.50	-
Equity capital	11.60	0.10
Earnings per share	-	-
Book value per share	99.19	6.37

** See section titled "Summary Audited Balance Sheet, Profit & Loss and Cash Flows Statements of our Subsidiaries and Associate Company" on page 310, for the Financial Statements of Nitesh Indiranagar*

There are no amounts of accumulated profits or losses not accounted for by our Company.

Projects Undertaken

Nitesh Indiranagar is currently undertaking the development of the Nitesh Mall.

Nature of Business

It must be noted that real estate companies undertake projects in different special purpose vehicles to facilitate raising of financing for the project costs and cater to the risk profiles of investors. Therefore, they provide investors the flexibility to invest in entities which carry on business suited to their investment pattern.

In this regard, Nitesh Indiranagar was incorporated exclusively for developing the Nitesh mall to facilitate ease of finance in the project. Nitesh Mall is being developed by Nitesh Indiranagar along with the joint development partner Mr. George Thangiah.

Nitesh Housing

Corporate Information

Nitesh Housing is a company duly incorporated under the Act on December 4, 2007 as Nitesh Trivandrum Malls Private Limited. With effect from July 10, 2008, the name was changed to Nitesh Housing Developers Private Limited and Nitesh Housing is engaged in the business of real estate development. Mr. Nitesh Shetty, Mr. L.S. Vaidyanathan are on the board of Nitesh Housing. They handle the operations of Nitesh Housing in consultation with the management of the Company. For brief biographies of Mr. Nitesh Shetty and Mr. L.S. Vaidyanathan please refer '*Our Management*' section on page 183.

Capital Structure

The authorised share capital of Nitesh Housing is Rs. 50.00 million divided into five (5) million equity shares of Rs. 10 each and the paid-up capital of Nitesh Housing is Rs. 50.00 million divided into five (5) million equity shares of Rs. 10 each.

Shareholding

Our Company holds 4,494,900 equity shares in Nitesh Housing, that is 89.9 % of the issued and paid-up capital of Nitesh Housing, one of our Individual Promoters Mr. Nitesh Shetty holds 100 equity shares in Nitesh Housing, while the remaining 10.1 % is held by HDFC AMC.

*Financial Performance**

(Rs. in million except per share data)

	Financial Year 2009	Financial Year 2008
Sales and other income	-	-
Profit/Loss after tax	-	-
Reserves and Surplus	-	-
Equity capital	0.10	0.10
Earning per share	-	-
Book value per share	3.88	6.90

** See section titled "Summary Audited Balance Sheet, Profit & Loss and Cash Flows Statements of our Subsidiaries and Associate Company" on page 312, for the Financial Statements of Nitesh Housing*

There are no amounts of accumalted profits or losses not accounted for by our Company.

Projects Undertaken

Nitesh Housing is currently undertaking the development of Nitesh Hyde Park, Nitesh Columbus Square, Nitesh Wimbledon Gardens (Residential and Commercial), Nitesh Fischer Island, Nitesh Napa Valley – I, Napa Valley II and Nitesh Malibu.

Nature of Business

It must be noted that real estate companies undertake projects in different special purpose vehicles to facilitate raising of financing for the project costs and cater to the risk profiles of investors. Therefore, they provide investors the flexibility to invest in entities which carry on business suited to their investment pattern. In this regard, Nitesh Housing was incorporated to facilitate investment from investors in the specific portfolio of projects being developed by it.

Strategic and Financial Partners

(a) *Debenture Subscription and Share Purchase Agreement ("**DSSPA**") dated September 25, 2009 executed among Nitesh Housing, HDFC AMC ("**Investor**"), our Company and Mr. Nitesh Shetty ("**Principal Promoter**")*

Under this agreement, the Investor has agreed to subscribe to a maximum of 6,200,000 debentures of Nitesh Housing for an aggregate subscription amount of Rs. 620.00 million ("**Subscription Amount**") and acquire 505,000 shares ("**Sale Shares**") of Nitesh Housing from our Company for a total cost of Rs. 180.00 million ("**Purchase Amount**") such that after such subscription and acquisition the Investor shall own 100.0% of the debentures and 10.1% of the total equity capital of Nitesh Housing.

Additionally, the Investor may invest a further sum of Rs. 200.00 million in Nitesh Housing upon subscription to 2,000,000 debentures after receipt of the necessary approvals from the investment committee of the Investor.

The redemption of the debentures and all liquidated damages, premium on redemption, costs etc are secured by the following:

(i) first fixed pledge by our Company on all the Company's shares in favour of the Investor in accordance with the terms of a pledge agreement executed between our Company and the Investor;

(ii) first fixed pledge by the Principal Promoter on 1,020,369 Equity Shares of our Company amounting to 15.0% of the issued and paid-up equity share capital of our Company owned by the Principal Promoter in favour of the Investor in terms of the pledge agreement executed between the Principal Promoter and the Investor. This has been subsequently adjusted for the bonus issuance by our Company vide resolution of the shareholders at the EGM held on October 9, 2009;

(iii) personal guarantee from the Principal Promoter;
(iv) corporate guarantee from our Company;
(v) hypothecation of/charge on receivables of Nitesh Housing or our Company in relation to all projects including depositing such receivables in a designated or an escrow account and execution of all the documents. Nitesh Housing and our Company shall create a second charge in favour of the Investor on the receivables from certain projects; and
(vi) creation of equitable mortgage over all the properties and creation of a second mortgage over certain other properties and three acres of the Nitesh Napa Valley project.

Further, the Principal Promoter is required to acquire 6,802,460 shares, including the bonus shares issued by the Company vide resolution of the shareholders at the Extra Ordinary General Meeting held on October 9, 2009 ("**Transfer Shares**") of our Company from AMIF (I) Limited on or before November 30, 2009 ("**Purchase Option**"). Immediately upon acquisition of such shares of our Company, the Principal Promoter is required to pledge these shares in favour of the Investor. On the date of first completion, the Principal Promoter is required to create and perfect the first pledge on 1,020,369 shares of our Company owned by the Principal Promoter in favour of the Investor. However, on November 21, 2009, a letter was issued by Nitesh Housing, the Company and the Principal Promoter to the Investor and it was agreed among all the parties to the letter to extend the exercise of the Purchase Option between December 31, 2009 and February 15, 2010.

Now, the Investor by way of a letter dated February 9, 2010, has irrevocably waived the requirement of the Principal Promoter to pledge the Transfer Shares purchased from AMIF (I) Limited pursuant to the exercise of the call option (where the Promoter Call Option Notice was issued on October 4, 2009), as stipulated under the DSSPA, subject to the condition that the Transfer Shares purchased by the Principal Promoter from AMIF (I) Limited is transferred by the Principal Promoter to Nitesh Land and that Nitesh Land shall subsequently pledge the Transfer Shares in accordance with the provisions under the securities subscription agreement dated February 2, 2010 executed amongst Nitesh land, HDFC AMC and Mr. Nitesh Shetty. For further details of the securities subscription agreement, see the section titled "Group Entities" on page 200.

Under this agreement, a cross default shall occur in the event of:

(i) any financial indebtedness of Nitesh Housing, our Company or the Principal Promoter is not paid when due, or;
(ii) an event of default occurs under any document relating to the financial indebtedness of Nitesh Housing, our Company or the Principal Promoter, or;
(iii) any financial indebtedness of Nitesh Housing, our Company or the Principal Promoter, becomes prematurely due and payable or is placed on demand as a result of an event of default under the document relating to that financial indebtedness and the repayment by Nitesh Housing, our Company or the Principal Promoter, could be expected to have a material adverse effect, or;
(iv) any security interest securing any financial indebtedness over any asset of Nitesh Housing, our Company or the Principal Promoter becomes enforceable.

Nitesh Housing, our Company and Principal Promoter agree to cause Nitesh Housing, until the final settlement date as specified under this agreement, not to pass any resolution or take any action with respect to any of the affirmative vote matters as set out in the shareholders agreement either at a board or shareholders meeting or otherwise without the prior written consent of the Investor.

Any action not in compliance with the above and without the written consent of the Investor, will be considered void *ab initio*. The right of the Investor will continue even if the shareholders agreement is terminated.

Under this DSSPA and pursuant to the amendment agreement dated September 30, 2009, in the event the Investor does not exercise its right to convert the debentures on or after September 5, 2010, March 5, 2011, September 5, 2011, March 5, 2012, September 5, 2012, as the case may be, the Investor shall have the right to issue a written notice requiring the Principal Promoter to purchase such number of shares (as mentioned in the written notice); and/or Nitesh Housing to buy-back or redeem such number of debentures (as mentioned in the written notice), as the case may be.

The Investor has the right anytime after August 31, 2010 but not the obligation to convert all or part of its debentures into preference shares of the Company. The Investor will be entitled to convert its debentures into an equal number of preference shares which preference shares will entitle the Investor to the same rights (including without limitation the rights to redemption/put option rights and rights in an event of default).

(b) *Shareholders Agreement dated September 25, 2009 executed among Nitesh Housing, HDFC AMC (“**Investor**”), our Company (“**Promoter**”) and Mr. Nitesh Shetty (“**Principal Promoter**”)*

Nitesh Housing and our Company have undertaken to use the Subscription Amount and the Purchase Amount in accordance with the Use of Proceeds Letter (as defined under the agreement) with the prior written consent of the Investor.

Nitesh Housing, our Company and the Principal Promoter must obtain the affirmative written consent and approval of the Investor at a validly convened meeting of the board or shareholders in relation to the Affirmative Voting Items specified in the Schedule to the shareholders agreement. The Affirmative Voting Items under the Schedule include change in the name of the Company, decision to undertake an initial public offering, entry by Nitesh Housing into any line of business other than construction and development of projects other than the ones specified under the shareholders agreement, declaration or payment of any dividends, acquisition of shares, assets, business, business organization of any person etc.

Nitesh Housing is subject to the prior written approval of the Investor in the event it plans to undertake any new project apart from the ones listed in the Schedule to the shareholders agreement, modify the construction cost schedule or the minimum sales schedule or the milestone chart.

Our Company and/or the Principal Promoter shall not transfer any shares or any legal or beneficial interest, except with the prior written consent of the Investor. Our Company shall continue to directly hold, 89.9% of the equity capital of Nitesh Housing and shall at all times continue to be in management and control of Nitesh Housing. The shareholders agreement also stated that the Principal Promoter shall not directly or indirectly transfer or otherwise encumber the shares of our Company held by the Principal Promoter or directly or indirectly to dilute their control over our Company.

Other than the projects mentioned in the shareholders agreement, our Company and the Principal Promoter are restricted from directly or indirectly, and ensure that their respective affiliates, officers, employees, directors, shareholders, do not directly or indirectly, during the term of the shareholders agreement or alone or jointly, with through or on behalf of any person, develop, construct, sell, lease or own or carry on any real estate construction and development project(s) without the prior written consent of the Investor in relation to some of the Ongoing and Forthcoming Projects to be developed.

Subsequently, an amendment agreement dated September 30, 2009 was executed among Nitesh Housing, HDFC AMC, our Company and Mr. Nitesh Shetty. Under this amendment agreement, the Investor has the right to put the shares on the Principal Promoter and cause Nitesh Housing to buy-back/redeem any or all of the debentures issued by it by issuing a put option notice. Further, Nitesh Hyde Park, Nitesh Fischer Island and Nitesh Columbus Square have been transferred from our Company to Nitesh Housing under this amendment agreement.

On September 30, 2009, a deed of confirmation was executed between our Company and HDFC AMC wherein all the obligations of our Company as the guarantor under the letter of guarantee has been only limited to the obligations of Nitesh Housing in accordance with the DSSPA and the shareholders agreement.

Further on November 21, 2009 a letter of understanding was executed between Nitesh Housing, our Company, Mr. Nitesh Shetty and HDFC AMC (collectively referred to as “**Parties**”), to amend certain terms of the Debenture Subscription and Share Purchase Agreement dated September 25, 2009. It was agreed by the Parties that Mr. Nitesh Shetty shall acquire 680,246 shares of AMIF I Limited between December 31, 2009 and February 15, 2010 as against November 30, 2009 mentioned in clause 4.3 of the Debenture Subscription Agreement dated September 25, 2009. Also Nitesh Housing shall have the right to exercise the call option on or before March 31, 2010 by giving an advance 15 days notice (“**pre-payment call option notice**”) period to HDFC AMC to redeem up to such number of such number of debentures having an aggregate face value of Rs. 500 million, at a price which shall entitle HDFC

AMC to a pre-tax IRR of 18% if the IPO has not happened as of the pre payment call option notice and a post tax IRR of 25% if the IPO has completed as on date of issuance of pre-payment call option notice.

Joint Venture

Nitesh Estates-Whitefield

Nitesh Estates-Whitefield was formed as an association of persons pursuant to an agreement dated January 25, 2006 between Joji Reddy, Showrie Reddy and our Company. It is engaged in the business of real estate development.The AOP is executing the Nitesh Forest Hills and Nitesh Flushing Meadows projects. The profit sharing ratio between the Land Owners and our Company is 76:24 respectively. Further, the profit sharing ratio is based on the estimated market value of the land based on the assessment of the management of our Company, Joji Reddy and Showrie Reddy, the land owners. Under this arrangement, the capital contribution towards fixed capital by our Company in the AOP is Rs. 41.10 million and the capital contribution towards the fixed capital by the Land Owners to the AOP is Rs. 13.88 million. Further the profit and loss of the AOP gets credited or debited to the current accounts of the AOP partners in the agreed ratio of 76:24.

Share Capital

(Rs. in million)

Name of Partners	Financial Year 2009	Financial Year 2008	Financial Year 2007
Mr. Joji Reddy & Mr. Showrie Reddy			
Fixed Capital	13.87	13.87	13.87
Current Accounts	44.56	-	-
Nitesh Estates Limited			
Fixed Capital	41.10	41.10	41.10
Current Accounts	14.07	-	-

Profit and Loss Sharing Ratio

Name of Partners	Profit & Loss Sharing Ratio (%)
Mr. Joji Reddy & Mr. Showrie Reddy	76.0
Nitesh Estates Limited	24.0
Total	**100.0**

Financial Performance

(Rs. in million except per share data)

	Financial Year 2009	Financial Year 2008	Financial Year 2007
Sales and other income	258.86	-	-
Profit/Loss after tax	58.62	-	-
Reserves and Surplus	-	-	-
Equity capital	113.60	54.98	85.08

OUR MANAGEMENT

Board of Directors

Under Articles of Association, our Company is required to have not less than three directors and their number should not exceed twelve including Ex-officio directors, corporation directors/debenture directors, if any. Our Company currently has eight Directors on its Board.

The details regarding Board of Directors as on the date of this Red Herring Prospectus are as follows:

Name, Designation, Father's Name, Address, DIN, Occupation and Term	Nationality	Age	Other Directorships/Interests
Mr. Nitesh Shetty **Chairman and Managing Director** S/o *Mr. P.V. Shetty* No. 6A, Nitesh Mayfair, Kasturba Cross Road, Bengaluru 560 001, Karnataka, India *DIN*: 00304555 *Occupation*: Business *Term:* Appointed pursuant to a resolution of the Board dated February 23, 2004 with effect from February 23, 2004. Director not liable to retire by rotation.	Indian	32	**Indian Companies** **Private Limited Companies** a) Nitesh Industries Private Limited b) Nitesh Estates Projects Private Limited c) Nitesh Residency Hotels Private Limited d) Nitesh Mylapore Developers Private Limited e) Nitesh Housing Developers Private Limited f) Nitesh Landholdings Private Limited g) NISCO Ventures Private Limited h) Nitesh Infrastructure Private Limited i) Nitesh Agrico Private Limited j) Serve & Volley Signages Private Limited k) Nitesh Warehousing Private Limited l) Nitesh Pharmacy Private Limited m) Lob Media Private Limited n) Nitesh Media Private Limited o) Serve & Volley Holdings Private Limited p) Nitesh Healthcare Private Limited q) Nitesh Hospitals Private Limited r) Nitesh Energy Private Limited s) Nitesh Indiranagar Retail Private Limited t) Globosport India Private Limited u) Nitstone Environnement Private Limited **Partnerships** a) Nitesh Infrastructure and Construction b) Richmond Trading Enterprises **Sole Propreitorship** a) Nitesh Healthcare
Ms. Pushpalatha V. Shetty **Promoter Director** *Wife of Mr. P.V. Shetty* No. 44, 1st Main Road, R.M.V. II Stage Bengaluru 560 094, Karnataka, India *DIN*: 00304418 *Occupation*: Housewife *Term:* Appointed pursuant to a resolution of the Board dated	Indian	59	**Indian Companies** **Private Limited Companies** a) Nitesh Industries Private Limited b) Nitesh Estates Projects Private Limited c) Nitesh Mylapore Developers Private Limited d) Nitesh Devanahalli Township Private Limited e) Nitesh Boat Club Development Private Limited f) Nitesh Landholdings Private Limited g) NISCO Ventures Private Limited h) Nitesh Infrastructure Private Limited i) Nitesh Agrico Private Limited j) Grass Outdoor Media Private Limited k) Serve & Volley Outdoor Advertising Private Limited l) Serve & Volley Signages Private Limited

Name, Designation, Father's Name, Address, DIN, Occupation and Term	Nationality	Age	Other Directorships/Interests
February 20, 2004. Subsequently re-appointed to the Board by a resolution dated January 2, 2007. Director liable to retire by rotation.			m) Nitesh Warehousing Private Limited n) Nitesh Pharmacy Private Limited o) Lob Media Private Limited p) Nitesh Media Private Limited q) Serve & Volley Holdings Private Limited r) Nitesh Healthcare Private Limited s) Nitesh Hospitals Private Limited t) Nitesh Telecom Private Limited u) Nitesh Airways Private Limited v) Nitesh Publishers Private Limited w) Nitesh Energy Private Limited x) Nitesh Indiranagar Retail Private Limited y) Nitstone Environnement Private Limited **Partnerships** a) Nitesh Infrastructure and Construction
Mr. L.S. Vaidyanathan **Executive Director** S/o *Late Mr. L.A. Saptharishi* Shrusti 35/7 6th Main, 11th Cross, Malleswaram, Bengaluru 560 003, Karnataka, India *DIN*: 00304652 *Occupation*: Employment *Term:* Appointed pursuant to a resolution of the Board dated June 30, 2005. Re-appointed to the Board by a resolution dated August 19, 2005. Director not liable to retire by rotation.	Indian	48	**Indian Companies** **Private Limited Companies** a) Nitesh Estates Projects Private Limited b) Nitesh Kochi Projects and Developers Private Limited c) Madison Developers Private Limited d) Nitesh Housing Developers Private Limited e) Nitesh Boat Club Development Private Limited f) NISCO Ventures Private Limited g) Nitesh Warehousing Private Limited h) Nitesh Indiranagar Retail Private Limited i) Nitesh Landholdings Private Limited **Partnerships** a) Richmond Trading Enterprises
Mr. Mahesh Bhupathi **Non-Execuitve Director** S/o *Mr. Krishna Bhupathi* B-2, 7 & 7/2, Eagle Rock Eage Street, Off Hosur Road Bengaluru 560 025 Karnataka, India *DIN*: 01603093 *Occupation*: Professional tennis player *Term:* Appointed pursuant to a resolution of the Board dated June 30, 2005. Re-appointed to the Board by a resolution dated August 19, 2005. Director	Indian	35	**Indian Companies** **Private Limited Companies** a) Globosport India Private Limited b) Matchpoint Sports International Private Limited c) Mahesh Bhupathi Team Tennis Private Limited d) Big Daddy Production Private Limited e) Globosport Digital Private Limited f) Play Sports Surfaces and Recreational Solutions Private Limited g) Bhupathi Tennis Academy Private Limited

Name, Designation, Father's Name, Address, DIN, Occupation and Term	Nationality	Age	Other Directorships/Interests
liable to retire by rotation.			
Mr. G.N. Bajpai **Independent Director** *S/o B.G. Bajpai* No 131, Shaan Apartment K.D. Marg (opposite Kirti College) Prabhadevi, Mumbai 400 028, Maharashtra, India *DIN*: 00946138 *Occupation:* Business *Term:* Appointed pursuant to a resolution of the Board dated November 29, 2007. Director liable to retire by rotation.	Indian	67	**Indian Companies** **Public Limited Companies** a) Future Generali India Life Insurance Company Limited b) Future Generali India Insurance Company Limited c) Emaar MGF Land Limited d) Future Capital Holdings Limited e) The Dhanalakshmi Bank Limited f) Mandhana Industries Limited g) Kshitij Investment Advisory Company Limited h) Future Capital Investment Advisors Limited i) Future Ventures India Limited j) Dalmiya Cement (Bharat) Limited k) Kingfisher Airlines Limited l) New Horizons India Limited m) PNB Housing Finance Limited **Private Limited Companies** a) Invent Asset Securitization & Reconstruction Co. Private Limited b) Intuit Consulting Private Limited c) Infomerics Valuation & Rating Private Limited d) Apnapaisa Private Limited e) Invent ARC Private Limited f) IDE India (Section 25 Company- Non-profit-poverty allevation)
Mr. Darius E. Udwadia **Independent Director** S/o *Late Dr. E.R. Udwadia* Empress Court, 141, M. Karve Road, Church Gate, Mumbai 400 020, Maharashtra, India *DIN*: 00009755 *Occupation*: Advocate & Solicitor *Term:* Appointed pursuant to a resolution of the Board dated March 27, 2007. Director liable to retire by rotation.	Indian	70	**Indian Companies** **Public Limited Companies** a) ABB Limited b) ADF Foods Limited c) Astra Zeneca Pharma India Limited d) The Bombay Burmah Trading Corporation Limited e) Development Credit Bank Limited f) Eureka Forbes Limited g) ITD Cementation India Limited h) JM Financial Limited i) MPS Limited j) Mechanalysis (India) Limited k) Wyeth Limited l) WABCO-TVS (India) Limited **Private Limited Companies** a) Habasit Iakoka Private Limited b) JM Financial & Investment Consultancy Services Private Limited c) JM Financial Trustee Company Private Limited d) JM Financial Consultants Private Limited e) Quantum Advisors Private Limited f) Rossi Gearmotors (India) Private Limited g) Conservation Corporation of India Private Limited h) R&P Management Communications Private Limited **Partnerships** a) Udwadia & Udeshi

Name, Designation, Father's Name, Address, DIN, Occupation and Term	Nationality	Age	Other Directorships/Interests
			b) Udwadia Udeshi & Co.
Mr. James Brent Stephen **Independent Director** *S/o* Allan Brent Arthur The Sanctuary, Shobrooke, Crediton, Devon, EX171BG, United Kingdom *DIN:* 02808757 *Occupation:* Business *Term:* Appointed pursuant to a resolution of the Board dated September 24, 2009. Director liable to retire by rotation.	British	44	**Indian Companies** **Public Limited Companies** a) Plymouth City Development Company Limited b) Akkeron Hotels Limited c) Natatomisam Limited **Partnerships** a) Akkeron Group LLP b) J & N Brent c) Akkeron Farming SRL
Mr. Ashok T. Aram **Independent Director** *S/o: Dr. M. Aram* Villa H38, Emirates Hills, Dubai, P.O. Box, United Arab Emirates *DIN:* 02817547 *Occupation:* Fund Manager *Term:* Appointed pursuant to a resolution of the Board dated September 24, 2009. Director liable to retire by rotation.	Indian	38	**Indian Companies** **Public Limited Company** a) Soliton Technologies Limited **Foreign Companies** a) Abraaj Capital Holdings Limited, U.A.E. b) Tyfone Inc., U.S.

Brief Biographies of our Directors

Mr. Nitesh Shetty, holds a Bachelor of Commerce degree. He began his career 12 years ago in the "Out-of-Home" advertising business. He founded the Company in 2004 and has diverse interests in businesses ranging from real estate, outdoor media, construction, infrastructure and agriculture. He has been a member of the Federation of India Chamber of Commerce and Industry and The Confederation of India Industry since 2007. Mr. Nitesh Shetty is our Company's founder director.

Ms. Pushpalatha V. Shetty, holds a Bachelor of Science degree from Bangalore University. She does not have any prior experience in the real estate business.

Mr. L.S. Vaidyanathan, holds a Bachelor of Science degree from Madras University. He was also a practising Chartered Accountant. He has over 26 years of experience in auditing, consulting and in real estate industry. He was a partner with Janardhan & Associates, K.S. Sanghavi & Company, Chartered Accountants, Bengaluru. He has been associated with the real estate industry for the last 22 years in various capacities. As a director of our Company he handles all strategic matters relating to business, business development and taxation. He has been a director of our Company since June 30, 2005.

Mr. Mahesh Bhupathi, attended the University of Mississippi, U.S.A from September 1993 to May 1995 to pursue a degree in Bachelors of Business Administration but did not complete the course. He is a professional tennis player and became the first Indian to win a Grand Slam tournament in 1997 and was ranked number one in the ATP Doubles Rankings in 1999. He was awarded the Arjuna award in 1995, the Padma Shree award in 2001 and the Karmaveer Puraskaar in 2007. He has over seven years of professional experience in the sports, media and entertainment industry as the Chairman and Managing Director of Globosport India Private Limited, a company founded by him in 2002. His non-profit initiatives include his work as a trustee of the foundation for Indian Sporting Talent and Mahesh Bhupathi Charities. He has been a director of our Company since June 30, 2005.

Mr. G.N. Bajpai, holds a Masters in Commerce degree from the University of Agra and a Bachelors in Law degree from the University of Indore. He has been the Chairman of SEBI, Life Insurance Corporation of India and the Corporate Governance Task Force of International Organization of Securities Commissions and the Chairperson of the Insurance Institute of India, a counterpart of Chartered Insurance Institute, U.K. He was also the Non-Execuitve Chairman of the National Stock Exchange, Stock Corporation of India, LIC Housing Finance Limited, LIC International EC Bahrain and LIC Nepal Limited. He received the "Outstanding Contribution to the Development of Finance" award from the Prime Minister of India, Dr. Manmohan Singh. He has been a director of our Company since November 29, 2007.

Mr. Darius E. Udwadia, holds a Masters in Arts degree from the University of Bombay and a Bachelors in Law degree from the University of Bombay. He is an advocate and solicitor of the High Court of Bombay and also a solicitor of the Supreme Court of England, U.K. He has spent over 45 years in active corporate law practice and acts as a legal counsel to multinational corporations and foreign banks. He is also the partner of Udwadia & Udeshi Solicitors & Advocates and Udwadia Udeshi and Co., Solicitors and Advocates. He has been a director of our Company since March 27, 2007.

Mr. James Brent Stephen, has completed his chartered secretary exams and four A-levels/four O-levels. He joined J. Henry Schroder and Company in 1983 and was appointed their youngest ever director in 1995. In May 2000 he became the Managing Director with the Eurpoean Investment Bank of Salomon Smith Barney. In 2004 he became the co-head of the real estate and lodging investment banking division of Citigroup and in May 2005 he was appointed the Global Head of real estate and lodging. Currently, he is the Chair of the Plymouth Development Company. He has been a director of the our Company since September 24, 2009.

Mr. Ashok T. Aram*,* holds a post graduate degree in International Business and Comparative Culture from Sophia University, Tokyo. He is the Managing Director of Abraaj Capital, the largest private equity company in the Middle East, North Africa and South Asia (Menasa region). Prior to joining Abraaj, he worked with Deutsche Bank for 15 years. From 2001 to 2004, he was the Head of Global Banking at Deutsche Bank. In 2004 he joined the board of Abraaj, representing Deustche Bank's shareholding in our company. He has been a director of our Company since September 24, 2009.

Remuneration of our Executive Directors

Mr. Nitesh Shetty

Mr. Nitesh Shetty was appointed the Managing Director of our Company on December 15, 2006 for a period of five years with effect from December 15, 2006. A resolution of the Board of our Company was passed on March 26, 2008, revising the remuneration payable to Mr. Nitesh Shetty to Rs. 0.83 million per month with annual increments as the Board may decide in its sole discretion. Pursuant to the resolution passed by the Board, an employment agreement dated April 1, 2008 was executed between the Company and Mr. Nitesh Shetty reflecting the revised remuneration payable to Mr. Nitesh Shetty.

The details of the remuneration of Mr. Nitesh Shetty include the following:

Particulars	Remuneration
Basic Salary	Rs. 0.83 million per month with annual increments as determined by the Board
Performance Bonus	Performance linked bonus as the Board may in its absolute discretion determine, but in no

Particulars	Remuneration
	event lesser than Rs. 40.00 million
Other Benefits	a) Use of furnished residential accommodation taken on lease or on leave and license basis by the Company; b) reimbursement by the Company of all charges in connection with gas, electricity, water and furnishings at Mr. Nitesh Shetty's residence; c) the use of two telephone lines at the residence of Mr. Nitesh Shetty, the rent, call charges for business and other outgoings in respect thereof being paid by the Company; d) reimbursement of medical expenses actually incurred by Mr. Nitesh Shetty and his family; e) leave travel concession for Mr. Nitesh Shetty and his family once in a year in accordance with the rules of the Company; f) membership of two clubs, the monthly subscription thereto being borne and paid by the Company; g) the benefit of a personal accident insurance policy effected by the Company; h) the use of a chauffer driven motor car, all expenses for running and maintenance of such motor car as also the salary of the chauffer being borne and paid by the Company; i) leave on full remuneration and in case leave not availed, Mr. Nitesh Shetty shall be entitled to encash the sam at the end of his tenure under the employment agreement; and j) casual and sick leave on full remuneration including all benefits.
Provident Fund	12.0% of Mr. Nitesh Shetty's salary
Superannuation Scheme	Company's contribution together with the contribution to the Provident Fund shall not exceed 27.0% of Mr. Nitesh Shetty's salary
Gratuity	One half month's salary for each completed year of service

The remuneration (salaries, bonus and allowances) paid to Mr. Nitesh Shetty for the financial year 2009 and nine months ended December 31, 2009 was Rs. 11.68 millon and Rs. 4.05 million respectively. Apart from the remuneration paid to Mr. Nitesh Shetty as stated above, no amounts are remaining to be paid to him.

Mr. L.S. Vaidyanathan

Mr. L.S. Vaidyanathan was appointed as the Executive Director of our Company on April 1, 2008 for a period of three years with effect from April 1, 2008. A resolution of the Board of our Company was passed on March 26, 2008, revising the basic salary payable to Mr. L.S. Vaidyanathan to Rs. 6.00 million per annum. Pursuant to the resolution passed by the Board, an employment agreement dated March 29, 2008 was executed between our Company and Mr. L.S. Vaidyanathan reflecting the revised remuneration payable to Mr. L.S. Vaidyanathan.

The details of remuneration include the following:

Particulars	Remuneration
Basic Salary	Rs. 6.00 million per annum
House Rent Allowance	Rs. 1.20 million per annum
Performance Bonus	Rs. 5.00 million subject to Mr. L.S. Vaidyanathan achieving individual performance objectives/parameters as are detemined in advance by the Board
Other Benefits	payment of all charges in connection with the supply of gas, electricity and water consumed at Mr. L.S. Vaidyanathan's residence by the Company; use of telephone in Mr. L.S. Vaidyanathan's residence, mobile phone and blackberry phone, the rent, call charges for the Company's business and other outgoings paid by the Company; the use of a chauffer driven motor car, all expenses for the running, maintenance of such motor car as also the salary of the chauffer being borne and paid by the Company; reimbursement of medical expenses reasonably incurred by Mr. L.S. Vaidyanathan and his family; reimbursement of entertainment expenses reasonably incurred by Mr. L.S. Vaidyanathan for business purposes; personal accident insurance policy effected by the Company, the amount of premium not exceeding Rs. 1,500 per annum; leave on full remuneration; and participate in the Company's employee stock option plan in accordance with its terms.
Provident Fund	Company's contribution shall not exceed 12.0% of Mr. L.S. Vaidyanathan's salary

The remuneration (salaries, bonus and allowances) paid to Mr. L.S. Vaidyanathan for the financial year 2009 and nine months ended December 31, 2009 was Rs. 4.51 millon and Rs. 2.26 million respectively. Apart from the remuneration paid to Mr. L.S. Vaidyanathan as stated above, no amounts are remaining to be paid to him.

The remuneration paid by way of salary to Mr. Nitesh Shetty and Mr. L.S. Vadiyanathan is within the limits laid down in Section 198 and 309 of the Companies Act. In relation to the other Directors of our Company, apart from sitting fees and reimbursement of expenses, no remuneration is payable by our Company.

Details of Borrowing Powers of Our Directors

Our Company's Articles of Association, subject to the provisions of Section 293(1) (d) of the Companies Act authorize our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders of our Company, through a resolution passed at the EGM held on November 21, 2009, authorised our Board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid-up capital of the Company and its free reserves, not exceeding Rs. 5000.00 million at any time.

Except for the relationship between Mr. Nitesh Shetty who is the son of Ms. Pushpalatha V. Shetty, none of our Directors are related to each other. None of our Key Management Personnel are related to each other. There are no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any of the KMP was selected as a director or member of the senior management of our Company.

Detail of Terms of Appointment of Our Directors

Name	Contract/Appointment Letter/Resolution	Term	Date of expiry of term
Mr. Nitesh Shetty	Board resolution dated February 23, 2004	Director not liable to retire by rotation	December 15, 2011 pursuant to the terms of the agreement dated April 1, 2008
Ms. Pushpalatha V. Shetty	Board resolution dated February 20, 2004. Subsequently, she was re-appointed pursuant to a Board resolution dated January 2, 2007 and shareholders resolution dated January 10, 2007	Director liable to retire by rotation	Not applicable
Mr. L.S. Vaidyanatahan	Board resolution dated June 30, 2005 and directorship automatically terminated by August 19, 2005. Subsequently, he was re-appointed pursuant to a Board resolution dated August 19, 2005 and shareholders resolution dated September 20, 2006	Director not liable to retire by rotation	March 31, 2011
Mr. G.N. Bajpai*	Board resolution dated November 29, 2007 and shareholders resolution dated September 30, 2008	Director liable to retire by rotation	The date of the next AGM of the Company
Mr. Darius E. Udwadia*	Board resolution dated March 27, 2007 and shareholders resolution dated July 17, 2007	Director liable to retire by rotation	The date of the next AGM of the Company
Mr. Mahesh Bhupathi*	Board resolution dated June 30, 2005 and the directorship automatically terminated by August 19, 2005. Subsequently, he was re-appointed pursuant to a Board resolution dated August 19, 2005 and shareholders resolution dated September 20, 2006	Director liable to retire by rotation	The date of the next AGM of the Company
Mr. James Brent Stephen*	Board resolution dated September 24, 2009 and shareholders resolution dated September 30, 2009	Director liable to retire by rotation	The date of the next AGM of the Company
Mr. Ashok T. Aram*	Board resolution dated September 24,	Director liable to	The date of the next AGM

	2009 and shareholders resolution dated September 30, 2009	retire by rotation	of the Company

******The retirement of the Directors from the Board of the Company shall be subject to the provisions under the Act.*

Payment or Benefit to Officers of Our Company

Except as stated in this Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors. None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Interest 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, if any, 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. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors have no other interest in any property acquired by us two years prior to the date of this Red Herring Prospectus. Save as otherwise disclosed in this section, none of the Directors has entered into service contracts with our Company providing for benefits upon termination of employment. Except as stated in the section titled "Related Party Transactions", and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business. Further, see "Our Promoter - Interests of Promoters and Common Pursuits" on page 198.

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 our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. We believe we have complied with the requirements of corporate governance contained in the Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as an Audit Committee, Shareholder Grievance Committee and Remuneration Committee.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement with the Stock Exchanges. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The Board has nine Directors, out of which six are independent Directors.

Currently our Board has nine Directors consisting of Mr. Nitesh Shetty, our Chairman and Managing Director, who is one of our individual promoters, Ms. Pushpalatha V. Shetty, who is also one of our individual promoters, one executive director, one non-executive director and five independent Directors and is in compliance with the requirements of Clause 49 of the Listing Agreement.

Audit Committee

The Audit Committee was constituted by our Directors at the meeting of the Board held on October 7, 2009. The Audit Committee was re-constituted on February 10, 2010 to consist of Mr. Darius E. Udwadia as Chairman, Mr. Ashok T. Aram and Mr. L.S. Vaidyanathan as members of the committee.

The terms of reference of the Audit Committee include:

- Overseeing the Company's financial reporting process and disclosure of its financial information;
- Regular review of accounts, accounting policies, disclosures, etc.;
- Regular review of the major accounting entries based on exercise of judgment by management;
- Qualifications in the draft audit report;

- Establishing and reviewing the scope of the statutory audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board, with particular reference to matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause 2(AA) of Section 217 of the Companies Act, changes in the accounting policies and practices and reasons for the same, significant adjustments made in the financial statements arising out of audit findings, and qualifications in the draft audit report;
- The Audit Committee shall have post audit discussions with the statutory auditors to ascertain any area of concern;
- Regular review of the performance of statutory and internal auditors together with the management;
- Discussion and follow up on any important findings with the internal auditors. In case there is a suspected case of fraud or irregularity, review of the findings of the internal auditors and reporting of the matter to the Board;
- Establishing the scope and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems including structure of the internal audit department, frequency of internal audit, staffing and seniority of the official heading the department. Review the functioning of the whistle blower mechanism, in case the same is existing;
- To look into reasons for substantial defaults in the payment to depositors, debenture holders, shareholders and creditors;
- To look into the matters pertaining to the Director's Responsibility Statement with respect to compliance with applicable accounting standards and accounting policies;
- Compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable;
- The Audit Committee shall look into any related party transactions which include transactions of the Company of material nature and disclose such transactions, with promoters or management, Subsidiaries, relatives etc., that may have potential conflict with the interests of Company at large;
- Recommending to the Board the appointment, reappointment, and replacement of the statutory auditor and the fixation of audit fee;
- Approval of payments to the statutory auditors for any other services rendered by them;
- Review of management discussion and analysis of financial condition and results of operations, statements of related party transactions submitted by management, management letters, letters of internal control, weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor;
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee; and
- To review, with the management, the statement of uses, application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

The powers of the Audit Committee shall include the following:

- To investigate activity within its terms of reference;
- To seek information from any employees;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.

Shareholders Grievance Committee

The Shareholders Grievance Committee was constituted by our Directors at the meeting of the Board held on October 7, 2009. The Shareholders Grievance Committee is responsible for the redressal of shareholder grievances. The Shareholders Grievance Committee was re-constituted on February 10, 2010 to consist of Mr. Mahesh Bhupathi as the Chairman, and Mr. L.S. Vaidyanathan as the member of the committee.

The terms of reference of the Shareholders Grievance Committee include:

- Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.; 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.

Remuneration Committee

The Remuneration Committee was constituted by our Directors at the meeting of the Board held on October 7, 2009. The Remuneration Committee consists of Mr. G.N. Bajpai as the Chairman, Mr. Nitesh Shetty and Mr. Darius E. Udwadia as members of the committee.

The terms of reference of the Remuneration Committee include:

- Framing suitable policies and systems to ensure that there is no violation, by an employee or the Company of any applicable laws in India or overseas, including:
  - (a) The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
  - (b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
- Determine on behalf of the Board and the shareholders, the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payments;
- Perform such functions as are required to be performed by the Remuneration Committee under Clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; 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.

Shareholding of Our Directors in our Company

Except as provided hereunder, no other Directors hold any shares in the share capital of our Company.

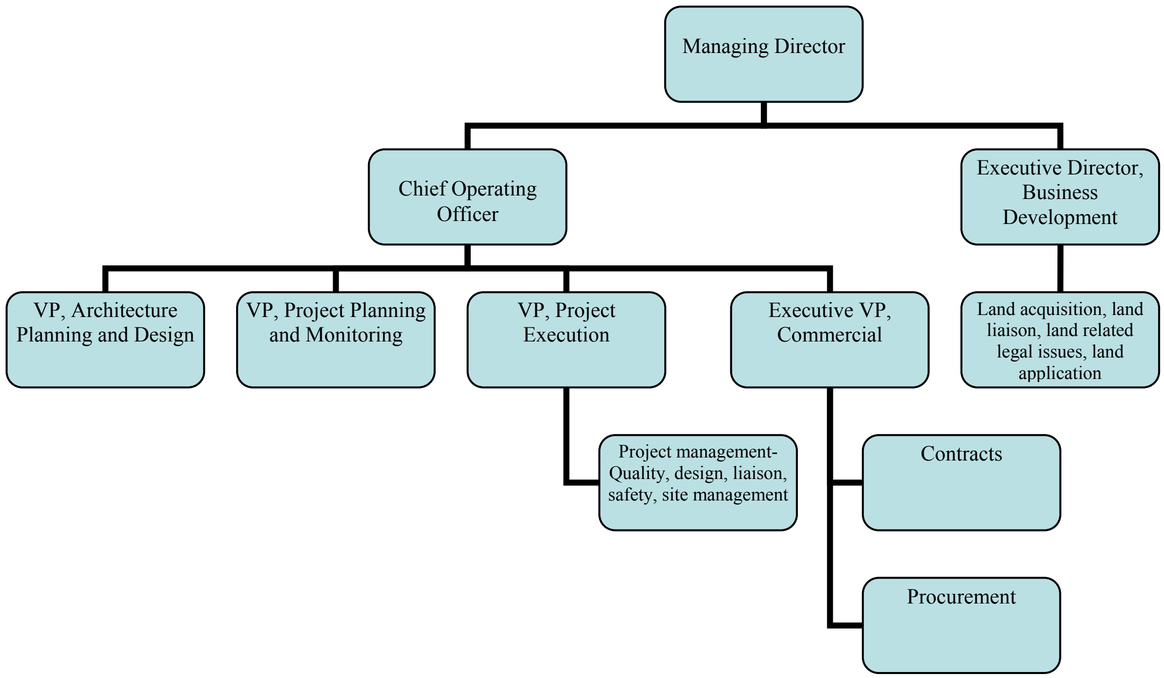
S.No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Percentage Shareholding (%)	Post-Issue Percentage Shareholding (%)
1.	Mr. Nitesh Shetty	41,518,437	58.62	[●]
2.	Ms. Pushpalatha V. Shetty	5000	0.0	[●]
3.	Mr. L.S. Vaidyanathan	1	0.0	[●]

Changes in Our Board During the Last Three Years

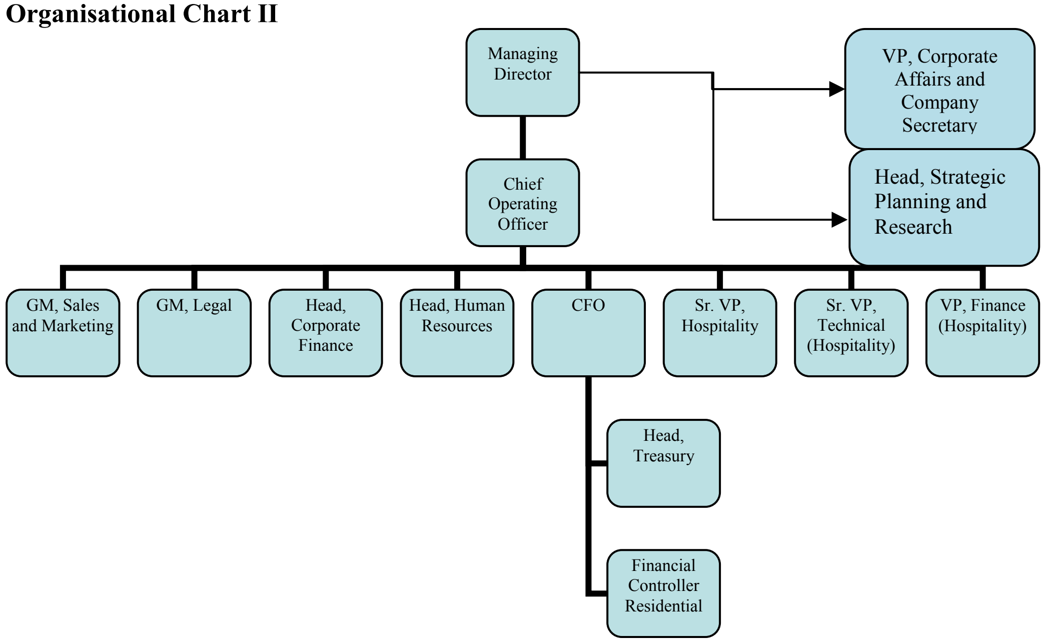
S. No	Name	Date of Appointment	Date of Change/ Cessation	Reason
1.	Ms. Pushpalatha V. Shetty	February 20, 2004	Decemeber 23, 2006	Resignation
2.	Ms. Pushpalatha V. Shetty	January 2, 2007	-	-
3.	Mr. G.N. Bajpai	November 29, 2007	-	-
4.	Mr. Subir Raha	March 27, 2007	February 1, 2010	Demise
5.	Mr. Darius E. Udwadia	March 27, 2007	-	-
6.	Mr. Gabriel Fong	January 12, 2007	-	-
7.	Mr. Zoltan Varga	January 12, 2007	-	-
8.	Mr. James Brent Stephen	September 24, 2009		
9.	Mr. Ashok T. Aram	September 24, 2009		
10.	Mr. Gabriel Fong	-	October 8, 2009	Resignation
11.	Mr. Zoltan Varga	-	October 8, 2009	Resignation

Managerial Organisation Structure

Organisational Chart I



Organisational Chart II



Key Management Personnel

For a brief biography of Mr. Nitesh Shetty, Managing Director and Mr. L.S. Vaidyanathan see "Our Management-Brief Biographies of our Directors" on page 186. Apart from the Managing Director and the Executive Director, the Key Management Personnel of our Company are as follows:

Mr. Ashwini Kumar, aged 51 years, is the Chief Operating Officer of our Company. He is responsible for the business operations of our Company. He completed his Bachelors in Mechanical Engineering from Regional Engineering College, Rourkela in 1981 and Masters in Business Administration from XLRI, Jamshedpur in 1983. He joined our Company on November 2, 2009 as Chief Operating Officer. Prior to joining our Company, he worked with Lineage Power India Private Limited. He has also worked with Voltas, Guest Ken Williams, ETA Ascon, Lucent Technologies and Tyco Electronics. He has 26 years of experience in strategic planning and execution, organisation development, talent management, customer management, business operation, commercial and international business.

Mr. Shiva N. Iyer, aged 52 years, is the Chief Financial Officer of our Company. He is responsible for all financial operations in our Company. He completed his Masters in Commerce from Bangalore University in 1979, Masters in Business Administration (Finance) from Yale School of Organisation and Management, New Haven in 1992. He is an Associate Member of The Chartered Institute of Management Accountants, London in 1985 and a Certified Associate of The Indian Institute of Bankers, Mumbai in 1985. He also received certification as a Certified Treasury Professional from The Association of Financial Professionals, Bethesda, U.S.A. in 2004. He joined our Company on August 7, 2009 as the Chief Financial Officer. Prior to joining our Company, he worked with ABN Amro Securities, Hypo Vereins Bank, PPL Corporation, Millenium Capital Management, IBJ Schroeder, Reserve Bank of India and Smithkline Beecham. He has 29 years of experience in Capital Market issuances (Debt and Equity Markets), Corporate Treasury, Cash Management, Fixed Income and Derivative Trading, Structuring in Foreign Exchange, Rates, Equity and Credit derivatives, Equity Portfolio Management, Loan Syndication - Credit Structuring, Corporate Accounting and regulatory filing.

Mr. N.G. Srinivasan, aged 53 years, is the Head of the Corporate Finance division of our Company. He is responsible for developing corporate finance strategies in line with the requirements of the finance portfolio of our Company. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India in 1980. He completed his Company Secretary, final examination in 1979 from The Institute of Company Secretaries of India. He completed his Bachelors in law from Government Law College, Mumbai in 1980. He joined our Company on September 14, 2009 as the Head of Corporate Finance division. Prior to joining our Company he worked with Kotak Investment Advisors Limited. He has also worked with Dr. C.S. Poonawala group, Chaturvedi & Shah, Chartered Accountants, Westpac Banking Company, Sydney, Abu Dhabi Investment Company, Abu Dhabi among others. He has 29 years of experience in treasury management, cost planning and management, MIS development, financial and budgetary control and risk based audits.

Mr. Prabhakar Udipi, aged 59 years, is the Executive Vice President of our Company. He is responsible for managing the commercial and contracts functions of the entire business. He has done his Bachelors in Electrical Engineering from B. V. B. College of Engineering Karnataka University in 1973. He joined our Company on July 11, 2007 as an Executive Vice President. Prior to joining our Company he worked with Oriental Bank of Commerce. He has also worked with Vijaya Bank, ING Vysya Bank and Gobal Trust Bank. He has more than 34 years of experience in commercial aspects of project management, cost control, procurement and negotiations. The remuneration paid to him for the financial year 2009 was Rs. 3.30 million.

Mr. Rajeev Rao, aged 62 years, is the Senior Vice President of the hospitality projects division of our Company. He is responsible for overall management of the Ritz-Carlton project. He completed his Bachelors in Electrical Engineering from Bangalore University in 1968. He joined our Company on January 10, 2007 as the Senior Vice President of our operations division. Prior to joining our Company, he worked with Ascendas Property Management Services India Private Limited. He has also worked with Larsen & Tubro and Engineers India Limited. He has 40 years of experience in the areas of project and facility management with domestic and international firms. The remuneration paid to him for the financial year 2009 was Rs. 2.82 million.

Mr. Ravindra Rao, aged 68 years, is the Senior Vice President (Technical) of the hospitality division of our Company. He is responsible for directing the technical aspects of the hospitality projects of our Company. He completed his Bachelors in Mechanical Engineering from Bombay University in 1964 and Bachelors in Commerce from Bombay University in 1974. He also received an International diploma in Health and Safety from the British Safety Council in 1998. He joined our Company on August 13, 2007 as a Vice President. Prior to joining our Company, he worked with Mahindra and Mahindra. He has also worked with Feedback Ventures, Escorts Healthcare and ITC Limited. He has 42 years of experience in directing operations, technical aspects and EHS functions in relation to hospitality projects. The remuneration paid to him for the financial year 2009 was Rs. 3.39 million.

Mr. P.C. Ashok, aged 52 years, is the Vice President of Finance division in our hospitality division. He is responsible for controlling the finance function of our hospitality division in our Company. He completed his Bachelors in Commerce from University of Mysore in 1979. He joined our Company on February 9, 2005 as the

Vice President of our Finance division. Prior to joining our Company, he worked with Deepak Cables (I) Limited. He has also worked with the Luciya Group of Hotels and Bangalore Leather Inn. He has 29 years of experience in internal and statutory audit, accounts, finalisation of financial statements, statutory norms, application of direct and indirect taxes, budgeting and financial analysis. The remuneration paid to him for the financial year 2009 was Rs. 1.84 million.

Mr. M.S.N. Prasad, aged 42 years, is the Vice President of the Planning division of our Company. He is responsible for project planning and coordination with commercial contracts and project execution in our Company. He completed his Bachelors in Civil Engineering from Mysore University in 1988. He joined our Company on September 22, 2008 as the Vice President of our Planning division. Prior to joining our Company he worked with Potential Service Consultants Private Limited. He has also worked with Ahura Constructions, Pranag Constructions, Potential Service Consultants and Shapoorji Pallonji. He has 23 years of experience in managing various aspects of project planning, design, services, project management and execution. The remuneration paid to him for the financial year 2009 was Rs. 1.33 million.

Mr. K.S.N. Rao, aged 46 years, is the Vice President of Project Execution of our Company. He is responsible for handling the overall project execution in close co-ordination along with project planning and commercial contracts in our Company. He completed his Bachelors in Civil Engineering from the Karnataka University, Dharwad in 1988. He joined our Company on July 31, 2009 as the Vice President of Project Execution of our Company. Prior to joining our Company, he worked with Ramky Infrastructure Limited, Hyderabad. He has also worked with Auto India Limited, Al Habi Trading & Contracting, Muscat, Desert Palm, Muscat, Al Ansari Trading Enterprises and Ramky Infrastructure Limited. He has 23 years of experience in construction.

Mr. G. Subramaniam, aged 52 years, is the Head of Treasury of our Company. He is responsible for managing the financing and banking relationships of our Company and and financial modelling in respect of our projects. He completed his Bachelor of Commerce from the University of Madras. He is also a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He joined our Company on January 12, 2006 as the Vice President of our Finance division. Prior to joining our Company, he worked with Sanmar Group, the BPL Group and with Premier Tissues lndia Limited. He has about 27 years of experience in the field of finance and accounts. The remuneration paid to him for the financial year 2009 was Rs. 2.36 million.

Mr. S. Srinivasan, aged 45 years, is the Controller of Projects of our Company. He is responsible for collection, monitoring and other financial obligations of the Ongoing Projects in our Company. He completed his Bachelor of Commerce from the Bangalore University. He is also a qualified Chartered Accoutant from the Institute of Chartered Accountants of India and a Company Secretary from The Institute of Company Secretaries of India. He joined our Company on September 5, 2007 as the Vice President of our Finance division. Prior to joining our Company he worked with Metal Lamp Caps (I) Limited, Auma India Limited, McDowell KREST Finance Limited, Fletcher Pioneer (India) Private Limited, Voith Siemens Hydro Private Limited and Apotex Pharma Private Limited. He has 21 years of experience in the field of financial plan and control, treasury management, business planning and budgeting. The remuneration paid to him for the financial year 2009 was Rs. 2.88 million.

All the Key Management Personnel are permanent employees of our Company.

Shareholding of the Key Management Personnel

S. No.	Name of Key Management Person	Number of shares
1.	Mr. Prabhakar Udipi	1
	Total	1

Bonus or Profit Sharing Plan of the Key Management Personnel

As on the date of filing this Red Herring Prospectus, there is no bonus or profit sharing plan for our Key Management Personnel.

Changes in the Key Management Personnel

The changes in the key managerial personnel in the last three years prior to the date of filing this Red Herring Prospectus are as follows:

S.No.	Name	Date of Appointment	Date of Cessation	Reason
1	Mr. Ashwini Kumar	November 1, 2009	Continuing	Appointment
2	Mr. N.G. Srinivasan	September 14, 2009	Continuing	Appointment
3	Mr. Shiva N. Iyer	August 7, 2009	Continuing	Appointment
4	Mr. K.S.N. Rao	July 31, 2009	Continuing	Appointment
5	Mr. M.N.S. Prasad	September 22, 2008	Continuing	Appointment
6	Mr. Cyriac Joseph	September 1, 2008	March 31, 2010	Resignation
6	Mr. S. Srinivasan	September 5, 2007	Continuing	Appointment
7	Mr. Ravindra Rao	August 13, 2007	Continuing	Appointment
8	Mr. Prabhakar Udipi	July 11, 2007	Continuing	Appointment
9	Mr. Rajeev Rao	January 10, 2007	Continuing	Appointment

Other than the above changes, there have been no changes to the Key Management Personnel of the Company that are not in the normal course of employment.

Payment or Benefit to Officers of the Issuer (non-salary related)

No amount or benefit has been paid or given to officers of our Company in the last two preceding years.

OUR PROMOTERS

The individual promoters of our Company are:

1. Mr. Nitesh Shetty; and
2. Ms. Pushpalatha V. Shetty.

The corporate promoter of our Company is Nitesh Industries Private Limited.

Our Individual Promoters

Mr. Nitesh Shetty

Driving license No.: 8376/2008-09

Passport No.: Z1731783

PAN: ALMPS4258B

Voter's Identity: ZLW0610204

Personal Address: No. 6A, Nitesh May Fair, Kasturba Cross Road, Bengaluru 560 001, Karnataka, India

Ms. Pushpalatha V. Shetty

Driving license No.: KA05 19780000039

Passport No.: G5853727

PAN: CFQPS9974G

She does not have a Voter's Identity Card

Personal Address: No. 44, 1st Main, RMV IInd Stage, Bengaluru 560 094, Karnataka, India

Mr. Nitesh Shetty, aged 32 years, is one of our Promoters. He holds a Bachelor of Commerce degree. He began his career 12 years ago in the "Out-of-Home" advertising business. He founded the Company in 2004 and has diverse interest in businesses ranging from real estate, out door media, construction, infrastructure and agriculture. For details, see "Our Management" on page 183.

Ms. Pushpalatha V. Shetty, 59 years, is one of our Promoters. She holds a Bachelor of Science degree from Bangalore University. She does not have any prior experience in the real estate business.

We confirm that the Permanent Account Numbers, Bank Account Numbers and Passport Numbers of our Individual Promoters have been submitted to the BSE and NSE at the time of filing this Red Herring Prospectus with them.

Our Corporate Promoters

Nitesh Industries Private Limited

Nitesh Industries Private Limited a company duly incorporated under the Companies Act on December 7, 2006 as a private limited company. One of the main objects of the Nitesh Industries Private Limited is to take over the proprietary concern being carried on under the name of "Nitesh Industries" along with all its assets and liabilities. It is engaged in the business of manufacturers, importers, exporters and deal in equipments and materials of all kinds and descriptions required in the fields of advertisement and publicity.

It is promoted by Mr. Nitesh Shetty and Ms. Pushpalatha V. Shetty and its shares are not listed on any stock exchange. It has also not been declared as a wilfull defaulter.

Our Company has not made a public or a rights issue in the preceeding three years. Also it has not become a sick company under SICA and is not under winding up.

Shareholding

S.No	Shareholder	Number of shares	Percentage
1.	Mr. Nitesh Shetty	10,000	99.0
2.	Ms. Pushpalatha V. Shetty	100	1.0
	TOTAL	**10,100**	**100.0**

Financial Performance

(Rs. in million except per share data)

	Financial year 2009	Financial year 2008	Financial year 2007
Sales and other income	-	-	-
Profit/Loss after tax	(0.60)	(0.09)	-
Reserves and Surplus	(0.67)	(0.18)	-
Equity capital (par value Rs. 10)	0.10	0.10	0.10
Earnings per share	(59.55)	(8.44)	-
Book Value per share	(57.99)	(7.84)	10.00

We confirm that the Permanent Account Numbers, Bank Account Numbers, Company Registration Numbers and addresses of the Registrar of Companies where the company is registered, of our Corporate Promoter have been submitted to the BSE and NSE at the time of filing the Red Herring Prospectus with them.

Common Pursuits and Interest of Promoters

Our Promoters are interested in us to the extent that they have promoted our Company and 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.

Our Promoter Mr. Nitesh Shetty, being the partner of Nitesh Infra received Rs. 13.16 million as rent from our Company as of March 31, 2009 and Rs. 5.10 million as rent from our Company for the six months ended September 30, 2009.

Further, our Individual Promoters are also directors on the boards of or members of certain Promoter Group/Group Entities and they may be deemed to be interested to the extent of the payments made by us, if any, to these Promoter Group/Group Entities. For further interest, of our Directors, see 'Our Management - Interests of Directors' on page 190.

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 us other than in the normal course of business.

Confirmations

Further, our Promoters have confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Additionally, none of our Promoters have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Further, none of the Promoters was or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the Board.

Payment or Benefit to Promoters

Except as stated in "Related Party Transactions" on page 209, no amount or benefit has been paid or given to any Promoter within the two years preceding the date of filing of this Red Herring Prospectus and no such amount or benefit is intended to be paid.

Disassociation by the Promoters in the last three years

Nil

GROUP ENTITIES

The following are the list of entities forming part of the Group Entities:

1. Nitesh Estates Projects Private Limited
2. NISCO Ventures Private Limited
3. Serve & Volley Outdoor Advertising Private Limited
4. Grass Outdoor Media Private Limited
5. Nitesh Infrastructure and Constructions
6. Nitesh Residency Hotels Private Limited
7. Nitesh Kochi Projects & Developers Private Limited
8. Madison Developers Private Limited
9. Nitesh Mylapore Developers Private Limited
10. Nitesh Devanahalli Township Private Limited
11. Nitesh Boat Club Development Private Limited
12. Nitesh Landholdings Private Limited
13. Nitesh Infrastructure Private Limited
14. Nitesh Agrico Private Limited
15. Serve & Volley Signages Private Limited
16. Nitesh Warehousing Private Limited
17. Nitesh Pharmacy Private Limited
18. Lob Media Private Limited
19. Nitesh Media Private Limited
20. Serve & Volley Holdings Private Limited
21. Nitesh Healthcare Private Limited
22. Nitesh Hospitals Private Limited
23. Nitesh Telecom Private Limited
24. Nitesh Airways Private Limited
25. Nitesh Publishers Private Limited
26. Nitesh Energy Private Limited
27. Nitstone Environnement Private Limited
28. Nitesh Healthcare
29. Richmond Trading Enterprises

None of the equity shares of our Group Entities are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years. Details of our Group Entities are provided below:

Top five Group Entities based on turnover are as follows:

The following are our top five Group Companies based on turnover. All the financial statements of the Group Companies are audited.

Nitesh Projects

Nitesh Projects, a company duly incorporated under the Act on October 26, 2006 as a private limited company, is engaged in the business of real estate development.

Our Promoters collectively hold 9,900 equity shares in Nitesh Projects, i.e. 99.0% of the issued and paid-up capital of Nitesh Projects. The remaining 1.0% is held by Mr. L.S. Vaidyanathan.

Financial Performance

(Rs. in million except per share data)

	Financial year 2009	Financial year 2008	Financial year 2007
Sales and other income	213.26	362.56	103.82
Profit/Loss after tax	(128.62)	5.82	(28.52)
Reserves and Surplus	(151.32)	(22.70)	(28.52)

	Financial year 2009	Financial year 2008	Financial year 2007
Equity capital (par value Rs. 10)	0.10	0.10	0.10
Earnings per share	(12,862.00)	582.00	(2,852.00)
Book Value per share	(15,131.52)	(2,269.50)	(2,851.43)
Diluted EPS	(12,862.00)	582.00	(2,852.00)

Material notes to accounts

There are no material notes to accounts.

NISCO Ventures

NISCO Ventures was duly incorporated under the Act on December 31, 2002 as Nitesh Constructions Private Limited. With effect from June 3, 2008, the name was changed to NISCO Ventures Private Limited. NISCO Ventures is engaged in the business of construction of apartments, houses, factories, godowns, clubhouses and warehouses.

Our Promoters collectively hold 100.0% of the issued and paid-up capital of NISCO Ventures.

Financial Performance

(Rs. in million except per share data)

	Financial year 2009	Financial year 2008	Financial year 2007
Sales and other income	163.79	200.39	10.83
Profit/Loss after tax	1.14	4.64	0.13
Reserves and Surplus	7.29	6.16	1.52
Equity capital (par value Rs. 10)	8.60	5.10	0.10
Earnings per share	1.44	17.83	13.28
Book Value per share	18.48	22.07	161.97
Diluted EPS	1.44	17.83	13.28

Material notes to accounts

There are no material notes to accounts.

Serve & Volley Outdoor

Serve & Volley Outdoor, a company duly incorporated under the Act on August 16, 2004 as a private limited company, is engaged in the business of advertising and visual publicity.

Our Promoters collectively hold 100.0% of the issued and paid-up capital of Serve & Volley Outdoor.

Financial Performance

(Rs. in million except per share data)

	Financial year 2009	Financial year 2008	Financial year 2007
Sales and other income	135.60	138.29	90.09
Profit/Loss after tax	(28.31)	0.84	0.54
Reserves and Surplus	(19.72)	8.49	7.48
Equity capital (par value Rs. 10)	2.50	2.50	2.50
Earnings per share	(112.89)	3.38	2.15
Book Value per share	(68.87)	43.96	39.91
Diluted EPS	(112.89)	3.38	2.15

Material notes to accounts

There are no material notes to accounts.

Grass Outdoor

Grass Outdoor, previously known as Serve & Volley Media Private Limited, a company duly incorporated under the Act on July 26, 2000 as a private limited company, is engaged in the business of advertising and visual publicity. The name of the company has been changed to Grass Outdoor Media Private Limited by a certificate of incorporation issued upon change of name on No vember 12, 2009.

Our individual Promoters together hold 79,200 equity shares in Grass Outdoor, that is 99.0% of the issued and paid-up capital of Grass Outdoor. The remaining 1.0% is held by Mr. Nirmit Shetty.

Financial Performance

(Rs. in million except per share data)

	Financial year 2009	Financial year 2008	Financial year 2007
Sales and other income	108.75	135.10	145.05
Profit/Loss after tax	(7.16)	0.10	(0.90)
Reserves and Surplus	(2.51)	4.65	4.55
Equity capital (par value Rs. 10)	0.80	0.80	0.80
Earnings per share	(89.46)	1.27	(11.26)
Book Value per share	(21.35)	68.11	66.84
Diluted EPS	(89.46)	1.27	(11.26)

Material notes to accounts

There are no material notes to accounts.

Partnership

Nitesh Infra

Nitesh Infra was originally formed pursuant to a partnership deed dated April 27, 2000 between Mr. Nitesh Shetty and Mr. Nirmit Shetty. However the Partnership was reconstituted as of November 3, 2005 between Mr. Nitesh Shetty and Ms. Pushpalatha V. Shetty. It is engaged in the business of building, construction, roads, bridges, flyovers etc.

Profit and Loss Sharing Ratio

Name of Partners	Profit & Loss Sharing Ratio (%)
Mr. Nitesh Shetty	95.0
Ms. Pushpalatha V. Shetty	5.0
Total	**100.0**

Financial Performance

(Rs. in million)

	Financial Year Ended		
Particulars	**2009**	**2008**	**2007**
Capital	40.41	40.41	4
Sales and other Income	100.76	86.19	51.36
Profit	(1.71)	(8.47)	(6.12)

Nitesh Residency

Nitesh Residency a company duly incorporated under the Indian Act on December 14, 2006 as a private limited company is engaged in the business of construction and development of hotels, holiday resorts in India or abroad. Mr. Nitesh Shetty is a director of Nitesh Residency. He handles the operations of Nitesh Residency in consultation with the management of the Company. For a brief biography of Mr. Nitesh Shetty please refer the section titled 'Our Management' on page 183.

One of our Individual Promoters, Mr. Nitesh Shetty holds 7,118,209 equity shares in Nitesh Residency, that is 5.3% of the issued and paid-up capital of Nitesh Residency, our Company holds 28,080,579 equity shares in Nitesh Residency, that is 20.7% of the issued and paid-up capital of Nitesh Residency and the remaining 74.0% is held by Citi Property Investors.

See section titled "Summary Audited Balance Sheet, Profit & Loss and Cash Flows Statements of our Subsidiaries and Associate Company" on page 310, for the Financial Statements of Nitesh Residency.

Projects Undertaken

Nitesh Residency is currently undertaking the construction and development of the Ritz-Carlton Hotel.

It must be noted that real estate companies undertake projects in different special purpose vehicles to facilitate raising of financing for the project costs and cater to the risk profiles of investors. Therefore, they provide investors the flexibility to invest in entities which carry on business suited to their investment pattern.

Nitesh Residency was incorporated exclusively for construction and development of the Ritz-Carlton Hotel to facilitate ease of finance in this project.

Shareholders Agreement

*Shareholders Agreement between Citi Property Investors ("**Investor**"), Mr. Nitesh Shetty, our Company (together with Mr. Nitesh Shetty, the "**Promoters**") and Nitesh Residency dated December 29, 2006*

Nitesh Residency, the Investor and the Promoters executed a shareholders agreement dated December 29, 2006 with an intention of establishing a joint venture through Nitesh Residency. Under this agreement, it was agreed that the business of Nitesh Residency was to develop the land admesuring approximately 2.58 acres by construction thereon of a five star deluxe hotel project ("**Ritz-Carlton project**").

In relation to this, the Investor subscribed to 4,483,000 Class B Equity shares constituting 74.0% of the total equity shareholding of Nitesh Residency. Further, the Investor also subscribed to 4,034,700 OCRPS at the rate of Rs.100.00 per share consisting of a face value of Rs.10 per share and a premium of Rs. 90 having a coupon rate of 0.01% per annum. Prior to entering into this agreement, the Promoters had already subscribed to 1,575,108 Class A equity shares constituting 26.0% of the total equity shareholding of Nitesh Residency and 1,417,597 OCRPS at the rate of Rs.100.00 per share consisting of a face value of Rs. 10 per share and a premium of Rs. 90 having a coupon rate of 0.01% per annum. It was agreed by all parties to the agreement that the Investor and the Promoters shall at all times have shareholding in Nitesh Residency in the ratio of 74:26.

Further as per the board resolution of Nitesh Residency dated October 30, 2009 the OCRPS held by CPI India Limited, our Company and Mr. Nitesh Shetty was converted to 1,975,552 Class A equity shares and 5,622,727 Class B equity shares.

Further, the Investor and the Promoters have subscribed to additional shares in Nitesh Residency for a total investment of, with respect to the Investor, the equivalent of USD 29.80 million and, with respect to the promoters, the equivalent of USD 10.50 million. Under this Shareholders Agreement, Nitesh Residency was required to enter into a design, development and construction agreement with our Company and the Promoters to develop and construct the Ritz-Carlton project ("**Development Agreement**"). In pursuance of development of the said Ritz-Carlton project, it has been agreed that if our Company or the Promoters and any of the Promoters' affiliates to whom the shares of the Promoters are transferred to ("**Promoter Group**") fail to pay any construction cost overrun (including the payment of any costs in excess of the guaranteed maximum price mentioned under the Development Agreement) within the stipulated time period after the occurrence of such construction cost overrun, the Investor has certain rights as mentioned therein.

Furthermore, it has been agreed that each member of the Promoter Group are jointly and severally liable along with our Company for all monetary obligations of our Company under the Development Agreement. In the event our Company defaults in making payments under the Development Agreement to Nitesh Residency, such amounts shall be deducted and off-set from any distributions, dividends or other payments to be made by Nitesh Residency to the Promoter Group, including, without limitation any payments to be made by Nitesh Residency in connection with the redemption or the buy-back of any shares of the Promoter Group. Additionally, it was agreed that in the event of sale of Nitesh Residency, as a whole, or the sale of the shares of the Promoter Group, any amounts that the Promoter Group owes Nitesh Residency under the Development Agreement, shall first be deducted from the amount payable to the Promoter Group in connection with such sale. It was agreed between all the parties that our Company shall be fully liable, without limitation, for all payments and performance of its obligations under the Development Agreement.

Under this Shareholders Agreement, if the Promoters fail to obtain the necessary relevant approvals required for the construction of the Ritz-Carlton project within the period stipulated therein, the Investor shall have the right to put its shares to the Promoter Group at a price equal to the price paid per share by the Investor (including share premium of the optionally convertible redeemable preference shares), plus a 10.0% premium over such price ("**Investor Sale Price**"). It has also been agreed that the Promoter Group shall be jointly and severally liable to buy the Investor shares and in the event the Promoter Group commits a breach of such obligation to buy the shares of the Investor, our Promoter, Mr. Nitesh Shetty shall be personally liable for payment in full of the Investor Sale Price. Such default to obtain the necessary approvals shall constitute an event of default under the agreement.

In the event that the fair market value of the Investor shares calculated by an independent accountant appointed by the Investor does not ensure a return of 10% on the subscription price of the Investor shares (including the share premium of the optionally convertible redeemable preference shares), the Promoter Group shall be jointly and severally liable, including the personal liability of our Promoter, Mr. Nitesh Shetty for payment of full of the Investor Sale Price.

Further, no shareholder and/or the Promoters may transfer or attempt to transfer any of its shares to a third party without the prior written consent of the Investor prior to the seventh anniversary of the effective date under this agreement.

The Investor has the right to tag along all of the shares held by it with the shares proposed to be sold by the Promoters to a proposed transferee. The Investor also has the right (so long as it holds 50.0% of the shareholding in Nitesh Residency) to drag along all of the shares held by the Promoters and include such number of shares of the Promoters in the transfer of shares held by the Investor to the proposed transferee. As on November 15, 2009, our Company holds 20.7% of the issued and paid-up capital in Nitesh Residency.

Nitesh Kochi

Nitesh Kochi a company duly incorporated under the Act, on May 16, 2007 was incorporated as a private limited company as Nitesh IT Park (Kochi) Private Limited. With effect from June 4, 2008, the name was changed to Nitesh Kochi Projects and Developers Private Limited. Nitesh Kochi is engaged in the business of establishing information technology park and knowledge parks.

One of our Individual Promoters, Mr. Nitesh Shetty holds 9,900 equity shares in Nitesh Kochi, that is 99.0% of the issued and paid-up capital of Nitesh Kochi. The remaining 1.0% is held by Mr. L.S. Vaidyanathan.

Madison Developers

Madison Developers a company duly incorporated under the Act on October 16, 2007 as a private limited company is engaged in the business of real estate development.

One of our Individual Promoters, Mr. Nitesh Shetty holds 9,900 equity shares in Madison Developers, that is 99.0% of the issued and paid-up capital of Madison Developers. The remaining 1.0% is held by Mr. L.S. Vaidyanathan.

Nitesh Mylapore

Nitesh Mylapore a company duly incorporated under the Act on December 3, 2007 as a private limited company is engaged in the business of real estate development.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Mylapore.

Nitesh Devanahalli

Nitesh Devanahalli a company duly incorporated under the Act on December 4, 2007 as a private limited company is engaged in the business of real estate development.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Devanahalli.

Nitesh Boat Club

Nitesh Boat Club a company duly incorporated under the Act on December 4, 2007 as a private limited company is engaged in the business of real estate development.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Boat Club.

Nitesh Land

Nitesh Land a company duly incorporated under the Act on February 5, 2008 as a private limited company is engaged in the business of buying, selling, leasing pledging, mortgaging, and developing land.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Land.

Shareholders Agreement

*Securities Subscription Agreement ("**SSA**") executed amongst HDFC AMC, Nitesh Land and Mr. Nitesh Shetty dated February 2, 2010*

Under this SSA, HDFC AMC has subscribed to debentures of Nitesh Land for an aggregate consideration of Rs. 200,000,000 such that pursuant to the subscription, HDFC AMC shall hold 100.0% of the debentures of Nitesh Land. Simultaneously, Mr. Nitesh Shetty has subscribed to 459,999 preference shares of Rs. 10 each and Mrs Pushpalatha Shetty to 1 preference share of Rs. 10 each of Nitesh Land for an aggregate consideration of Rs. 23,000,000.

Under this SSA, the parties have agreed that the redemption of debentures shall be secured by a first fixed pledge by Nitesh Land on 6,802,460 equity shares of face value of Rs. 10 of the Company owned by Nitesh land, in favour of HDFC AMC in accordance with the terms of a pledge agreement executed between the Company, Nitesh Land and HDFC AMC dated February 19, 2010.

Nitesh Infrastructure

Nitesh Infrastructure a company duly incorporated under the Act on April 20, 2005 as a private limited company is engaged in the business of planning, designing, and evaluating all steps for setting up of all types of infrastructure projects.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Infrastructure.

Nitesh Agrico

Nitesh Agrico a company duly incorporated under the Act on October 18, 2004 as a private limited company is engaged in the business of agriculture, contract farming and horticulture.

Our Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Agrico.

Serve & Volley Signages

Serve & Volley Signages a company duly incorporated under the Act on August 2, 2004 as a private limited company is engaged in the business of advertisement and publicity.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Serve & Volley Signages.

Nitesh Warehousing

Nitesh Warehousing a company duly incorporated under the Act on May 22, 2007 as a private limited company is engaged in the business of warehousing, transporting and carriage of goods.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Warehousing.

Nitesh Pharmacy

Nitesh Pharmacy a company duly incorporated under the Act on July 25, 2003 as a private limited company carries on the business of manufacturing and dealing in pharmaceutical products.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Pharmacy.

Lob Media

Lob Media a company duly incorporated under the Act on December 22, 2003 as a private limited company is engaged in the business of hoarding advertisement and construction on civic amenities.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Lob Media.

Nitesh Media

Nitesh Media a company duly incorporated under the Act on December 18, 2003 as a private limited company is engaged in the business of advertisement and publicity through print, audio, visual and electronic media.

Our Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Media.

Serve & Volley Holdings

Serve & Volley Holdings a company duly incorporated under the Act on May 1, 2007 as a private limited company is engaged in the business of advertising and visual publicity.

Our Individual Promoters collectively hold 4,900 equity shares in Serve & Volley Holdings that is 49.0% of the issued and paid-up capital of Serve & Volley Holdings. The remaining 51.0% is held by a Group Company.

Nitesh Healthcare

Nitesh Healthcare a company duly incorporated under the Companies Act on June 17, 2004 as a private limited company is engaged in the business of administration and management of hospitals and healthcare centres.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Healthcare.

Nitesh Hospitals

Nitesh Hospitals a company duly incorporated under the Act on August 27, 2004 as a private limited company and is engaged in the business of administration and management of hospitals and healthcare centres.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Hospitals

Nitesh Telecom

Nitesh Telecom a company duly incorporated under the Act on October 18, 2004 as a private limited company is engaged in the business of telephone services.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Telecom.

Nitesh Airways

Nitesh Airways a company duly incorporated under the Act on February 23, 2005 as a private limited company is engaged in the business operation and management of aeroplanes and air transporters.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Airways.

Nitesh Publishers

Nitesh Publishers a company duly incorporated under the Act on October 18, 2004 as a private limited company is engaged in the business of printing and publishing.

Our Individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitesh Publishers.

Nitesh Energy

Nitesh Energy a company duly incorporated under the Act on January 23, 2009 as a private limited company is enagaged in the business of generation, distribution and supply of energy.

Our individual Promoters collectively hold 100.0% of the issued and paid -up capital of Nitesh Energy.

Nitstone

Nitstone a company duly incorporated under the Act on December 7, 2009 as a private company is engaged in the business of waste management, water recycling and biogeneration.

Our individual Promoters collectively hold 100.0% of the issued and paid-up capital of Nitstone.

Sole Proprietorship

Healthcare

Healthcare was formed as a sole proprietorship concern on June 1, 2004. The sole proprietorship concern proposes to engage in the business of healthcare services.

One of our individual Promoters, Mr. Nitesh Shetty is the sole proprietor of the concern.

Partnership

Richmond Trading Enterprises

Richmond Trading Enterprises a partnership firm was incorporated on September 26, 2008 between Mr. Nitesh Shetty and Mr. L.S. Vaidyanathan. It is engaged in the business of real estate development.

One of our individual Promoters, Mr. Nitesh Shetty shall be apportioned 90% of the profit or losses and the remaning 10% of the profit or losses to be apportioned to Mr. L.S. Vaidyanathan.

Other Confirmations

Further, our Promoters and Group Entities have further confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Additionally, none of the Promoters or Group Entities have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Litigation

For details relating to the legal proceeding involving the Promoters and Group Entities, see "Outstanding Litigation and Defaults" on page 357.

Common Pursuits

Some of our Group Entities have common pursuits and are involved in the construction and 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. See "Related Party Transactions" on page 209.

Sick Company

None of the Group Entities have become sick companies under the Sick Industrial Companies Act, 1985 and no winding up proceedings have been initiated against them. Further no application has been made, in respect of any of the Group Entities, to the Registrar of Companies for striking off their names. Additionally, none of our Group Entities have become defunct in the five years preceding the filing of this Red Herring Prospectus.

Sales or purchase between Group Companies/Subsidiaries/Associate Company

Please see the section titled "**Financial Statements**" on page 215 for details.

RELATED PARTY TRANSACTIONS

Summary disclosures in respect of Accounting Standard – 18, Related Party Disclosures on consolidated basis, as notified under the Companies (Accounting Standards) Rules, 2006, as amended are set forth below. For further details in relation to related party transactions, see the section titled "Financial Statements" on page 215.

1. Related party information

a) List of Related parties

Key managerial personnel ('KMP')	Mr. Nitesh Shetty [Managing Director and key shareholder of the Company] Mr. L.S.Vaidyanathan [Executive Director of the Company]
Enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise	Exora Business Parks Private Limited Globosport India Private Limited Lob Media Private Limited Madison Developers Private Limited Nisco Ventures Private Limited Nitesh Agrico Private Limited Nitesh Airways Private Limited Nitesh Boat Club Development Private Limited Nitesh Devanahalli Township Private Limited Nitesh Energy Private Limited Nitesh Estates Projects Private Limited Nitesh Healthcare Private Limited Nitesh Hospitals Private Limited Nitesh Industries Private Limited Nitesh Infrastructure and Construction Nitesh Infrastructure Private Limited Nitesh Kochi Projects and Developers Private Limited Nitesh Land Holdings Private Limited Nitesh Media Private Limited Nitesh Mylapore Developers Private Limited Nitesh Pharmacy Private Limited Nitesh Publishers Private Limited Nitesh Telecom Private Limited Nitesh Warehousing Private Limited Serve & Volley Holdings Private Limited Serve & Volley Media Private Limited Serve & Volley Outdoor Advertising Private Limited Serve & Volley Signages Private Limited Nitesh Realty Fund GP Limited Richmond Trading Enterprises
Shareholder holding substantial interest in the Company	AMIF I Limited
Joint venture enterprise (AOP)	Nitesh Estates – Whitefield (See note below)
Joint venturers of joint venture enterprise (AOP)	Mr. Joji Reddy Mr. Showrie Reddy
Associate Company	Nitesh Residency Hotel Private Limited

Note: The disclosures below pertain to the share of the other joint venturers in Nitesh Estates – Whitefield.

b) Transactions with Related parties

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009
Income from contractual activities		
Nitesh Residency Hotels Private Limited	195.27	208.65
Nitesh Estates – Whitefield	96.89	123.27
Mr. Nitesh Shetty	0.15	0.20
Total	**292.31**	**332.12**

	Nine months ended December 31, 2009	Year ended March 31, 2009
Income from sale of developmental rights		
Nitesh Estates Projects Private Limited (refer note d(i) below)	-	270.00
Total	**-**	**270.00**
Purchase - Construction/Civil works /Apartment		
Nisco Ventures Private Limited	-	53.50
Nitesh Estates Projects Private Limited (refer note d(ii) below)	48.00	-
Total	**48.00**	**53.50**
Interest income		
Nitesh Estates Projects Private Limited	4.58	-
Total	**4.58**	**-**
Rent and other charges paid		
Nitesh Infrastructure and Construction	7.69	13.16
Total	**7.69**	**13.16**
Advertising and sales promotion expenses		
Serve & Volley Media Private Limited	4.43	1.96
Serve & Volley Outdoor Advertising Private Limited	4.77	15.74
Serve & Volley Signages Private Limited	-	0.18
Total	**9.20**	**17.88**
Reimbursement of expenses received		
Nitesh Estates Projects Private Limited (refer note d(iv) below)	25.80	51.80
Nitesh Boat Club Development Private Limited	0.02	0.78
Nitesh Devanahalli Township Private Limited	2.31	0.25
Madison Developers Private Limited	-	0.34
Nitesh Kochi Projects and Developers Private Limited	0.02	0.01
Nitesh Housing Developers Private Limited	-	0.01
Total	**28.15**	**53.19**
Remuneration to KMP		
Mr. Nitesh Shetty	4.05	11.68
Mr. L.S.Vaidyanathan	2.26	4.51
Total	**6.31**	**16.19**
Advances written off		
Nitesh Realty Fund GP Limited	-	11.17
Total	**-**	**11.17**
Investments made		
Nitesh Residency Hotels Private Limited(refer note d(iii) below)	104.00	-
Nitesh Industries Private Limited	8.69	-
Total	**112.69**	**-**
Share application money received/(refunded)		
Nitesh Industries Private Limited	37.86	-
Nitesh Industries Private Limited	(37.86)	-
Mr. Nitesh Shetty	-	(7.09)
Total	**-**	**(7.09)**

b) Transactions with Related parties (contd.)

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009

Deposits given/(refunded)		
Nitesh Infrastructure and Construction	-	(4.50)
Total	**-**	**(4.50)**
Unsecured loan taken		
Mr. Nitesh Shetty	23.40	27.52
Total	**23.40**	**27.52**
Unsecured loan repaid		
Mr. Nitesh Shetty	23.80	-
Total	**23.80**	**-**
Equity Investment		
Nitesh Industries Private Limited	155.10	-
Total	**155.10**	**-**
Loans /Advances given/(repaid)		
Nisco Ventures Private Limited	(1.04)	(134.49)
Nisco Ventures Private Limited	33.66	-
Nitesh Estates – Whitefield	39.24	-
Nitesh Infrastructure Private Limited	(0.10)	(14.76)
Nitesh Estates – Whitefield	(39.24)	-
Nitesh Devanahalli Township Private Limited	-	(0.08)
Nitesh Housing Developers Private Limited	-	(0.10)
Nitesh Estates Projects Private Limited	169.56	4.86
Nitesh Estates Projects Private Limited	-	(9.17)
Nitesh Mylapore Developers Private Limited	0.01	10.85
Nitesh Realty Fund GP Limited	-	11.17
Nitesh Infrastructure and Construction	-	6.21
Nitesh Mylapore Developers Private Limited	-	(0.08)
Madison Developers Private Limited	(1.07)	-
Madison Developers Private Limited	205.50	25.00
Richmond Trading Enterprises	35.11	6.27
Richmond Trading Enterprises	(0.15)	(0.49)
Mr. Nitesh Shetty	-	10.68
Mr. L.S.Vaidyanathan	-	1.46
Mr. Joji Reddy	10.39	5.74
Mr. Showrie Reddy	8.50	7.02
Mr. Joji Reddy	(9.23)	-
Mr. Showrie Reddy	(11.28)	-
Total	**439.87**	**(69.91)**
Loans /Advances taken/(repaid)		
Nitesh Estates Projects Private Limited	15.56	581.36
Nitesh Residency Hotels Private Limited	-	40.00
Nitesh Estates – Whitefield	49.59	33.04
Nitesh Estates Projects Private Limited	(73.12)	(752.60)
Nitesh Estates – Whitefield	(88.39)	(11.91)
Nitesh Residency Hotels Private Limited	(1.08)	(21.70)
Total	**(97.44)**	**(131.81)**
Guarantees given by the Group on behalf of:		
Nitesh Estates Projects Private Limited	-	200.00
Total	**-**	**200.00**
Guarantees given by the following entities on behalf of the Group		
Nitesh Estates Projects Private Limited	-	500.00
Total	**-**	**500.00**

c) Balances outstanding with Related parties

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009
Sundry debtors		
Nitesh Estates Projects Private Limited	-	95.00
Nitesh Estates – Whitefield	57.00	54.72
Nitesh Residency Hotels Private Limited	4.67	-
Mr. Nitesh Shetty	0.09	0.13
Total	**61.76**	**149.85**
Deposits		
Nitesh Infrastructure and Construction	9.04	9.04
Total	**9.04**	**9.04**
Contract revenue in excess of billing		
Nitesh Residency Hotels Private Limited	44.63	0.09
Nitesh Estates-Whitefield	12.61	-
Total	**57.24**	**0.09**
Advances recoverable		
Madison Developers Private Limited	230.50	26.04
Nitesh Boat Club Development Private Limited	3.27	3.24
Nitesh Devanahalli Township Private Limited	3.19	0.87
Nitesh Estates Projects Private Limited	194.65	51.35
Nisco Ventures Private Limited	44.28	14.06
Nitesh Infrastructure and Construction	6.36	6.74
Nitesh Kochi Projects and Developers Private Limited	-	0.03
Nitesh Land Holdings Private Limited	0.02	0.02
Nitesh Mylapore Developers Private Limited	10.91	10.90
Nitesh Housing Developers Private Limited	-	0.02
Nitesh Infrastructure Private Limited	-	0.12
Richmond Trading Enterprises	40.13	5.78
Mr. Nitesh Shetty	8.86	10.68
Mr. L.S.Vaidyanathan	1.61	1.46
Mr. Joji Reddy	21.43	26.69
Mr. Showrie Reddy	26.19	32.62
Total	**591.39**	**190.62**
Sundry creditors		
Nisco Ventures Private Limited	-	3.58
Nitesh Infrastructure and Construction	0.85	0.92
Serve & Volley Media Private Limited	5.79	2.96
Serve & Volley Outdoor Advertising Private Limited	4.39	9.14
Serve & Volley Signages Private Limited	0.27	0.27
Nitesh Estates Projects Private Limited	25.00	-
Total	**36.30**	**16.87**
Advance from customers		
Nitesh Estates Projects Private Limited	-	54.69
Nitesh Residency Hotels Private Limited	165.16	166.24
Total	**165.16**	**220.93**
Other liabilities		
Nitesh Estates – Whitefield	4.95	37.69
Nitesh Estates Projects Private Limited	-	3.47
Total	**4.95**	**41.16**

	As at December 31, 2009	As at March 31, 2009
Unsecured loan (payable)		
Mr. Nitesh Shetty	27.12	27.52
Total	**27.12**	**27.52**
Guarantees given and outstanding on behalf of		
Nitesh Estates Projects Private Limited	200.00	200.00
Total	**200.00**	**200.00**
Guarantees given by the following on behalf of the Group and outstanding		
Nitesh Estates Projects Private Limited	500.00	500.00
Total	**500.00**	**500.00**

Notes to Related party information

i. During the year ended March 31, 2009, the Company sold 25% of its development rights under a joint venture to Nitesh Estates Projects Private Limited (‘NEPPL’) for a consideration of Rs. 270 Million. The Company had incurred cost (on pro-rata basis) of Rs. 116 Million towards land and other development costs as at the date of sale.

ii. On November 24, 2009, the Company purchased a developed property (apartment) from NEPPL for a consideration of Rs.48 Million and sold the same to a third party for a consideration of Rs.70 Million on December 29, 2009. The Company incurred other incidental costs of Rs.2 Million towards purchase of the said apartment.

iii. During the nine months ended December 31, 2009, the Company invested a sum of Rs.104 Million towards additional 10,400,000 Class A equity shares of Nitesh Residency Hotels Private Limited (‘NRHPL’). Further, on October 30, 2009, the 0.01% Optionally Convertible Redeemable Non-cumulative preference shares were converted into 1,591,252 Class A equity shares of Rs.10 each. Further, NRHPL issued 14,321,268 Class A equity shares as fully paid bonus shares of Rs.10 each. The aforesaid shares held by the Company in NRHPL have certain transfer restrictions (including consent of another investor) under the Shareholders’ Agreement entered into with the other investors in NRHPL. As part of the loan arrangement entered into by NRHPL for funding the hotel project, the Company has provided an undertaking to such lenders not to divest its shares in NRHPL. The aforesaid Class A shares have similar voting rights to the Class B shares held by another investor but have different dividend rights in terms of the shareholders agreement. Effective October 30, 2009, NRHPL became an associate company of the Group. The Company has a commitment to invest additional share capital in NRHPL alongwith the other investors. The Company’s share of such additional investment as at December 31, 2009 is estimated to be Rs.460 million.

iv. Pursuant to the Share Subscription Agreement (‘SSA’) entered into between AMIF I Limited (‘Investors’), Pushpalatha V Shetty, Nitesh Shetty, Nitesh Industries Private Limited and the Company, common costs i.e. the salaries, general and administrative and selling overheads incurred by the Company are being shared by NEPPL and the Company in the ratio of their project expenses. Accordingly, the Company has crossed charged NEPPL expenses amounting to Rs 32.54 Million for the year ended March 31, 2008, Rs 41.10 Million for the year ended March 31, 2009 and Rs 22.90 Million for the nine months period ended December 31, 2009. Although, the SSA has been terminated effective October 9, 2009, the Company and NEPPL continue to share common costs in the ratio of their project expenses.

DIVIDEND POLICY

As of December 31, 2009, our Company has not paid any cash dividends on its Equity Shares. Under the Companies Act, the declaration and payment of any dividends in the future will be recommended by the Board of Directors and approved by the shareholders of our Company at their discretion and would depend on a number of factors, including our financial condition, government policies, results of operations, capital requirements and surplus, contractual obligations, applicable Indian legal restrictions, the provisions of our Articles of Association, the terms of our credit facilities and other financing arrangements at the time dividend is considered, and other factors considered relevant by our Board of Directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to the Board of Directors to declare and pay interim dividends without shareholder's approval at an annual general meeting.

Our Company does not have any formal dividend policy for the shares. The declaration and payment of equity dividend would be governed by the applicable provisions of the Companies Act and Articles of Association of the Company.

SECTION V – FINANCIAL STATEMENTS

Auditors' report as required by Part II of Schedule II to the Companies Act, 1956

The Board of Directors
Nitesh Estates Limited
7th Floor, Nitesh Timesquare,
#8 MG Road
Bangalore 560 001
India

Dear Sirs,

1. We have examined the restated financial information of Nitesh Estates Limited ("the Company") annexed to this report for the purposes of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). Such financial information, which has been approved by the Board of Directors of the Company, 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') and

    b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("the Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992.

2. We have examined such restated financial information taking into consideration:

    a. the terms of reference received from the Company vide their letter dated October 5, 2009, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO; and

    b. the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

3. The Company proposes to make an IPO for the fresh issue of equity shares of Rs 10 each at such premium, arrived at by the 100% book building process (referred to as "the Issue"), as may be decided by the Board of Directors.

4. The restated financial information of the Company has been compiled by the management from:

    a. the audited unconsolidated balance sheets of the Company as at March 31, 2007, March 31, 2006 and March 31, 2005 and the related audited unconsolidated profit and loss accounts for the year ended March 31, 2007, March 31, 2006 and for the period from February 20, 2004 to March 31, 2005 and audited unconsolidated cash flows statement for the year ended March 31, 2007 which have been audited by the Company's previous auditors and accordingly reliance has been placed on the unconsolidated financial statements audited by them for the said years/period. The unconsolidated financial information included for these years are based solely on the reports submitted by them;

    b. the audited unconsolidated balance sheets of the Company as at December 31, 2009, March 31, 2009 and March 31, 2008 and the related audited unconsolidated profit and loss accounts and cash flows statements for the nine months period ended December 31, 2009, year ended March 31, 2009 and March 31, 2008, which have been audited by us; and

    c. the audited consolidated balance sheets of the Company and its subsidiaries, joint venture and associate (collectively hereinafter referred to as the "Group") as at December 31, 2009 and March 31, 2009 and the related audited consolidated profit and loss accounts and cash flows statements for the nine months period ended December 31, 2009 and year ended March 31, 2009, which have been audited by us. We did not audit the financial statements of the subsidiaries and joint venture, whose financial statements reflect total assets of Rs.1901.26 million and Rs.1193.41 million as at December 31, 2009 and March 31, 2009 respectively, total revenue of Rs.210.93 million and Rs.258.86 million and net cash inflows amounting to Rs.111.49 million and Rs.11.88 million for the nine months period and year then ended, respectively, which have been audited by other auditors and accordingly reliance has been placed on the financial statements of the subsidiaries and joint venture audited by them for the said period/year. The unconsolidated financial information of the subsidiaries and joint venture included for the said period/year are based solely on the reports submitted by them.

5. In accordance with the requirements of Schedule II of the Act, the Regulations and the terms of our engagement agreed with you, we report that:

   a. We have examined the restated unconsolidated summary statement of assets and liabilities of the Company as at December 31, 2009, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 and the related restated unconsolidated summary statement of profits and losses and cash flows for the nine months period ended December 31, 2009, year ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and for the period February 20, 2004 to March 31, 2005 and as set out in Annexure I to III (collectively the " Restated Unconsolidated Summary Statements"); and

   b. We have also examined the restated consolidated summary statement of assets and liabilities of the Group as at December 31, 2009 and March 31, 2009 and the related restated consolidated summary statement of profits and losses and cash flows for the nine months period ended December 31, 2009 and year ended March 31, 2009 and as set out in Annexure XIX to XXI (collectively the "Restated Consolidated Summary Statements").

   The Restated Unconsolidated Summary Statements and the Restated Consolidated Summary Statements are hereinafter collectively referred to as "Restated Summary Statements".

6. Based on our examination and reliance placed on the reports of the auditors of the Company, subsidiaries and joint venture not audited by us as stated in paragraphs 4(a) and 4(c), we further report that:

   a. the restated financial information have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV and Annexure XXII to this report;

   b. the impact of changes in accounting policies adopted by the Company and the Group as at and for the nine months period ended December 31, 2009 have been adjusted with retrospective effect in the attached Restated Summary Statements;

   c. material amounts relating to previous years have been adjusted in the attached Restated Summary Statements;

   d. there are no extraordinary items which need to be disclosed separately in the attached Restated Summary Statements; and

   e. there are no qualifications in the auditors' reports, which require any adjustments to the Restated Summary Statements. Other audit qualifications which do not require any corrective adjustments in the financial information are disclosed in Note 18 of Annexure IV.

   Our reports on the audited unconsolidated financial statements included 'Matters of Emphasis' which do not require any corrective adjustments in the financial information are disclosed in Note 18 of Annexure IV.

7. We have not audited any financial statements of the Company or consolidated financial statements of the Group as of any date or for any period subsequent to December 31, 2009. Accordingly, we express no opinion

on the financial position, results of operations or cash flows of the Company or the Group as of any date or for any period subsequent to December 31, 2009.

8. We have also examined the restated unconsolidated financial information of the Company listed below, as at and for nine months period ended December 31, 2009, as at and for the year ended March 31,2009, March 31, 2008, March 31, 2007 and March 31, 2006, and as at March 31, 2005 and for the period from February 20, 2004 to March 31, 2005 which, as approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the offer document:-

   a. Details of Loans and Advances, as appearing in Annexure V
   b. Details of Sundry Debtors, as appearing in Annexure VI
   c. Details of Investments, as appearing in Annexure VII
   d. Details of Accounting Ratios, as appearing in Annexure VIII
   e. Details of Unsecured Loans, as appearing in Annexure IX
   f. Details of Secured Loans, as appearing in Annexure X (a) and (b)
   g. Details of Other Income, as appearing in Annexure XI
   h. Capitalization Statement , as appearing in Annexure XII
   i. Statement of Tax Shelter, as appearing in Annexure XIII
   j. Details of Share Capital, as appearing in Annexure XIV
   k. Details of Reserves and Surplus, as appearing in Annexure XV
   l. Details of Fixed Assets, as appearing in Annexure XVI
   m. Details of Inventories, as appearing in Annexure XVII
   n. Details of Rates of Dividend, as appearing in Annexure XVIII

9. We have also examined the restated consolidated financial information of the Group listed below, as at and for nine months period ended December 31, 2009 and as at and for the year ended March 31, 2009, which as approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the offer document:-

   a. Details of Loans and advances, as appearing in Annexure XXIII
   b. Details of Sundry Debtors, as appearing in Annexure XXIV
   c. Details of Investments, as appearing in Annexure XXV
   d. Details of Accounting ratios, as appearing in Annexure XXVI
   e. Details of Unsecured Loans, as appearing in Annexure XXVII
   f. Details of Secured Loans, as appearing in Annexure XXVIII (a) and (b)
   g. Details of Other Income, as appearing in Annexure XXIX
   h. Capitalization Statement , as appearing in Annexure XXX
   i. Details of Share Capital, as appearing in Annexure XXXI
   j. Details of Reserves and Surplus, as appearing in Annexure XXXII
   k. Details of Fixed Assets, as appearing in Annexure XXXIII
   l. Details of Inventories, as appearing in Annexure XXXIV

10. In our opinion, the financial information as disclosed in the annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexures IV and XXII and after making adjustments and re-groupings as considered appropriate, have been prepared in accordance with Part II of Schedule II of the Act and the Regulations.

11. This report should not in any way be construed as a reissuance or redating of any of the previous audit reports issued by us or the Company's previous auditors nor should this be construed as a new opinion on any of the financial statements referred to herein.

12. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. This report is intended solely for your information and for inclusion in offer document prepared 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 S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Aditya Vikram Bhauwala
Partner
Membership No: 208382

Place: Bangalore
Date: March 5, 2010

NITESH ESTATES LIMITED

ANNEXURE - I

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Million)

	Particulars	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
A.	**Fixed Assets:**						
	Gross Block	52.33	52.55	108.67	15.30	5.36	1.90
	Less: Depreciation	22.34	17.55	10.06	3.25	1.16	0.23
	Net Block	29.99	35.00	98.61	12.05	4.20	1.67
	Capital Work in Progress (including Capital Advances)	20.80	20.80	0.51	5.86	-	-
	Total	**50.79**	**55.80**	**99.12**	**17.91**	**4.20**	**1.67**
B.	**Investments**	**620.95**	**347.03**	**270.32**	**155.97**	**41.51**	**0.03**
C.	**Deferred Tax Asset, net**	**3.50**	**17.37**	**2.46**	**0.22**	**1.98**	**3.34**
D.	**Current Assets, Loans and Advances**						
	Inventories	193.09	420.50	487.59	95.96	59.62	117.26
	Sundry Debtors	249.11	283.36	86.17	106.01	23.32	3.00
	Cash and Bank balances	19.44	7.74	460.29	38.93	34.20	8.88
	Loans and Advances	990.56	976.33	1,028.31	223.90	255.32	8.80
	Other Current Assets	65.98	0.24	119.85	-	-	-
	Total	**1,518.18**	**1,688.17**	**2,182.21**	**464.80**	**372.46**	**137.94**
E.	**Total Assets - (A) + (B) + (C) + (D)**	**2,193.42**	**2,108.37**	**2,554.11**	**638.90**	**420.15**	**142.98**

NITESH ESTATES LIMITED

ANNEXURE - I

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Million)

	Particulars	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
F.	**Liabilities & Provisions:**						
	Secured Loans	881.26	758.15	366.55	1.51	25.57	71.49
	Unsecured Loans	27.01	27.52	-	-	41.00	18.24
	Current Liabilities	485.17	761.38	1,046.38	207.10	319.34	58.91
	Provisions	18.71	7.23	9.53	15.68	4.54	0.07
	Total - (F)	**1,412.15**	**1,554.28**	**1,422.46**	**224.29**	**390.45**	**148.71**
	Net Worth / (deficit) (E) - (F)	**781.27**	**554.09**	**1,131.65**	**414.61**	**29.70**	**(5.73)**
	Net Worth represented by:						
	Share Capital						
	- Equity Shares	697.83	68.02	68.02	58.71	27.50	0.10
	Share application money pending allotment	-	-	607.09	11.50	-	-
	Reserves and Surplus						
	- Securities Premium	-	413.68	413.68	311.50	-	-
	- Surplus/(Deficit) in Profit and Loss Account	83.44	72.39	42.86	32.90	2.20	(5.83)
	Net Worth / (deficit)	**781.27**	**554.09**	**1,131.65**	**414.61**	**29.70**	**(5.73)**

Note :
The above statement should be read with the Notes to the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows as appearing in Annexure IV.

NITESH ESTATES LIMITED

ANNEXURE – II

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rupees in Million)

Particulars	**Nine months ended December 31, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Period ended March 31, 2005**
Income						
Income from operations						
- Income from contractual activity	394.54	583.78	633.60	87.56	2.30	-
- Income from sale of developed property (apartment)	70.00	-	-	-	-	-
- Income from sale of developmental rights	-	270.00	-	-	-	-
- Income from property development	-	-	-	48.01	213.99	-
- Share of profits of association of persons	13.84	14.07	-	-	-	-
- Profit on sale of land purchase rights	-	-	-	67.34	-	-
Total	**478.38**	**867.85**	**633.60**	**202.91**	**216.29**	**-**
Other Income	252.51	1.04	55.13	37.24	7.30	-
Total income	**730.89**	**868.89**	**688.73**	**240.15**	**223.59**	**-**
Expenditure						
Land and construction cost	345.85	493.86	879.55	198.80	68.19	138.67
Cost of purchase of developed property (apartment)	50.00	-	-	-	-	-
(Increase) / decrease in inventories	27.40	67.09	(391.63)	(69.06)	108.69	(145.14)
Personnel expenses	46.35	92.32	65.53	23.77	9.89	2.24
Administrative expenses	42.89	106.66	73.54	24.91	6.84	1.67
Selling and marketing expenses	24.90	39.33	32.38	8.68	1.37	4.17
Interest expenses	81.60	20.02	2.04	7.52	6.20	8.51
Depreciation / Amortisation	4.07	7.28	5.29	2.09	0.94	0.22

NITESH ESTATES LIMITED

ANNEXURE – II

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
Total expenditure	**623.06**	**826.56**	**666.70**	**196.71**	**202.12**	**10.34**
Profit / (Loss) before tax, exceptional items and prior period items	**107.83**	**42.33**	**22.03**	**43.44**	**21.47**	**(10.34)**
Exceptional items (net of tax) (Refer note 15 of Annexure IV)	-	-	(2.84)	-	-	-
Profit / (loss) before tax and prior period items	**107.83**	**42.33**	**19.19**	**43.44**	**21.47**	**(10.34)**
Provision for taxation:						
Current tax	21.89	27.90	10.19	14.50	4.00	-
Deferred Tax Charge/ (Credit)	13.87	(14.90)	(1.83)	(0.33)	3.55	(3.48)
Fringe Benefit Tax	-	0.80	1.09	0.54	0.14	-
Total Tax Expenses/ (Credit)	**35.76**	**13.80**	**9.45**	**14.71**	**7.69**	**(3.48)**
Net profit/(loss) after tax & before prior period items	**72.07**	**28.53**	**9.74**	**28.73**	**13.78**	**(6.86)**
Prior period items (Net of taxes)	-	(0.93)	0.12	-	-	-
Net profit/(loss) for the period / year	**72.07**	**27.60**	**9.86**	**28.73**	**13.78**	**(6.86)**
Adjustments (Refer Note 3 of Annexure IV)	-	0.93	(0.59)	5.51	(7.72)	1.17
Tax Impact on adjustments (Refer Note 3 of Annexure IV)	-	-	0.04	(2.09)	2.17	(0.14)
Provision for taxation pertaining to earlier years adjusted	-	1.00	0.65	(1.45)	(0.20)	-
Total Adjustments , net of tax impact	**-**	**1.93**	**0.10**	**1.97**	**(5.75)**	**1.03**
Net Profit / (Loss) for the period/year, as Restated	**72.07**	**29.53**	**9.96**	**30.70**	**8.03**	**(5.83)**
Surplus/(deficit) brought forward from previous period/ year, as Restated	72.39	42.86	32.90	2.20	(5.83)	-

NITESH ESTATES LIMITED

ANNEXURE – II

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
Surplus/(deficit) available for Appropriation	**144.46**	**72.39**	**42.86**	**32.90**	**2.20**	**(5.83)**
Capitalisation on issuance of bonus shares (refer note 6 in Annexure XII)	61.02	-	-	-	-	-
Surplus/(deficit) carried to Balance sheet	**83.44**	**72.39**	**42.86**	**32.90**	**2.20**	**(5.83)**

Note :

The above statement should be read with the Notes to the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows as appearing in Annexure IV.

NITESH ESTATES LIMITED

ANNEXURE - III

RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
A. Cash Flows From Operating Activities						
Profit/(loss) before tax, as restated	107.83	42.33	18.78	48.95	13.75	(9.17)
Adjustments for :						
Share in profits of association of persons	(13.84)	(14.07)	-	-	-	-
Depreciation / Amortisation	4.07	7.28	5.29	2.09	0.94	0.22
Interest expense	81.55	18.87	1.76	7.00	6.20	7.30
Interest income	(0.87)	(0.83)	(0.12)	(0.03)	(0.81)	-
Dividend income from units in mutual funds	(0.38)	-	-	-	-	-
Profit on sale of investments	(174.95)	-	-	-	-	-
(Profit)/loss on sale of fixed assets/discontinuance of projects	(0.03)	14.15	-	-	-	-
Advances written off	-	13.22	1.64	-	-	-
Operating profit / (loss) before working capital changes	**3.38**	**80.95**	**27.35**	**58.01**	**20.08**	**(1.65)**
Adjustments for :						
(Increase) / decrease in inventories	27.41	91.25	(386.41)	(36.34)	57.64	(117.26)
(Increase) / decrease in debtors	34.25	(197.19)	19.84	(82.69)	(20.32)	(3.00)
(Increase) / decrease in loans and advances and other current assets	(84.90)	150.16	(868.15)	(30.72)	(242.57)	(8.80)
Increase / (decrease) in current liabilities and provisions	(69.60)	(311.42)	841.70	(88.68)	260.66	58.99
Cash (used in) / generated from operations	**(89.46)**	**(186.25)**	**(365.67)**	**(180.42)**	**75.49**	**(71.72)**
Direct taxes paid (net)	(5.71)	(18.67)	(37.71)	(7.85)	(4.07)	-
Net cash (used in) / generated from operating activities - (A)	**(95.17)**	**(204.92)**	**(403.38)**	**(188.27)**	**71.42**	**(71.72)**

NITESH ESTATES LIMITED

ANNEXURE - III

RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

Particulars	**Nine months ended December 31, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Period ended March 31, 2005**
B. Cash Flows From Investing Activities						
Purchase of fixed assets	(0.33)	(6.85)	(85.21)	(15.80)	(3.46)	(1.90)
Proceeds from sale of fixed assets/ discontinuance of projects	0.27	45.68	-	-	-	-
Purchase of investments in subsidiaries (including share application monies)	(151.42)	(62.64)	-	-	-	-
Proceeds from sale of investments in a subsidiary	180.00	-	-	-	-	-
Purchase of investments	(112.68)	-	(155.45)	(73.37)	(0.38)	(0.03)
Purchase of investments in mutual fund units	(201.38)	-	-	-	-	-
Proceeds from sale of investment in mutual fund units	200.73	-	-	-	-	-
Investment in association of persons	-	-	-	-	(41.10)	-
Interest received	0.79	1.75	0.05	0.03	0.81	-
Investment in fixed deposit with maturity of more than 3 months	(0.08)	-	-	(0.87)	-	-
Net cash (used in) / generated from investing activities - (B)	**(84.10)**	**(22.06)**	**(240.61)**	**(90.01)**	**(44.13)**	**(1.93)**
C. Cash Flows From Financing Activities						
Proceeds from issue of shares	155.10	-	107.10	342.71	27.40	0.10
Proceeds from share application	37.86	-	600.00	11.49	-	-
Refund of share application money	(37.86)	(607.09)	-	-	-	-
Proceeds from secured loans	132.48	700.65	441.81	0.94	26.08	79.62
Proceeds from unsecured loans	33.30	27.52	-	-	40.00	48.07
Repayment of secured loans	(12.15)	(309.05)	(76.77)	(25.00)	(72.00)	(8.13)

NITESH ESTATES LIMITED

ANNEXURE - III

RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
Repayment of unsecured loans	(33.80)	-	-	(41.00)	(17.24)	(29.83)
Interest paid	(74.87)	(46.58)	(6.98)	(7.00)	(6.21)	(7.30)
Net cash generated from / (used in) financing activities - (C)	**200.06**	**(234.55)**	**1,065.16**	**282.14**	**(1.97)**	**82.53**
D. Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**20.79**	**(461.53)**	**421.17**	**3.86**	**25.32**	**8.88**
Cash and cash equivalents as at beginning of the period / year	(2.30)	459.23	38.06	34.20	8.88	-
E. Cash and cash equivalents as at end of the period / year	**18.49**	**(2.30)**	**459.23**	**38.06**	**34.20**	**8.88**
Components of cash and cash equivalents						
Cash on hand	0.05	0.56	0.07	9.46	1.37	0.20
Balances with scheduled banks:						
- in current accounts	18.44	6.19	254.27	28.59	2.83	8.68
- in deposit accounts	0.95	0.99	205.95	0.88	30.00	-
Cash and bank balances	**19.44**	**7.74**	**460.29**	**38.93**	**34.20**	**8.88**
Less: Book overdraft	-	9.16	0.19	-	-	-
Less: Fixed deposits with maturity of more than 3 months	0.95	0.88	0.87	0.87	-	-
Cash and cash equivalents in cash flow statement	**18.49**	**(2.30)**	**459.23**	**38.06**	**34.20**	**8.88**

Notes :

1. The above statement should be read with the Notes to the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows as appearing in Annexure IV.

2. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 'Cash Flow Statements' notified by Companies (Accounting Standard) Rules, 2006 (as amended).

NITESH ESTATES LIMITED

ANNEXURE - III

RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005

3. Negative figures represents Cash outflow.

NITESH ESTATES LIMITED
ANNEXURE IV

NOTES TO THE RESTATED UNCONSOLIDATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS, AS RESTATED UNDER INDIAN GAAP

1. Background

Nitesh Estates Limited ('Company' or 'NEL') (formerly Nitesh Estates Private Limited) was incorporated on February 20, 2004. NEL is a real estate developer engaged in the business of development, sale, management and operation of all or any part of housing and hotel projects, commercial premises and other related activities.

As the Company was incorporated on February 20, 2004, the first financial statements of the Company is for the period from February 20, 2004 to March 31, 2005.

At the extra-ordinary general meeting of the shareholders held on October 9, 2009, the shareholders approved the conversion of the Company from a private limited company to a public limited company, and approved the change in the name of the Company from Nitesh Estates Private Limited to Nitesh Estates Limited. The Company has received a fresh certificate of incorporation from the Registrar of Companies incorporating the change in the name of the Company effective November 3, 2009.

The restated unconsolidated summary statement of assets and liabilities of the Company as at December 31, 2009, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 and the related restated unconsolidated summary statement of profits and losses and cash flows for nine months period ended December 31, 2009 and year ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and for the period from February 20, 2004 to March 31, 2005 (hereinafter collectively referred to as “Restated Unconsolidated Summary Statements”) relate to Nitesh Estates Limited (“the Company”) and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with its proposed Initial Public Offering.

These Restated Unconsolidated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 (“the Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “Regulations”).

2. Statement of Significant Accounting Policies adopted by the Company in the preparation of financial statements as at and for the nine months period ended December 31, 2009.

a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future years.

c) Fixed assets including intangible assets

Fixed assets including intangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under Capital work in progress.

d) Depreciation / Amortisation

Depreciation on assets, other than those described below, is provided using written down value method ('WDV') at the rates prescribed under Schedule XIV of the Companies Act, 1956, which is also estimated by the management to be the estimated useful lives of the assets.

	Schedule XIV Rates (WDV)
Computers	40.00%
Office Equipment	13.91%
Furniture and Fittings	18.10%
Motor Cars	25.89%

Assets individually costing less than or equal to Rs.5,000 are fully depreciated in the year of purchase. Leasehold improvements are amortised over the remaining primary period of lease or their estimated useful life, whichever is shorter, on a straight-line basis.

Intangible assets - Expenditure incurred on software is amortised using straight line method over a period of 5 years, which is estimated by the management to be the useful life of the asset.

e) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long term Investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of investments.

h) Inventories

Inventories comprising of Work in Progress are valued at lower of cost and net realizable value. Cost includes direct and indirect expenditure, which is determined based on specific identification to the construction activity. Direct expenditure relating to construction activity is inventorised. Indirect expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the profit and loss account.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i) 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.

Income from contractual activities

Revenue from fixed price construction contracts is recognized by reference to the stage of completion of the project at the balance sheet date. The stage of completion of project is determined by the proportion that contract costs incurred for work performed up to the balance sheet date bear to the estimated total contract costs. When estimated contract costs exceed contract revenue, the expected loss is recognized immediately.

Revenue from cost plus construction contracts is recognized on the basis of an agreed mark up on costs incurred, in accordance with the terms of the agreement entered into by the Company and its customers.

Revenue from other contractual activities is recognized as activities are performed, on an accrual basis, based on arrangements with concerned parties.

Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet.

Income from sale of development rights

Revenue from sale of development rights is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Income from sale of developed property

Revenue from sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such developed property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Income from property development

Revenue from real estate under development/ developed property is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Group still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue is recognised on percentage of completion method, when the stage of completion of each project reaches a reasonable level of progress. Revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion.

Share in profits of Association of Person ('AOP')

The Company's share in profits from AOP where the Company is a partner, is recognized on the basis of such AOP's audited annual accounts, as per terms of the agreement.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

j) Foreign currency translation

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise.

k) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the year in which they are incurred.

l) Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the balance sheet date. The gratuity liability is not externally funded.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on actuarial valuation performed at the balance sheet date. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

m) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

n) Advances / deposits against property

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognized as 'Advances against property' under Loans and Advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to Work in progress.

Deposits paid by the Company to the seller towards right for development of land in exchange of constructed area are recognized as 'Advances against property' under Loans and Advances, unless they are non-refundable, wherein they are transferred to Work in progress on the launch of project.

o) Provisions and contingencies

A provision is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resource 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 the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation, in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for event of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3. A. MATERIAL ADJUSTMENTS

(a) Summary of results of adjustments made to the audited financial statements of the Company for the respective periods/years and their impact on the profits/ (losses) of the Company are as given below:

(Rupees Million)

Adjustments made in Restated Profit & loss Account	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	For the period February 20, 2004 to March 31, 2005
Adjustments for :						
Prior period Item [(Expenses)/Income](Refer Note no (b) below)	-	0.93	(0.65)	(0.06)	(0.22)	-
Revenue Adjustment (Refer Note no (c) below)	-	-	-	34.11	(58.40)	24.29
Cost of Sales Adjustment (Refer Note no (c) below)	-	-	-	(28.09)	51.06	(22.95)
Preliminary expenses written off (Refer Note no (d) below)	-	-	0.06	0.02	0.02	(0.10)
Retirement benefits under AS 15 (Revised 2005) (Refer Note no (e) below)	-	-	-	(0.47)	(0.18)	(0.07)
Total adjustments	**-**	**0.93**	**(0.59)**	**5.51**	**(7.72)**	**1.17**
Tax impact on adjustments (Refer Note no (f) below)	-	-	0.04	(2.09)	2.17	(0.14)
Adjustments (net of tax)	**-**	**0.93**	**(0.55)**	**3.42**	**(5.55)**	**1.03**
Adjustment of	-	1.00	0.65	(1.45)	(0.20)	-

short provision of income tax of earlier years adjusted	

(b) In the audited financial statements of the Company for the year ended March 31, 2009 and March 31, 2008, the Company has disclosed certain items as prior period items. Accordingly, in the preparation of Restated Unconsolidated Summary Statements, the effect of these prior period items have been appropriately adjusted to the results of the respective years to which these items pertain with a corresponding restatement of the respective assets and liabilities.

(c) During the year ended March 31, 2006, the Company changed its accounting policy for revenue recognition from completed contract method to recognizing revenue on a percentage of completion method. Further, the Company revised the policy to exclude the cost of land from the total cost incurred in computation of the percentage of completion as per The Guidance Note on "Recognition of Revenue by Real Estate Developer" issued by The Institute of Chartered Accountants of India and Accounting Standard 7 (Revised) – Construction Contracts. Accordingly, in the preparation of Restated Unconsolidated Summary Statements, the effect of these changes have been appropriately adjusted to the results of the respective years to which these items pertain with a corresponding restatement of the respective assets and liabilities.

(d) During the period ended March 31, 2005, the Company had incurred certain expenses towards incorporation of the Company which were capitalized as preliminary expenses and amortized over a period of five years. However, such expenses do not meet the criteria for recognition of intangible assets under Accounting Standard 26 – Intangible Assets. Consequently such expenses have been charged off in the period ended March 31, 2005 and the effect of this has been appropriately adjusted to the results of the respective year, with a corresponding restatement of the respective assets.

(e) During the year ended March 31, 2008, the Company adopted Accounting Standard 15 – Employee Benefits (Revised 2005). As required by the said Accounting Standard, the impact of the transitional provision recorded in the financial statements for the year ended March 31, 2008 had been adjusted with General Reserve as at April 1, 2007. In the preparation of Restated Unconsolidated Summary Statements, the effect of this transitional provision has been appropriately adjusted to the results of the respective years with a corresponding restatement of the respective liabilities.

(f) In the preparation of Restated Unconsolidated Summary Statements, the Company made adjustments for the deferred tax impact of the items as per (b) to (e) above in the respective year/period to which the items pertain.

B. MATERIAL REGROUPINGS

1. Rs. 41.10 million which was invested in Nitesh Estates - Whitefield, an Association of Persons, as capital contribution and was reflected under Loans and Advances in the audited financial statements for the year ended March 31, 2006 and March 31, 2007, has been reclassified as Investments in the Restated Unconsolidated Summary Statements of the Company.

2. In the audited financial statements for the year ended March 31, 2006 and March 31, 2007, advance income tax and provision for income tax had been disclosed separately under Loans & Advances and Provisions, respectively. The same has been reflected on a net basis as Advance income tax and tax deducted at source, net of provision or Provision for income tax, net under Loans & Advances or Provisions, as appropriate in the Restated Unconsolidated Summary Statements of the Company.

4. Related party information

a) List of Related parties

Key managerial personnel ('KMP')	Mr. Nitesh Shetty [Managing Director and key shareholder] Mr. L.S.Vaidyanathan [Executive Director]
Subsidiary companies	Nitesh Indiranagar Retail Private Limited Nitesh Housing Developers Private Limited
Associate company	Nitesh Residency Hotels Private Limited
Joint venture enterprise	Nitesh Estates – Whitefield [Association of persons]

Enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise	Exora Business Parks Private Limited Globosport India Private Limited Lob Media Private Limited Madison Developers Private Limited Nisco Ventures Private Limited Nitesh Agrico Private Limited Nitesh Airways Private Limited Nitesh Boat Club Development Private Limited Nitesh Devanahalli Township Private Limited Nitesh Energy Private Limited Nitesh Estates Projects Private Limited Nitesh Healthcare Private Limited Nitesh Hospitals Private Limited Nitesh Industries Private Limited Nitesh Infrastructure and Construction Nitesh Infrastructure Private Limited Nitesh Kochi Projects and Developers Private Limited Nitesh Land Holdings Private Limited Nitesh Media Private Limited Nitesh Mylapore Developers Private Limited Nitesh Pharmacy Private Limited Nitesh Publishers Private Limited Nitesh Telecom Private Limited Nitesh Warehousing Private Limited Richmond Trading Enterprises Serve & Volley Holdings Private Limited Serve & Volley Media Private Limited Serve & Volley Outdoor Advertising Private Limited Serve & Volley Signages Private Limited Nitesh Realty Fund GP Limited
Shareholder holding substantial interest	AMIF I Limited

b) Transactions with Related parties

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	For the period February 20, 2004 to March 31, 2005
Income from contractual activities						
Nitesh Residency Hotels Private Limited	195.82	208.65	121.65	-	-	-
Nitesh Estates – Whitefield	127.49	162.21	62.57	6.02	-	-
Mr Nitesh Shetty	0.15	0.20	0.21	0.05	-	-
Total	**323.46**	**371.06**	**184.43**	**6.07**	**-**	**-**
Income from sale of developmental rights						
Nitesh Estates Projects Private Limited (refer note d(i) below)	-	270.00	-	-	-	-
Total	**-**	**270.00**	**-**	**-**	**-**	**-**
Income from property development						
Mr Nitesh Shetty	-	-	-	-	9.18	-

Total	-	-	-	-	**9.18**	-
Share in profits of association of persons (post-tax)						
Nitesh Estates – Whitefield	13.84	14.07	-	-	-	-
Total	**13.84**	**14.07**	-	-	-	-

b) Transactions with Related parties

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March, 31 2006	For the period February 20, 2004 to March 31, 2005
Other income						
Ntesh Estates Projects Private Limited (Technical and Consultancy Fees)	-	-	44.89	15.11	-	-
Nitesh Estates Projects Private Limited (Trade mark license fees)	-	-	-	20.00	-	-
Nitesh Housing Developers Private Limited (Assignment fee) - (refer note d(ii) below)	76.00	-	-	-	-	-
Total	**76.00**	-	**44.89**	**35.11**	-	-
Purchase – Construction / Civil Works / Apartment						
Nisco Ventures Private Limited	-	53.50	57.31	-	-	-
Nitesh Infrastructure Private Limited	-	-	-	2.59	-	-
Nitesh Estates Projects Private Limited (refer note d(iii) below)	48.00	-	-	-	-	-
Nitesh Constructions Private Limited	-	-	-	-	-	7.51
Total	**48.00**	**53.50**	**57.31**	**2.59**	-	**7.51**
Rent and other charges paid						
Nitesh Infrastructure and Construction	7.69	13.16	7.57	0.77	-	-
Total	**7.69**	**13.16**	**7.57**	**0.77**	-	-
Advertising and sales promotion expenses						
Serve & Volley Media Private Limited	4.43	1.96	7.23	-	-	0.01
Serve & Volley Outdoor Advertising Private Limited	4.77	15.74	9.95	5.50	-	-
Serve & Volley Signages Private Limited	-	0.18	0.52	0.14	-	0.07
Total	**9.20**	**17.88**	**17.70**	**5.64**	-	**0.08**
Reimbursement of expenses received						

Nitesh Estates Projects Private Limited (refer note d(iv) below)	25.80	51.80	35.74	-	-	-
Nitesh Estates – Whitefield	-	-	3.96	5.13	-	-
Nitesh Boat Club Development Private Limited	0.02	0.78	2.47	-	-	-
Nitesh Devanahalli Township Private Limited	2.31	0.25	0.60	-	-	-
Madison Developers Private Limited	-	0.34	0.62	-	-	-
Nitesh Kochi Projects and Developers Private Limited	0.02	0.01	0.03	-	-	-
Nitesh Indiranagar Retail Private Limited	-	2.17	-	-	-	-
Nitesh Land Holdings Private Limited	-	-	0.02	-	-	-
Nitesh Mylapore Developers Private Limited		-	0.03	-	-	-
Nitesh Housing Developers Private Limited	2.80	0.01	0.01	-	-	-
Total	**30.95**	**55.36**	**43.48**	**5.13**	**-**	**-**
Advances received from customers						
Nitesh Shetty	-	-	-	-	0.72	0.01
Total	**-**	**-**	**-**	**-**	**0.72**	**0.01**
Remuneration to KMP						
Mr. Nitesh Shetty	4.05	11.68	9.91	3.43	1.40	-
Mr. L.S.Vaidyanathan	2.25	4.51	3.93	1.37	1.35	-
Total	**6.30**	**16.19**	**13.84**	**4.80**	**2.75**	**-**
Advances written off						
Nitesh Realty Fund GP Limited	-	11.17	-	-	-	-
Total	**-**	**11.17**	**-**	**-**	**-**	**-**
Purchase of Fixed Assets						
Nitesh Agrico Private Limited	-	-	0.30	-	-	-
Total	**-**	**-**	**0.30**	**-**	**-**	**-**
Deposits given/(refunded)						
Nitesh Infrastructure and Construction	-	(4.50)	4.50	-	-	-
Total	**-**	**(4.50)**	**4.50**	**-**	**-**	**-**

b) Transactions with Related parties

(Rupees in Million)

	Nine months ended December 31, 2009	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March, 31 2006**	**For the period February 20, 2004 to March 31, 2005**
Investments made						
Nitesh Residency Hotels Private Limited (refer note d(v) below)	104.00	-	62.00	-	-	-
Nitesh Indiranagar Retail	101.32	62.64	52.36	-	-	-

Private Limited (Also refer note 13 below)						
Nitesh Estates - Whitefield	-	-	-	-	41.10	-
Nitesh Housing Developers Private Limited (Also refer note 6(b) below)	49.90	-	-	-	-	-
Nitesh Kochi Projects and Developers Private Limited	8.69	-	-	-	-	-
Total	**263.91**	**62.64**	**114.36**	**-**	**41.10**	**-**
Share application money received/ (refunded)						
Mr. Nitesh Shetty	-	(7.09)	-	11.50	-	-
Nitesh Industries Private Limited	37.86	-	-	-	-	-
Nitesh Industries Private Limited	(37.86)	-	-	-	-	-
Total	**-**	**(7.09)**	**-**	**11.50**	**-**	**-**
Unsecured loan taken / (repaid)						
Mr. Nitesh Shetty	23.30	27.52	-	-	(3.70)	5.68
Mr. Nitesh Shetty	(23.80)	-	-	-	-	(1.98)
Serve & Volley Outdoor Advertising Private Limited	-	-	-	-	(5.72)	9.42
Serve & Volley Outdoor Advertising Private Limited	-	-	-	-	-	(3.70)
Nitesh Healthcare Private Limited	-	-	-	-	-	1.00
Total	**(0.50)**	**27.52**	-	-	**(9.42)**	**10.42**
Equity Investment						
Mr. Nitesh Shetty	-	-	75.00	14.21	27.40	0.09
Mrs. Pushpalatha V Shetty	-	-	-	-	-	0.01
AMIF I Limited	-	-	36.49	328.50	-	-
Nitesh Industries Private Limited	155.10	-	-	-	-	-
Total	**155.10**	**-**	**111.49**	**342.71**	**27.40**	**0.10**
Assignment of advances against properties						
Nitesh Housing Developers Private Limited (refer note d(ii) below)	216.99	-	-	-	-	-
Total	**216.99**	-	-	-	-	-
Loans /Advances given/(repaid)						
Nisco Ventures Private Limited	33.66	(133.81)	207.61	-	-	-
Nitesh Estates Projects Private Limited	29.54	-	-	-	-	-
Nitesh Residency Hotels Private Limited	-	-	120.00	-	-	-
Nitesh Estates - Whitefield	39.24	-	62.08	-	-	-
Nitesh Infrastructure Private Limited	-	(14.76)	4.02	10.69	0.05	-
Nitesh Devanahalli Township	-	(0.08)	0.10	-	-	-

Private Limited						
Nitesh Housing Developers Private Limited	125.54	(0.10)	0.10	-	-	-
Nitesh Housing Developers Private Limited	(125.56)	-	-	-	-	-
Nitesh Mylapore Developers Private Limited	0.01	10.85	0.10	-	-	-
Madison Developers Private Limited	(1.06)	-	0.10	-	-	-
Nitesh Indiranagar Retail Private Limited	-	32.66	-	-	-	-
Nitesh Realty Fund GP Limited	-	11.17	-	-	-	-
Nitesh Infrastructure and Construction	-	4.50	-	-	38.39	0.26
Nitesh Estates - Whitefield	(39.24)	-	-	-	-	-
Nitesh Indiranagar Retail Private Limited	(18.10)	(5.00)	-	-	-	-
Nitesh Mylapore Developers Private Limited	-	(0.08)	-	-	-	-
Nitesh Shetty	-	-	-	-	0.99	-
Serve & Volley Media Private Limited	-	-	-	-	0.58	0.33
Serve & Volley Outdoor Advertising Private Limited	-	-	-	-	46.20	0.10
Nitesh Constructions Private Limited	-	-	-	-	11.03	1.21
Total	**44.03**	**(94.65)**	**394.11**	**10.69**	**97.24**	**1.90**

b) Transactions with Related parties

(Rupees in Million)

	Nine months ended December 31, 2009	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**For the period February 20, 2004 to March 31, 2005**
Loans /Advances taken/(repaid)						
Nitesh Estates Projects Private Limited	-	575.00	229.40	-	-	-
Nitesh Residency Hotels Private Limited	-	40.00	391.16	-	-	-
Nitesh Estates - Whitefield	83.08	64.24	233.22	-	-	-
Nitesh Infrastructure and Construction	-	-	-	-	(24.53)	47.52
Nitesh Infrastructure and Construction	-	-	-	-	38.39	(47.52)
Nitesh Constructions Private Limited	-	-	-	-	(15.71)	(0.65)
Nitesh Estates Projects Private Limited	(54.69)	(749.71)	-	-	-	-
Nisco Ventures Private Limited	-	-	3.80	-	-	-
Nitesh Estates – Whitefield	(148.06)	(23.15)	-	-	-	-
Nitesh Residency Hotels Private Limited	(1.09)	(21.70)	-	-	-	-
Nitesh Housing Developers Private Limited	5.73	-	-	-	-	-

Total	**(115.03)**	**(115.32)**	**857.58**	**-**	**(1.85)**	**(0.65)**
Guarantees given on behalf of						
Nitesh Housing Developers Private Limited	500.00	-	-	-	-	-
Nitesh Estates – Whitefield	-	-	75.00	-	-	-
Nitesh Estates Projects Private Limited	-	200.00	-	-	-	-
Total	**500.00**	**200.00**	**75.00**	**-**	**-**	**-**

c) Balances outstanding with Related parties
(Rupees in Million)

	As at December 31, 2009	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
Sundry debtors						
Nitesh Estates Projects Private Limited	-	95.00	-	38.46	-	-
Nitesh Estates – Whitefield	95.47	106.38	-	-	-	-
Mr. Nitesh Shetty	0.09	0.13	0.24	-	-	-
Nitesh Residency Hotels Private Limited	4.68	-	-	-	-	-
Total	**100.24**	**201.51**	**0.24**	**38.46**	**-**	**-**
Advances recoverable						
Madison Developers Private Limited	-	1.06	0.72	-	-	-
Nitesh Boat Club Development Private Limited	3.27	3.25	2.47	-	-	-
Nitesh Devanahalli Township Private Limited	3.19	0.87	0.70	-	-	-
Nitesh Estates Projects Private Limited	54.63	51.35	35.50	10.33	-	-
Nisco Ventures Private Limited	33.66	-	134.32	-	-	-
Nitesh Indiranagar Retail Private Limited	11.73	29.84	-	0.03	-	-
Nitesh Infrastructure and Construction	4.50	4.50	-	-	14.12	0.26
Nitesh Construction Private Limited	-	-	-	-	-	6.23
Nitesh Infrastructure Private Limited	-	-	14.76	10.74	0.05	-
Nitesh Kochi Projects and Developers Private Limited	-	0.04	0.03	-	-	-
Nitesh Land Holdings Private Limited	0.02	0.02	0.02	-	-	-
Nitesh Mylapore Developers Private Limited	10.91	10.90	0.13	-	-	-
Nitesh Housing Developers Private Limited	-	0.03	0.11	-	-	-
Nitesh Estates – Whitefield	-	-	-	71.20	-	-
Serve &Volley Signages Private Limited	-	-	-	-	0.10	0.10
Serve & Volley Ourdoor Advertising Private Limited	-	-	-	3.72	46.20	-
Serve &Volley Media Private Limited	-	-	-	-	0.91	0.33
Total	**121.91**	**101.86**	**188.76**	**96.02**	**61.38**	**6.92**

Deposits						
Nitesh Infrastructure and Construction	9.04	9.04	13.54	-	-	-
Total	**9.04**	**9.04**	**13.54**	**-**	**-**	**-**
Contract revenue in excess of billing						
Nitesh Estates – Whitefield	21.12	-	54.60	-	-	-
Nitesh Residency Hotels Private Limited	44.63	0.09	-	-	-	-
Total	**65.75**	**0.09**	**54.60**	**-**	**-**	**-**

c) Balances outstanding with Related parties

(Rupees in Million)

	As at December 31, 2009	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
Sundry creditors						
Nisco Ventures Private Limited	-	3.58	-	-	-	-
Nitesh Estates Projects Private Limited	25.00	-	-	-	-	-
Nitesh Agrico Private Limited	-	-	0.10	-	-	-
Nitesh Infrastructure and Construction	0.85	0.92	0.54	0.09	-	-
Serve & Volley Media Private Limited	5.79	2.96	8.16	-	-	-
Serve & Volley Outdoor Advertising Private Limited	4.39	9.14	6.26	-	-	-
Serve & Volley Signages Private Limited	0.27	0.27	0.14	-	-	-
Nitesh Constructions Private Limited	-	-	-	-	5.15	-
Total	**36.30**	**16.87**	**15.20**	**0.09**	**5.15**	**-**
Advance from customers						
Nitesh Estates – Whitefield	-	-	90.36	-	-	-
Nitesh Estates Projects Private Limited	-	54.69	229.40	-	-	-
Nitesh Residency Hotels Private Limited	165.16	166.24	147.94	0.03	-	-
Nitesh Housing Developers Private Limited	5.73	-	-	-	-	-
Total	**170.89**	**220.93**	**467.70**	**0.03**	**-**	**-**
Other liabilities						
Nitesh Estates – Whitefield	8.3	73.28	32.19	-	-	-
Total	**8.3**	**73.28**	**32.19**	**-**	-	-
Unsecured loan (payable)						
Mr. Nitesh Shetty	27.02	27.52	-	-	0.99	3.70
Serve & Volley Outdoor Advertising Private Limited	-	-	-	-	46.20	5.72
Nitesh Healthcare Private Limited	-	-	-	-	1.00	1.00
Total	**27.02**	**27.52**	**-**	**-**	**48.19**	**10.42**
Share application money						

	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
pending allotment						
Mr. Nitesh Shetty	-	-	7.09	-	-	-
Total	**-**	**-**	**7.09**	**-**	**-**	**-**
Guarantees outstanding on behalf of						
Nitesh Estates – Whitefield	25.00	75.00	75.00	-	-	-
Nitesh Estates Projects Private Limited	200.00	200.00	-	-	-	-
Nitesh Housing Developers Private Limited	500.00	-	-	-	-	-
Total	**725.00**	**275.00**	**75.00**	**-**	**-**	**-**

d) Notes to Related party information

i. During the year ended March 31, 2009, the Company sold 25% of its development rights under a joint venture to Nitesh Estates Projects Private Limited ('NEPPL') for a consideration of Rs.270 Million. The Company had incurred cost (on pro-rata basis) of Rs.116 Million towards land and other development costs as at the date of sale.

ii. On September 30, 2009 and October 21, 2009, the Company assigned to Nitesh Housing Developers Private Limited, a subsidiary of the Company ('NHDPL'), its rights to joint development arrangements with the owners of land parcels. The Company had paid an advance of Rs.216.99 Million under such arrangements, which has now been recovered from NHDPL consequent upon the assignment of rights. The Company charged NHDPL an assignment fee of Rs.76 Million in respect of the aforesaid assignment of rights.

iii. On November 24, 2009, the Company purchased a developed property (apartment) from NEPPL for a consideration of Rs.48 Million and sold the same to a third party for a consideration of Rs.70 Million on December 29, 2009. The Company incurred other incidental costs of Rs.2 Million towards purchase of the said apartment.

iv. Pursuant to the Share Subscription Agreement ('SSA') entered into between AMIF I Limited ('Investors'), Pushpalatha V Shetty, Nitesh Shetty, Nitesh Industries Private Limited and the Company, common costs i.e. the salaries, general and administrative and selling overheads incurred by the Company are being shared by NEPPL and the Company in the ratio of their project expenses. Accordingly, the Company has crossed charged NEPPL expenses amounting to Rs.33 Million for the year ended March 31, 2008, Rs.41 Million for the year ended March 31, 2009 and Rs.22 Million for the nine months period ended December 31, 2009. Although, the SSA has been terminated effective October 9, 2009, the Company and NEPPL continue to share common costs in the ratio of their project expenses.

v. During the nine months ended December 31, 2009, the Company invested a sum of Rs.104 Million towards additional 10,400,000 Class A equity shares of Nitesh Residency Hotels Private Limited ('NRHPL'). Further, on October 30, 2009, the 0.01% Optionally Convertible Redeemable Non-cumulative preference shares were converted into 1,591,252 Class A equity shares of Rs.10 each. Further, NRHPL issued 14,321,268 Class A equity shares as fully paid bonus shares of Rs.10 each. The aforesaid shares held by the Company in NRHPL have certain transfer restrictions (including consent of another investor) under the Shareholders' Agreement entered into with the other investors in NRHPL. As part of the loan arrangement entered into by NRHPL for funding the hotel project, the Company has provided an undertaking to such lenders not to divest its shares in NRHPL. The aforesaid Class A shares have similar voting rights to the Class B shares held by another investor but have different dividend rights in terms of the shareholders agreement. Effective October 30, 2009, NRHPL became an associate of the Company. The Company has a commitment to invest additional share capital in NRHPL alongwith the other investors. The Company's share of such additional investment as at December 31, 2009 is estimated to be Rs.460 million.

5. Interest in Joint Venture

The Company has a 24% share in the profits and losses of Nitesh Estates - Whitefield (Association of persons), formed in India, a jointly controlled entity, which is engaged in real estate development. The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity are as follows:

Rupees in Million

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Assets	121.60	106.96	105.26	34.77
Liabilities	80.50	79.69	92.07	14.36
Revenue	50.62	62.13	-	-
Expenses	36.78	48.06	-	-
Net Profit	13.84	14.07	-	-

Note:
i. The financial statements for the period ended March 31, 2007 is the first financial statements of Nitesh Estates – Whitefield.
ii. Contingent liabilities and Capital commitments of the joint venture are disclosed in note 6 & 7 below.

6. Contingent liabilities:

Rupees in Million

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31 2006	For the period February 20, 2004 to March 31, 2005
Guarantees given by the Company	225.95	275.88	75.88	0.88	30.00	-
Claims not acknowledged as debts in respect of sales tax/income tax	1.35	0.93	-	-	-	-

a. The Company has entered into share subscription and share holders agreement dated October 21, 2007 with Sagar Nitesh Projects Private Limited ('SNPPL') and its promoters. Pursuant to the agreement, the Company had made part payment of Rs.50 million, towards the Company's obligation to subscribe upto 20% of the paid up capital of SNPPL amounting to Rs.354.12 million upon fulfillment of certain conditions by the parties to the agreement. The Company, in consultation with its legal counsel, is of the opinion that there has been a breach in fulfillment of the aforesaid conditions on the part of the promoters of SNPPL and accordingly, the Company has initiated arbitration proceedings with respect to refund of share application money. Based on the advice of the Company's external legal counsel and based on an opinion from an independent lawyer, the Company is confident that the arbitration proceedings would be in the favour of the Company and the realisable value will be at least equal to its carrying value. Accordingly, the management is of the view that no provision is required to be made in respect of the carrying value of the aforesaid share application money as at December 31, 2009.

b. On September 24, 2009, NEL has invested a sum of Rs.49.99 Million in the equity shares (99.9%) of Nitesh Housing Developers Private Limited ('NHDPL'), a subsidiary of NEL. Subsequently, on September 25, 2009, NEL sold 10.1% of its investment in NHDPL to another party ('the Buyer'). As at December 31, 2009, the Company holds 89.9% of the equity share capital of NHDPL.

   On September 25, 2009, NEL, NHDPL, the Buyer and Mr Nitesh Shetty have entered into an agreement whereby NHDPL would issue and allot to the Buyer, 6,200,000 Debentures of Rs.100 each aggregating to Rs.620 Million secured by way of pledge of the entire shareholding of NEL in NHDPL and a part of shareholding of Mr Nitesh Shetty in NEL, equitable mortgage of project specific properties and hypothecation of receivables of such projects and further secured by corporate guarantee of NEL and personal guarantee of Mr Nitesh Shetty. Further, the Buyer has a put option to require Mr Nitesh Shetty to buy the 505,000 shares purchased from NEL under the terms of the agreement. The Buyer has the option to exercise conversion of such Debentures into preference shares of NHDPL after August 31, 2010 or secure the redemption of the same by NHDPL anytime on or after September 5, 2010 and no later than September 20, 2012. NHDPL has the option to redeem the Debentures to the extent of Rs.500 Million on or before March 31, 2010 and obligation to redeem all the Debentures on September 20, 2012. The Debentures are redeemable at a price that shall entitle the Buyer to a pre-tax IRR of 18% p.a. on the subscribed amount if on such date of redemption NEL has not completed its initial public offering ('IPO'), or a post-tax IRR of 25% p.a., if on the date of redemption NEL has completed its IPO. NHDPL has issued Debentures amounting to Rs.500 Million as at December 31, 2009.

7 Capital Commitments

Rupees in Million

Particulars	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	-	-	13.90	-	-

8. Details of Construction contracts in progress

Rupees in Million

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	For the period February 20, 2004 to March 31, 2005
Contract revenue recognized as revenue for the period / year	390.36	578.91	629.42	351.86	155.58	24.29
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up to the balance sheet date for all the contracts in progress	1,682.33	1,295.89	716.98	169.69	179.88	24.29
Amount of customer advances outstanding for contracts in progress as at the balance sheet date	187.20	242.98	530.70	75.32	51.39	35.16
Amount of retentions due from customers for contracts in progress as at the balance sheet date	12.02	9.03	5.58	-	-	-

9. Employee benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service subject to maximum of Rs.0.35 million. The scheme is unfunded and hence the disclosures with respect to plan assets as per AS-15 are not applicable to the Company.

The following tables summarise the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for gratuity benefit.

Rupees in Million

Net employee benefit expense (recognized in Employee Cost)	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	For the period February 20, 2004 to March 31, 2005
Current service cost	0.68	2.03	1.16	0.32	0.11	0.07
Interest cost on benefit obligation	0.16	0.33	0.17	0.05	0.01	-
Net actuarial (gain)/loss recognized in the period / year	(0.58)	(2.90)	(0.14)	0.33	0.13	-
Net benefit expense / (credit)	**0.26**	**(0.54)**	**1.19**	**0.70**	**0.25**	**0.07**

Rupees in Million

Details of provision for gratuity	As at December 31,2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Defined benefit obligation	**1.93**	**1.67**	**2.21**	**1.03**	**0.32**	**0.07**
Less: Unrecognized past service cost	-	-	-	-	-	-
Plan liability	**1.93**	**1.67**	**2.21**	**1.03**	**0.32**	**0.07**

Changes in the present value of the defined benefit obligation are as follows:

Rupees in Million

	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	For the period February 20, 2004 to March 31, 2005
Opening defined benefit obligation	1.67	2.21	1.02	0.33	0.07	-
Interest cost	0.16	0.33	0.17	0.05	0.01	-
Current service cost	0.68	2.03	1.16	0.32	0.11	0.07
Benefits paid	-	-	-	-	-	-
Actuarial (gains) / losses on obligation	(0.58)	(2.90)	(0.14)	0.33	0.13	-
Closing defined benefit obligation	**1.93**	**1.67**	**2.21**	**1.03**	**0.32**	**0.07**

The principal assumptions used in determining gratuity benefit obligations are given below:

Rupees in Million

	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	For the period February 20, 2004 to March 31, 2005
Discount rate	7.70%	7.95%	8%	8%	7.5%	7%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous years are as follows:

Rupees in Million

	Nine months ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	For the period February 20, 2004 to March 31, 2005
Defined benefit obligation	1.93	1.67	2.21	1.02	0.33	0.07
Plan assets	-	-	-	-	-	-
Surplus / (Deficit)	(1.93)	(1.67)	(2.22)	(1.02)	(0.33)	(0.07)
Experience adjustments on plan liabilities	(0.41)	(2.18)	(0.08)	0.40	0.15	-

10. Segment reporting

The Company is engaged in the business of real estate development in India. Since, the Company's business activity primarily falls within a single business and geographical segment, no further disclosures are required, other than those already provided.

11. Leases

The Company has taken office, vehicles and other facilities under cancelable and non-cancelable operating leases, which are renewable on a periodic basis. There is an escalation clause in some of the lease agreements. The future minimum lease payments for non-cancelable operating leases are as follows:

Rupees in Million

Particulars	**Nine months ended December 31, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**For the period February 20, 2004 to March 31, 2005**
Not later than one year	**0.19**	**1.00**	**8.92**	**8.09**	**6.39**	**-**
Later than one year and not later than five years	**-**	**-**	**15.25**	**0.07**	**0.08**	**-**
Later than five years	**-**	**-**	**0.19**	**-**	**-**	**-**
Total	**0.19**	**1.00**	**24.36**	**8.16**	**6.47**	**-**
Lease expense recognized in the Profit and Loss Account	9.11	17.69	9.00	3.83	0.07	-

12. Deferred tax

The break up of net deferred tax asset/ (liability) is as follows

Rupees in Million

Particulars	**As at December 31, 2009**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
Differences in depreciation in block of fixed assets as per tax books and financial books	**-**	**-**	**(0.40)**	**(0.21)**	**(0.07)**	**(0.07)**
Effect of expenditure allowed for tax purposes	**-**	**-**	**-**	**-**	**-**	**(0.45)**
Gross Deferred Tax Liabilities	**-**	**-**	**(0.40)**	**(0.21)**	**(0.07)**	**(0.52)**
Differences in depreciation in block of fixed assets as per tax books and financial books	**0.95**	**1.07**	**-**	**-**	**-**	**-**
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	**2.55**	**16.30**	**2.86**	**0.43**	**2.05**	**-**
Carry forward of loss and unabsorbed depreciation	**-**	**-**	**-**	**-**	**-**	**3.86**
Gross Deferred Tax Assets	**-**	**17.37**	**2.86**	**0.43**	**2.05**	**3.86**
Net deferred tax asset/(liability)	**3.50**	**17.37**	**2.46**	**0.22**	**1.98**	**3.34**

13. The Company has invested a sum of Rs.115 million in the equity shares (99.9%) of Nitesh Indiranagar Retail Private Limited ('NIRPL'), a subsidiary of the Company. Pursuant to a Share Pledge Agreement, the Company had pledged its entire shareholding in NIRPL as security against a loan of Rs.500 million taken by NIRPL from another company ('the Lender'), as at March 31, 2009. Since NIRPL had not paid the aforesaid loan to the Lender in accordance with the terms of the loan agreement resulting in an Event of Default as at March 31, 2009, the rights to exercise all voting and other rights of the equity shares of NIRPL held by the Company vest with the Lender as at March 31, 2009. Subsequently, a supplement to the loan agreement has been entered into with the Lender thereby releasing the pledge on aforesaid equity shares and restructuring the terms of the aforesaid loan. Further, the Company has invested an additional sum of

Rs.101 million in NIRPL as share application money pending allotment. The Company and NIRPL are also in the process of evaluating alternative additional means of financing the repayment of the said loan as and when it falls due.

14. The Company has paid advance against property amounting to Rs.12.5 million as at December 31, 2009, (March 31, 2009 – Rs. 12.5 million) based on memorandum of understanding executed by the Company, which is under dispute amongst the Company and the other party to the arrangement. Based on the advice of the Company's external legal counsel and based on an opinion from an independent lawyer, the Company is confident that the dispute proceedings would be in the favour of the Company and the realisable value will be at least equal to its carrying value. Accordingly, the management is of the view that no provision is required to be made in respect of the carrying value of the aforesaid advance against property as at December 31 , 2009.

15. The Company had entered into a "Settlement Agreement & Release" ('Settlement Agreement') with Siachen Capital LLC and Siachen India Partners Mauritius Limited. During the year ended March 31, 2008, based on the Settlement Agreement, the Company has agreed to pay United States Dollars ('USD') 0.07 million as a consideration towards its full and final settlement. The consideration paid by the Company has been disclosed as an Exceptional Item in the financial statements for the year ended March 31, 2008.

16. The Company had entered into certain transactions that require prior approval from Central Government under Section 297 of the Companies Act, 1956, without obtaining the consent of the Central Government. These transactions have been approved by the Board of Directors ('Board') of the Company and the Company had filed an application for condonation of the delay in obtaining Central Government approval. The transactions are listed below:

i. Purchase of services amounting to Rs. 17 million; and
ii. Technical and consultancy services and contractual services aggregating to Rs. 169.8 million.

The Company has subsequently received the approval from the Central Government.

17. During the year ended March 31, 2008, the Company entered into certain transactions / agreements with related parties without getting affirmative approvals from investor director as required by clause 12 of the Shareholders Agreement dated January 10, 2007 and clause 17 of the Articles of Association. The Company has subsequently received the approvals from such investor director as required under the aforesaid clauses.

18. Auditors' Qualifications / Modifications in the Auditors' Report

A) Auditors' reports for the periods stated below, included matters of emphasis on the following. These do not require any corrective adjustments in the financial information.

For the year ended March 31, 2009

a) The Company has invested a sum of Rs.115 million in the equity shares of Nitesh Indiranagar Retail Private Limited ('NIRPL'), a subsidiary of the Company as at March 31, 2009. Pursuant to a Share Pledge Agreement, the Company has pledged its entire shareholding in NIRPL as security against a loan of Rs.500 million taken by NIRPL from another company ('the Lender'). NIRPL has not paid the aforesaid loan to the Lender in accordance with the terms of the loan agreement resulting in an Event of Default. In accordance with the terms of the Share Pledge Agreement, in an Event of Default by NIRPL, the rights to exercise all voting and other rights of the equity shares of NIRPL held by the Company vest with the Lender. The Company has sought a waiver of such rights from the Lender and is confident that the Lender will provide such waiver. Further, the Company and NIRPL are in the process of restructuring the terms of the aforesaid loan with the Lender. Accordingly, the management is of the view that no adjustments are required to be made to the financial statements as at March 31, 2009.

The statutory auditors' of the Company in their report on the financial statements for the year ended March 31, 2009, have drawn attention to the above, by way of emphasis of matter, that pending receipt of such waiver from the lender and finalization of the revised terms of the loan arrangement, no adjustment has been made to the financial statements as at March 31, 2009.

For the year ended March 31, 2008

The statutory auditors of the Company in their report on the financial statements for the year ended March 31, 2008, have drawn attention to the below:

a) Certain transactions/agreements were entered into by the Company without getting affirmative approvals from investor director as required under the Shareholder's Agreement and the Articles of Association and that such approvals were pending. The statutory auditors have reported that they are unable to comment on the adjustments, if any, that may arise as a consequence on non-compliance of the Shareholders' Agreement and Articles of Association.

b) Certain transactions/agreements were entered into by the Company with certain related parties under Section 297 of the Companies Act, 1956 without getting prior approval of the Central Government and that such approvals were pending. Pending the final outcome, no adjustments have been made in this regard, in the financial statements.

For the year ended March 31, 2007 and March 31, 2006

a) The Company is not required to make any payment of Cess, as no notification has been issued by the Central Government specifying the rate for levying of Cess under Section 441A of the Companies Act, 1956.

The statutory auditors of the Company in their report on the financial statements for the year ended March 31, 2007 and 2006, have reported the above.

B) Other Audit Qualifications

Other audit qualifications, which do not require any corrective adjustment in the financial information are as follows:

For the year ended March 31, 2009

a) The auditors reported that they are unable to comment whether certain related party transactions were made at prevailing market prices at the relevant time in view of the absence of comparable prices having regard to the unique and specialized nature of items involved in such related party transactions.

b) There are significant delays in few cases of deposit of value-added tax and service-tax dues and that the Company was not regular in deposit of income-tax, fringe benefits tax and withholding tax dues with significant delays in large number of cases.

c) Defaults in terms of delays were noted in repayment of dues to banks and financial institutions.

d) Guarantees were given by the Company in respect of loans taken by others from bank and financial institution in respect of which no commission has been charged.

e) The Company utilized a loan of Rs 500 million for purposes other than for which it was obtained from a financial institution.

For the year ended March 31, 2008

a) Inadequate internal control system was noted for purchase of inventory and fixed assets and that in respect of few cases there was a continuing failure to correct material weakness in the internal control system.

b) The auditors reported that they are unable to comment whether certain related party transactions were made at prevailing market prices at the relevant time in view of the absence of comparable prices having regard to the unique and specialized nature of items involved in such related party transactions.

c) Internal audit system requiring enlargement in scope and coverage to be commensurate with the size and nature of the Company's business.

d) There have been significant delays in deposit of income tax and service tax in large number of cases.

e) A guarantee was given by the Company in respect of loans taken by others from bank in respect of which no commission has been charged.

For the year ended March 31, 2007

a) The Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 but there are financial transactions between such parties, accounted as advances which do not carry any interest and are in the nature of current account.

b) The Company has not taken loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 but there are financial transactions between such parties, accounted as advances, which do not carry any interest and are in the nature of current account.

NITESH ESTATES LIMITED

ANNEXURE V

DETAILS OF LOANS AND ADVANCES

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Unsecured, Considered good						
Advance against property (refer note 1 and 2 below)	564.95	613.98	483.00	97.75	173.49	-
Advances recoverable in cash or in kind or for value to be received	351.48	263.45	457.52	124.59	77.97	8.41
Share Application money (refer note 6(a) of Annexure IV)	50.00	50.00	50.00	-	-	-
Advances / loans to Subsidiaries	11.74	29.84	-	-	-	-
Sundry deposits	12.39	13.01	22.66	1.56	3.86	0.39
Advance income tax and tax deducted at source, net of provision	-	6.05	15.13	-	-	-
Total	**990.56**	**976.33**	**1,028.31**	**223.90**	**255.32**	**8.80**

Note 1: Advances/deposits against property though unsecured, are considered good as the advances / deposits have been given based on arrangements/memorandum of understanding executed by the Company. The Company/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation. Advances against property includes Rs. 30 million in respect of which the Company holds guarantee from a bank.

Note 2 : Refer note 14 appearing in Annexure IV - Notes to the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows.

Amounts due from promoters / promoter group companies/ directors/ relatives of directors/subsidiary companies/joint ventures/ associate companies:

(Rupees in Million)

Name of the entity	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Madison Developers Private Limited	-	1.06	0.72	-	-	-

NITESH ESTATES LIMITED

ANNEXURE V

DETAILS OF LOANS AND ADVANCES

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Nitesh Estates -Whitefield	-	-	-	30.10	-	-
Nitesh Devanahalli Township Private limited	3.19	0.87	0.70	-	-	-
Nitesh Boat Club Development Private limited	3.27	3.25	2.47	-	-	-
Nitesh Kochi Projects and Developers Private Limited	-	0.04	0.03	-	-	-
Nitesh Mylapore Developers Private limited	10.90	10.90	0.13	-	-	-
Nitesh Housing Developers Private Limited	-	0.03	0.11	-	-	-
Nitesh Land Holdings Private Limited	0.02	0.02	0.02	-	-	-
Nitesh Indiranagar Retail Private limited	11.74	29.84	-	-	-	-
Nitesh Infrastructure Private Limited	-	-	14.76	10.74	0.05	-
Nisco Ventures Private Limited	33.66	-	134.32	-	-	6.22
Serve & Volley Media Private Limited	-	-	-	-	0.91	0.33
Serve & Volley Signages Private Limited	-	-	-	-	0.10	0.10
Serve & Volley Outdoor Advertising Private Limited	-	-	-	3.72	46.20	-
Nitesh Infrastructure and Construction	13.54	13.54	-	-	14.12	0.26
Nitesh Estates Projects Private Limited	54.63	51.35	35.50	10.33	-	-
Nitesh Residency Hotels Private Limited	-	-	-	0.03	-	-
Mr. Mahesh Bhupati	-	-	-	-	0.50	0.50
Mr. L.S.Vaidyanathan	-	-	-	-	0.05	-
Mr. Nitesh Shetty	-	-	-	-	0.99	-

Notes :

1. The List of persons / entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.

2. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

NITESH ESTATES LIMITED

ANNEXURE VI

DETAILS OF SUNDRY DEBTORS

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Unsecured, Considered Good						
Debts Outstanding for a period exceeding six months	59.02	39.78	38.11	-	0.87	-
Other Debts	190.09	243.58	48.06	106.01	22.45	3.00
	249.11	**283.36**	**86.17**	**106.01**	**23.32**	**3.00**

Amounts due from promoters / promoter group companies/ directors/ relatives of directors/subsidiary companies/joint ventures/ associate companies:

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Mr. Nitesh Shetty	0.09	0.13	0.24	0.05	-	-
Mr. Mahesh Bhupathi	0.15	0.65	0.37	0.08	11.43	-
Mr. C G K Bhupathi	0.12	0.17	0.17	0.05	-	-
Nitesh Estates - Whitefield	95.47	106.38	-	-	-	-
Nitesh Estates Projects Private Limited	-	95.00	-	38.46	-	-
Nitesh Residency Hotels Private Limited	4.68	-	-	-	-	-

Notes :

1. The List of persons / entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.
2. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

NITESH ESTATES LIMITED

ANNEXURE VII

DETAILS OF INVESTMENTS

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Long Term Investments (Unquoted, at cost)						
A. Non-trade						
Government Securities (National Savings Certificate)	0.06	0.06	0.06	0.06	0.03	0.03
Cooperative Societies	-	-	-	-	0.38	-
B. Trade Investments						
Equity shares of Rs. 10 each fully paid up in Nitesh Residency Hotels Private Limited (refer note 4d(v) in Annexure IV)	280.80	17.68	17.68	11.48	-	-
0.01% optionally convertible redeemable non-cumulative preference shares of Rs.10 each fully paid up in Nitesh Residency Hotels Private Limited	-	159.12	159.12	103.33	-	-
C. In Subsidiary company						
Equity shares of Rs. 10 each fully paid up in Nitesh Indiranagar Retail Private Limited	115.10	115.00	-	-	-	-
Share application money pending allotment:						
Nitesh Indiranagar Retail Private Limited	101.32	-	52.36	-	-	-
Equity shares of Rs. 10 each fully paid up in Nitesh Housing Developers Private Limited ('NHDPL') (refer note 6(b) in Annexure IV)	44.95	-	-	-	-	-
D. In capital of Partnership firms / Association of Persons						
Nitesh Estates - Whitefield	41.10	41.10	41.10	41.10	41.10	-
Nitesh Estates - Whitefield - Current account	27.91	14.07	-	-	-	-
E. Share application money pending allotment						
Nitesh Kochi Projects and Developers Private Limited	8.68	-	-	-	-	-

NITESH ESTATES LIMITED

ANNEXURE VII

DETAILS OF INVESTMENTS

(Rupees in Million)

	As at December 31, 2009	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
Current Investments (Quoted, at lower of cost and market value)						
A. In Mutual Fund Units						
Units of Rs. 10 each in Baroda Pioneer PSU Bond Fund [Market value Rs. 1.00 million (Previous year: Rs. Nil)]	1.00	-	-	-	-	-
Units of Rs. 10 each in HDFC Cash Management Fund [Market value Rs. 0.04 million (Previous year: Rs. Nil)]	0.03	-	-	-	-	-
Total	**620.95**	**347.03**	**270.32**	**155.97**	**41.51**	**0.03**
Aggregate Book value of quoted investments	1.03	N.A	N.A	N.A	N.A	N.A
Aggregate Market value of quoted investments	1.04	N.A	N.A	N.A	N.A	N.A
Aggregate Book value of unquoted investments	619.92	347.03	270.32	155.97	41.51	0.03
Investments purchased and sold during the period/year:						
- 505,000 equity shares of Rs.10 each fully paid up in NHDPL	5.05	-	-	-	-	-
- 19,972,087.93 units of Rs. 10 each in HDFC Cash Management Fund	200.35	-	-	-	-	-

Note :

The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

NITESH ESTATES LIMITED

ANNEXURE VIII

STATEMENT OF ACCOUNTING RATIOS

Particulars	As at and for nine months ended December 31 , 2009	As at and for the year ended March 31, 2009	As at and for the year ended March 31, 2008	As at and for the year ended March 31, 2007	As at and for the year ended March 31, 2006	As at and for the period ended March 31, 2005
Weighted average number of Outstanding Equity Shares used in calculating Basic EPS	69,670,556	68,024,600	59,520,880	40,090,550	4,433,147	100,000
Add: Weighted average number of equity shares which would have been issued on allotment against share application money	809,220	1,728,340	6,822,900	11,516,140	-	-
Weighted average number of Equity Shares used in calculating Diluted EPS	70,479,776	69,752,940	66,343,780	51,606,690	4,433,147	100,000
Total number of equity shares outstanding at the end of the year/period (refer note 4 below)	69,783,100	68,024,600	68,024,600	58,706,150	27,500,000	100,000
Earnings/ (Loss) Per Share (Basic) (Rs)	1.03	0.43	0.17	0.77	1.81	(58.30)
Earnings/ (Loss) Per Share (Diluted) (Rs)	1.02	0.42	0.15	0.59	1.81	(58.30)
Return on Net Worth (%)	9.23%	5.33%	0.88%	7.40%	27.03%	*
Net Asset Value Per Share (Rs) (refer note 4 below)	11.20	8.15	16.64	7.06	1.08	(57.30)

Notes:

1. The Ratios have been computed as below:-

	Net profit/(loss), as restated for the year/period attributable to Equity Shareholders
Earnings/(Loss) Per Share (Basic)	---
	Weighted Average number of Equity Shares outstanding during the year/period
	Net profit/(loss), as restated for the year/period attributable to Equity Shareholders
Earnings/(Loss) Per Share (Diluted)	-- -
	Weighted Average number of Dilutive Equity Shares outstanding during the year/period
	Net Profit/(Loss) after tax, as restated
Return On Net worth (%):	--
	Net Worth at the end of the year/period
	Net Worth at the end of the year/period
Net Asset Value per Share (Rs.):	--

Equity shares outstanding at the end of the period / year

Net profit/(loss), as restated as appearing in the Unconsolidated Restated Summary Statement of Profits and Losses of the Company has been considered for the purpose of computing the above ratios.

2. Net worth = Equity share capital+ Securities Premium Account+Share Application Money Pending Allotment (+/-) Surplus (Deficit) in the Profit and Loss Account.

Networth, as restated as appearing in the the Unconsolidated Summary Statement of Assets and Liabilities has been considered.

3. At the extra-ordinary general meeting of the shareholders held on October 9, 2009, the Company has issued 62,804,790 equity shares as bonus shares to the existing shareholders by way of capitalization of securities premium and balance in the profit and loss account in ratio of nine equity shares for every one equity share held. In accordance with Accounting Standard -20 "Earnings Per Share", the aforesaid shares have been adjusted for the event of bonus shares in computation of the Earnings per share.

4. Net Asset Value per share has been computed after adjusting the number of equity shares outstanding at the end of the year/period, for the aforesaid bonus shares.

* Since there is a negative networth, the percentages have not been shown.

NITESH ESTATES LIMITED

ANNEXURE IX

DETAILS OF UNSECURED LOANS

(Rupees in Million)

Particulars	**As at December 31, 2009**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
a) From a Director	27.01	27.52	-	-	-	3.70
b) From a Financial Institution	-	-	-	-	40.00	-
c) From Bodies Corporate	-	-	-	-	1.00	6.72
d) Others	-	-	-	-	-	7.82
Total	**27.01**	**27.52**	**-**	**-**	**41.00**	**18.24**

Amounts due from promoters / promoter group companies/ directors/ relatives of directors/subsidiary companies/joint ventures/ associate companies:

(Rupees in Million)

	As at December 31, 2009	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
Mr. Nitesh Shetty	27.01	27.52	-	-	-	3.70
Nitesh Health Care Private Limited	-	-	-	-	1.00	1.00
Serve & Volley Outdoor Advertising Private Limited	-	-	-	-	-	5.72

Notes :

1. The loan taken from Mr. Nitesh Shetty and outstanding as at December 31 , 2009 is repayable on demand and is interest free.

2. The List of persons / entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.

3. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

NITESH ESTATES LIMITED

ANNEXURE X (a)

DETAILS OF SECURED LOANS

(Rupees in Million)

	Particulars	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
a.	**From banks:**						
	Term Loans	152.45	39.96	-	-	25.00	70.63
	Vehicle Loans	0.17	0.40	0.71	-	-	-
	Interest accrued and due	0.24	0.13	-	-	-	-
b.	**From others:**						
	Vehicle Loans	2.33	4.60	8.34	1.51	0.57	0.86
	Term Loans	712.86	702.50	152.50	-	-	-
	Inter corporate Deposit	-	-	205.00	-	-	-
	Interest accrued and due	13.21	10.56	-	-	-	-
	Total	**881.26**	**758.15**	**366.55**	**1.51**	**25.57**	**71.49**

Notes:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. Also refer Annexure X (b)

NITESH ESTATES LIMITED

ANNEXURE X (b)

DETAILS OF SECURED LOANS

(Rupees in Million)

Name of the lender	Nature of Loan	Purpose of Loan	Outstanding as on December 31, 2009	Installment amount/ Repayment/ Reschedulement	Rate of interest p.a. (%)	Penalty/ default	Security
HDFC Ltd	Term Loan	Project loan for Construction of the residential project "Nitesh Forest Hills" Phase I located at Seegahalli Village, Bidarahalli Hobli, Bangalore	497.90	Rs.40 million per month from April 2010 to February 2011 and one installment of Rs.60 million during March 2011 or earlier at the lenders' option. In addition to the aforesaid repayment terms, the Lender has a right to appropriate sales receivables of specified projects towards the principal amount outstanding.	HDFC's Corporate Prime Lending Rate at the time of entering into agreement. Current rate is 14.75%	Penal interest of 24% p.a. for delayed payment of principal and interest. (as per loan agreement)	(1) Mortgage of property situated at Sy. No. 49/1,50/1,51, 50/3 located at Chikkasane Village, Kasaba Hobli, Devanahalli Taluk, Bangalore (Nitesh Key Biscayne) (2) Mortgage of property in the project Nitesh Canary Wharf of SBUA 2800 sft of flat located at no. 3, Bride Street, Langford Town, Bangalore (3) Mortgage of property located at Sy. no. 514/5, 514/8, 514/3, 514/10, 506/1, 506/2, 506/4 of Kakkanadu Village, Trikarakkara Grama Panchayat, Kanayannur Taluk, Ernakulam Dist, Kochi, vacant land admeasuring 4 acres (4) Hypothecation of sales receivables of (a) Nitesh Canary Wharf, Bangalore (b) Wimbledon Garden, Kochi, (c) Nitesh Key Biscayne, Bangalore (d) Nitesh Central Park, Bangalore, and (e) Nitesh

							Buckingham Gate, Bangalore, through Escrow Account. (5) Personal Guarantee of Mr. Nitesh Shetty. (6) Demand promissory note issued by Nitesh Estates Limited for the amount of the loan.
HDFC Ltd	Term Loan	Construction finance loan for Nitesh Wimbledon Gardens, Kakkanad, Kochi.	228.17	Rs.30 million per month from April 2010 to January 2011 and Rs.40 million per month from February 2011 to June 2011.	HDFC's Corporate Prime Lending Rate at the time of entering into agreement. Current rate is 15.25%	Penal interest of 24% p.a. for delayed payment of principal and interest. (as per loan agreement)	(1) Mortgage of property financed (Nitesh Estates Limited share) located at Sy. no. 514/10, 506/1, 514/11, 506/1, 514/10, 514/10, 506/2, 514/5, 514/8, 514/3, 514/3, 506/4, 506/4 and 506/3 of Kakkanad Village, Trikkakkara Grama Panchayat, Kanayannur Taluk, Ernakulam, Kochi, Kerala, land admeasuring 8.02 acres and built up area thereon being constructed. (2) Personal guarantee of Mr. Nitesh Shetty and other party in the joint development arrangement. (3) Corporate Guarantee of other party in the joint development arrangement. (4) Demand promissory notes issued by Nitesh Estates Limited for the amount of the loan.

Bank of Baroda	Term Loan	To part fund residential construction project, "Nitesh Forest Hills", Whitefield, Bangalore.	152.69	Ten installments of Rs.23.5 million monthly starting from March 2010.	13.50% i.e., 1 % over Bank Prime Lending Rate	Penal interest @ 2% p.a. will be charged for (1) Non/delayed submission of Balance sheet / Profit & Loss A/c; (2) Late payment of installment / interest; (3) Non-compliance of any of the terms & conditions of sanction.	(1) Equitable mortgage of Company's undivided share in the land situated at Seegehalli Village, bearing Sy. No. 120/1, 120/2, 120/3, 123/1&2, 123/3, Bidarahalli Hobli, Bangalore East Taluk and residential building to be constructed thereon on pari passu basis with Oriental Bank of Commerce. (2) Personal guarantee of Mr. Nitesh Shetty , Managing Director and Mrs. Pushpalatha Shetty, Director of the Company.
HDFC Bank	Vehicle Loan	Purchase of vehicle	0.17	Equal Monthly Installment of Rs. 0.03 p.m for 36 months	11.76%	-	Secured by way of hypothecation of vehicles acquired out of the loan proceeds
Kotak Mahindra Prime Ltd.	Vehicle Loan	Purchase of vehicles	2.33	Equal Monthly Installment of Rs. 0.25 p.m for 36 months	10.25% to 11.12%	-	Secured by way of hypothecation of vehicles acquired out of the loan proceeds
		Total	**881.26**				

NITESH ESTATES LIMITED

ANNEXURE XI

DETAILS OF OTHER INCOME

(Rupees in Million)

Particulars	Nine months period ended December 31,2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005	Nature (Recurring/Non-Recurring)	Related/ Not Related to Business Activity)	Sources
Interest income	0.87	0.83	0.12	0.03	0.81	-	Recurring	Not Related	Interest on bank and other deposits
Compensation for contract cancellation	-	-	10.00	-	-	-	Non-Recurring	Related	Compensation received for failure to procure the land for the business.
Technical & consultancy fees	-	-	44.89	15.11	-	-	Non-Recurring	Related	Fee received for technical consultancy services rendered
Trademark license fees	-	-	-	20.00	-	-	Non-Recurring	Related	Fee received for license of trademark.
Profit on sale of investment in subsidiary (refer note 6(b) in Annexure IV)	174.95	-	-	-	-	-	Non-Recurring	Not Related	
Assignment fees for land development rights (refer note 4d(ii) in Annexure IV)	76.00	-	-	-	-	-	Non-Recurring	Related	
Profit on sale of assets	0.03	-	-	-	-	-	Non-Recurring	Related	
<u>Miscellaneous Income</u>									
- Forfeiture of advance from customer	-	-	-	-	5.19	-	Non-Recurring	Related	
-Dividend income from current investments	0.38	-	-	-	-	-	Recurring	Not Related	
- Other	0.28	0.21	0.12	0.98	1.30	-	Non-Recurring	Related	
Total	**252.51**	**1.04**	**55.13**	**36.12**	**7.30**	-			

NITESH ESTATES LIMITED

ANNEXURE XI

DETAILS OF OTHER INCOME

(Rupees in Million)

Particulars	**Nine months period ended December 31,2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Period ended March 31, 2005**	**Nature (Recurring/Non-Recurring)**	**Related/ Not Related to Business Activity)**	**Sources**
Net Profit / (loss) before tax, as restated	107.83	42.33	18.78	48.95	13.75	(9.17)			
Other Income, as restated	252.51	1.04	55.13	36.12	7.30	-			
% of Other income to Profit before Tax, as restated	234%	2%	294%	74%	53%	-			

Notes :

1. The classification of 'Other Income' as Recurring / Non Recurring and Related / Not Related to business activities is based on the current operations and business activities of the Company as determined by the management.

2. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Profits and Losses of the Company.

NITESH ESTATES LIMITED

ANNEXURE XII

CAPITALISATION STATEMENT

(Rupees in Million)

	Pre-issue as at December 31, 2009	Adjusted for the Issue
Borrowings		
Short - Term debt	777.91	
Long-term debt	130.36	
Total Debt	**908.27**	
Shareholders' funds		
Share Capital		
- Equity shares	697.83	
Reserves and Surplus		
- Surplus in Profit and Loss Account	83.44	
Total Shareholders Funds	**781.27**	
Long-term Debt/Equity ratio	**0.17**	

Notes:

1. Short term debt represent debt which are due within twelve months from December 31,2009.
2. Long term debt represent debt other than short term debt, as defined above.
3. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at December 31, 2009.
4. Long Term Debt / Equity = $\frac{\text{Long Term Debt}}{\text{Shareholders' Funds}}$
5. The corresponding Post Issue data are not determinable at this stage pending the completion of Book Building Process and hence have not been furnished.
6. At the extra-ordinary general meeting of the shareholders held on October 9, 2009, the Company has issued 62,804,790 equity shares as bonus shares to the existing shareholders by way of capitalization of securities premium and balance in the profit and loss account in ratio of nine equity shares for every one equity share held.
7. In respect of certain loans outstanding, in addition to the fixed periodical repayment terms under the loan arrangements, the Lender has a right to appropriate sales receivables of specified projects towards the principal amount outstanding. The amounts that may be appropriated in future under such arrangement cannot presently be ascertained. Hence, the classification of the borrowings into short term/ long term debt has been based on the fixed periodical repayment terms under the loan arrangements.

NITESH ESTATES LIMITED

ANNEXURE XIII

STATEMENT OF TAX SHELTER

(Rupees in Million)

PARTICULARS	Nine months period ended December 31,2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
Profit/ (Loss) before taxes, as restated (A)	**107.83**	**42.33**	**18.78**	**48.95**	**13.75**	**(9.17)**
Income Tax Rates (including surcharge and education cess) applicable (B)	**33.99%**	**33.99%**	**33.99%**	**33.66%**	**33.66%**	**36.59%**
Tax at notional rates (C)	**36.65**	**14.39**	**6.38**	**16.48**	**4.63**	**(3.36)**
Adjustments						
Permanent Differences:						
Expenses disallowed under tax laws	9.16	3.81	3.24	-	-	-
Share of income from association of persons	(13.84)	(14.07)	-	-	-	-
Dividend income not chargeable to tax	(0.38)	-	-	-	-	-
Prior period Expenses disallowed under tax laws	-	-	0.47	0.24	0.22	-
Others	-	-	0.06	0.46	0.18	0.07
Total Permanent Differences (D)	**(5.06)**	**(10.26)**	**3.77**	**0.70**	**0.40**	**0.07**
Timing Differences:						
Differences between book depreciation and tax depreciation	(0.54)	4.35	(0.55)	(0.41)	-	(0.19)
Provision for leave encashment	1.27	(1.73)	5.09	0.67	-	-
Provision for gratuity	0.25	(0.54)	1.19	0.74	-	-
Amounts allowed only on payment of witholding taxes etc	(41.76)	41.76	-	-	-	-
Income arising from sales and cost of sales adjustments	-	-	-	(6.19)	7.35	(1.34)
Difference in tax and accounting treatment of preliminary expenses / increase in authorised capital	-	-	(0.06)	(0.02)	(0.03)	0.10
Total Timing Differences (E)	**(40.78)**	**43.84**	**5.67**	**(5.21)**	**7.32**	**(1.43)**
Profit set off against brought forward losses and unabsorbed depreciation of previous years **(F)**	-	-	-	-	(10.53)	-
Net Adjustments (G) = (D)+ (E) + (F)	**(45.84)**	**33.58**	**9.44**	**(4.51)**	**(2.81)**	**(1.36)**
Net impact of Adjustments (H) = (G) * (B)	**(15.58)**	**11.42**	**3.21**	**(1.52)**	**(0.95)**	**(0.50)**

NITESH ESTATES LIMITED

ANNEXURE XIII

STATEMENT OF TAX SHELTER

(Rupees in Million)

PARTICULARS	Nine months period ended December 31,2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Period ended March 31, 2005
Taxable Income (I) = (A + G)	61.99	75.91	28.22	44.44	10.94	(10.53)
Tax Provision based on taxable income (J) = (I * B)	21.07	25.80	9.59	14.96	3.68	-
Deferred tax charge / (credit) on unabsorbed depreciation & brought forward losses (K)	-	-	-	-	3.86	(3.86)
Deferred tax charge / (credit) on expenses debited to Profit & Loss account in the Current Year but allowable for tax purpose in following year (L)	13.68	(13.42)	(2.11)	1.62	(2.50)	0.45
Deferred tax Charges / (Credit) on differences between book depreciation and depreciation under Income Tax Act, 1961 (M)	0.19	(1.48)	0.19	0.14	-	0.07
Total Tax expense/ (credit) for the period/year on timing differences (M) = (J +K + L + M)	**34.94**	**10.90**	**7.67**	**16.72**	**5.04**	**(3.34)**
Interest under Section 234B and 234C	**0.82**	**1.10**	**-**	**0.99**	**0.54**	**-**
Total tax	**35.76**	**12.00**	**7.67**	**17.71**	**5.58**	**(3.34)**

NITESH ESTATES LIMITED

ANNEXURE XIV

DETAILS OF SHARE CAPITAL

(Rupees in Million)

Particulars	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Authorised Share capital:						
Equity shares of Rs.10 each	1,500.00	-	-	-	-	-
Equity shares of class " A" of Rs.10 each	-	96.00	96.00	96.00	50.00	10.00
Equity shares of class " B" of Rs.10 each	-	4.00	4.00	4.00	-	-
Total	**1,500.00**	**100.00**	**100.00**	**100.00**	**50.00**	**10.00**
Issued, Subscribed & paid up capital:						
Equity shares of Rs.10 each fully paid-up	697.83	-	-	-	-	-
Equity shares of class " A" of Rs. 10 each fully paid up	-	68.02	68.02	55.60	27.50	0.10
Equity shares of class " B" of Rs.10 each fully paid up	-	-	-	3.11	-	-
Total	**697.83**	**68.02**	**68.02**	**58.71**	**27.50**	**0.10**

Notes:

1. At the Annual General Meeting of the Shareholders held on September 30, 2009, Class "B" equity shares are reclassified to be equal in all respects with Class "A" equity shares and in pursuance thereof, the share capital stands amended to one single class of equity shares. Accordingly, all outstanding Class "A" equity shares have been converted to a single class of equity shares of Rs.10 each.

2. At the Annual General Meeting of the shareholders held on September 30, 2009, the authorised share capital of the Company was increased from Rs. 100 million to Rs. 1,500 million .

3. At the Extra-ordinary General Meeting of the shareholders held on October 9,2009, the Company has issued 62,804,790 shares as bonus shares to the existing shareholders by way of capitalisation of Securities Premium and balance in the profit and loss account in ratio of nine equity shares for every one equity share held.

4. During the year ended March 31, 2008, Class "B" equity shares were converted into Class "A" equity shares. Class "B" equity shares ranked equally in all respects with Class "A" equity shares.

5. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

NITESH ESTATES LIMITED

ANNEXURE - XV

DETAILS OF RESERVES & SURPLUS

(Rupees in Million)

Particulars	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Reserves and surplus:						
Securities Premium (refer note 1 below)	-	413.68	413.68	311.50	-	-
Surplus / (Deficit) in Profit & Loss account	83.44	72.39	42.86	32.90	2.20	(5.83)
Total	**83.44**	**486.07**	**456.54**	**344.40**	**2.20**	**(5.83)**

Note:

1. At the extra-ordinary general meeting of the shareholders held on October 9, 2009, the Company has issued 62,804,790 equity shares as bonus shares to the existing shareholders by way of capitalization of securities premium and balance in profit and loss account in the ratio of nine equity shares for every one equity share held.

2. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

NITESH ESTATES LIMITED

ANNEXURE - XVI

DETAILS OF FIXED ASSETS

(Rupees in Million)

Particulars	As at December 31, 2009			As at March 31, 2009			As at March 31, 2008			As at March 31, 2007			As at March 31, 2006			As at March 31, 2005		
	Gross	Acum. Depn	Net	Gross	Acum. Depn	Net	Gross	Acum. Depn	Net	Gross	Acum. Depn	Net	Gross	Acum. Depn	Net	Gross	Acum. Depn	Net
Leasehold Land (refer note 1 below)	-	-	-	-	-	-	54.28	-	54.28	-	-	-	-	-	-	-	-	-
Leasehold Improvements	12.65	3.13	9.52	12.65	2.31	10.34	16.25	1.17	15.08	-	-	-	-	-	-	-	-	-
Computers	8.39	6.05	2.34	8.34	5.03	3.31	7.96	2.91	5.05	3.92	1.22	2.70	1.48	0.45	1.03	0.58	0.14	0.44
Office Equipment	6.91	2.28	4.63	6.64	1.76	4.88	6.24	0.98	5.26	3.02	0.30	2.72	1.02	0.07	0.95	0.15	0.01	0.14
Furniture & Fittings	5.74	2.23	3.51	5.73	1.68	4.05	6.57	0.98	5.59	1.99	0.17	1.82	0.23	0.02	0.21	0.07	0.01	0.06
Motor Cars	14.16	7.69	6.47	14.71	6.43	8.28	16.62	4.00	12.62	6.37	1.56	4.81	2.63	0.62	2.01	1.10	0.07	1.03
Intangible assets - Computer Software	4.48	0.96	3.52	4.48	0.34	4.14	0.75	0.02	0.73	-	-	-	-	-	-	-	-	-
Total	**52.33**	**22.34**	**29.99**	**52.55**	**17.55**	**35.00**	**108.67**	**10.06**	**98.61**	**15.30**	**3.25**	**12.05**	**5.36**	**1.16**	**4.20**	**1.90**	**0.23**	**1.67**

Note:

1. On April 25, 2007, Karnataka Industrial Area Development Board ('KIADB') allotted land to the Company for the purpose of setting up the Industrial project on a lease cum sale basis until April 25, 2027, to be sold to the Company at the end of the lease period upon fullfilling of certain conditions. The lease was registered in favour of the Company on May 5, 2007. During the year ended March 31, 2009, the Company surrendered the aforsaid land back to KIADB.
2. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

NITESH ESTATES LIMITED

ANNEXURE XVII

DETAILS OF INVENTORIES

(Rupees in Million)

Particulars	As at December 31 , 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Land cost	164.86	364.85	415.44	-	39.74	113.89
Other costs	28.23	55.65	72.15	95.96	19.88	3.37
Total	**193.09**	**420.50**	**487.59**	**95.96**	**59.62**	**117.26**

Note:
The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

NITESH ESTATES LIMITED

ANNEXURE XVIII

DETAILS OF RATES OF DIVIDEND

Particulars	Face Value (Rs./Share)	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Issued, subscribed and fully paid up							
Class of Shares							
Equity shares (Number of shares)	10	69,783,100	-	-	-	-	-
Equity shares Class "A" (Number of shares)	10	-	6,802,460	6,802,460	5,560,000	2,750,000	10,000
Equity shares Class "B" (Number of shares)	10	-	-	-	310,615	-	-
Dividend							
Dividend on Equity shares							
- Rate	-	-	-	-	-	-	-
- Amount	-	-	-	-	-	-	-
Dividend on Equity shares Class "A"							
- Rate	-	-	-	-	-	-	-
- Amount	-	-	-	-	-	-	-
Dividend on Equity shares Class "B"							

- Rate	-	-	-	-	-	-	-
- Amount	-	-	-	-	-	-	-
Corporate dividend tax on above (Rs.)	-	-	-	-	-	-	-

Notes:

1. At the Annual General Meeting of the Shareholders held on September 30, 2009, Class "B" equity shares are reclassified to be equal in all respects with Class "A" equity shares and in pursuance thereof, the share capital stands amended to one single class of equity shares. Accordingly, all outstanding Class "A" equity shares have been converted to a single class of equity shares of Rs.10 each.

2. At the Extra-ordinary General Meeting of the shareholders held on October 9, 2009, the Company has issued 62,804,790 shares as bonus shares to the existing shareholders by way of capitalisation of Securities Premium and balance in the profit and loss account in ratio of nine equity shares for every one equity share held.

3. During the year ended March 31, 2008, Class "B" equity shares were converted into Class "A" equity shares. Class "B" equity shares ranked equally in all respects with Class "A" equity shares.

4. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

5. The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy in the future.

NITESH ESTATES LIMITED

ANNEXURE - XIX

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Million)

		As at December 31, 2009	As at March 31, 2009
A.	**Fixed Assets:**		
	Gross Block	52.33	52.55
	Less: Depreciation	22.35	17.55
	Net Block	**29.98**	**35.00**
	Capital work in progress (including Capital Advances)	586.38	696.26
	Total	**616.36**	**731.26**
B.	**Investments**	**289.63**	**176.86**
C.	**Deferred Tax Asset, net**	**7.95**	**17.36**
D.	**Current Assets, Loans and Advances**		
	Inventories	287.03	501.03
	Sundry debtors	222.34	246.07
	Cash and bank balances	131.57	20.33
	Loans and advances	1,698.60	1,075.11
	Other current assets	62.04	0.25
	Total	**2,401.58**	**1,842.79**
E.	**Total Assets - (A) + (B) + (C) + (D)**	**3,315.52**	**2,768.27**
F.	**Liabilities & Provisions:**		
	Secured loans	1,891.34	1,328.14
	Unsecured loans	48.76	69.16
	Current liabilities	657.57	811.41
	Provisions	18.70	7.22
	Total - (F)	**2,616.37**	**2,215.93**

NITESH ESTATES LIMITED

ANNEXURE - XIX

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Million)

		As at December 31, 2009	As at March 31, 2009
G.	**Minority Interest**	**5.05**	**0.10**
	NET WORTH (E) - (F) - (G)	**694.10**	**552.24**
	Net Worth represented by:		
	Share Capital		
	- Equity Shares	697.83	68.02
	Reserves and Surplus		
	- Securities Premium Account	-	413.68
	- Surplus / (deficit) in Profit and Loss Account	(3.73)	70.54
	Net Worth	**694.10**	**552.24**

Note :

The above statement should be read with the Notes to the Restated Consolidated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows as appearing in Annexure XXII.

NITESH ESTATES LIMITED

ANNEXURE - XX

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rupees in Million)

	Nine months period ended December 31, 2009	Year ended March 31, 2009
Income		
Income from operations		
- Income from contractual activity	363.95	544.86
- Income from sale of developmental rights	-	270.00
- Income from property development	50.62	62.13
- Income from sale of developed property (apartment)	70.00	-
Total	**484.57**	**876.99**
Other Income	181.09	1.03
Total income	**665.66**	**878.02**
Expenditure		
Land and construction costs	365.03	545.20
Cost of purchase of developed property (apartment)	50.00	-
Decrease in inventories	14.00	26.59
Personnel expenses	46.36	92.32
Administrative expenses	43.75	106.80
Selling and marketing expenses	24.99	39.33
Interest expenses	98.45	20.02
Depreciation/ Amortisation	4.07	7.28
Total expenditure	**646.65**	**837.54**
Profit before tax and prior period item	**19.01**	**40.48**
Tax expense:		
Current Tax	21.90	27.90
Deferred Tax Charge/(Credit)	9.41	(14.90)
Fringe Benefits Tax	-	0.80
Total tax expense	**31.31**	**13.80**
Net profit/(loss) after tax and before prior period item	**(12.30)**	**26.68**
Prior period item		

NITESH ESTATES LIMITED

ANNEXURE - XX

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Rupees in Million)

	Nine months period ended December 31, 2009	Year ended March 31, 2009
	-	(0.93)
Net profit/(loss) for the period/ year	**(12.30)**	**25.75**
Less: Share in loss of Associate	0.95	**-**
Net profit/(loss) for the period/ year	**(13.25)**	**25.75**
Adjustments (refer Note 3(a) of Annexure XXII)	-	0.93
Tax impact on adjustments (refer Note 3(a) of Annexure XXII)	-	-
Adjustment for provision for tax for earlier years (refer Note 3(a) of Annexure XXII)	-	1.00
Total Adjustments, net of tax impact	**-**	**1.93**
Net profit/(loss) for the period/ year, as Restated	**(13.25)**	**27.68**
Profit and loss account at the beginning of the period/ year, as restated (refer note 3(c) of Annexure XXII)	70.54	42.86
Less: Capitalisation on issuance of bonus shares (refer note 6 of Annexure XXX)	61.02	-
Profit and loss account at the end of the period/ year carried to Balance Sheet, as Restated	**(3.73)**	**70.54**

Note :

The above statement should be read with the Notes to the Restated Consolidated Summary Statements of Assets and Liabilities,

Profits and Losses and Cash Flows as appearing in Annexure XXII.

NITESH ESTATES LIMITED

ANNEXURE - XXI

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

	Nine months period ended December 31, 2009	Year ended March 31, 2009
A. Cash Flows From Operating Activities		
Profit before tax, as restated	19.01	40.48
Adjustments for:		
Depreciation/ amortisation	4.07	7.28
Interest expense	98.40	18.87
Interest income	(5.45)	(0.82)
Dividend income from current investments in mutual funds units	(0.38)	-
Profit on sale of investments in subsidiary company	(174.95)	-
(Profit)/Loss on sale of fixed assets/ discontinuance of projects, net	(0.03)	14.14
Advances written off	-	13.22
Operating profit/ (loss) before working capital changes	**(59.33)**	**93.17**
Movement in working capital:		
(Increase) / decrease in inventories	15.24	141.11
(Increase) / decrease in debtors	23.72	(159.89)
(Increase) / decrease in loans and advances and other current assets	(694.16)	198.80
Increase / (decrease) in current liabilities and provisions	(21.07)	(370.54)
Cash (used in) / generated from operations	**(735.60)**	**(97.35)**
Direct taxes paid (net)	(5.70)	(18.67)
Net cash from/(used in) operating activities - (A)	**(741.30)**	**(116.02)**
B. Cash Flows From Investing Activities		
Purchase of fixed assets (including payments towards capital advances)	(7.19)	(600.42)
Proceeds from sale of fixed assets / discontinuance of projects (including refund of capital advances)	200.27	45.68
Purchase of shares in subsidiaries	(0.20)	-
Purchase of investments		

NITESH ESTATES LIMITED

ANNEXURE - XXI

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

	Nine months period ended December 31, 2009	Year ended March 31, 2009
	(112.69)	-
Purchase of investments in mutual fund units	(201.38)	-
Proceeds from sale of investments in mutual fund units	200.73	-
Investment in fixed deposit with maturity of more than 3 months	(0.07)	-
Proceeds from sale of investments in a subsidiary	180.00	-
Interest received	0.79	1.75
Net cash from/(used in) investing activities - (B)	**260.26**	**(552.99)**
C. Cash Flows From Financing Activities		
Proceeds from issue of shares	155.09	-
Proceeds from share application (pending allotment)	37.86	-
Repayment of share application money	(37.86)	(607.09)
Proceeds from secured loans	632.49	1,200.65
Repayment of secured loans	(14.22)	(352.97)
Proceeds from unsecured loans	33.40	17.36
Repayment of unsecured loans	(53.80)	-
Interest Paid	(137.28)	(57.64)
Net cash generated from financing activities - (C)	**615.68**	**200.31**
D. Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**134.64**	**(468.70)**
Cash and cash equivalents as at beginning of the period/year [including proportionate share in cash and cash equivalents of the joint venture - Rs.(8.40) (Previous year: Rs.5.07)]	(4.11)	464.29
Cash inflow due to acquisition of subsidiary	0.09	0.30
E. Cash and cash equivalents as at the end of the period/year	**130.62**	**(4.11)**
Components of cash and cash equivalents		
Cash on hand	9.08	11.86
Balances with scheduled banks:		

NITESH ESTATES LIMITED

ANNEXURE - XXI

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

	Nine months period ended December 31, 2009	**Year ended March 31, 2009**
- in current accounts	121.54	7.48
- in deposit accounts	0.95	0.99
Cash and bank balances	**131.57**	**20.33**
Less: Book Overdraft	-	23.57
Less: Fixed deposits with maturity of more than 3 months	0.95	0.87
Cash and cash equivalents in cash flow statement	**130.62**	**(4.11)**

Note :

1. The above statement should be read with the notes to the restated consolidated summary statements of assets and liabilities, profit and loss and cash flow as appearing in Annexure XXII

2. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3, 'Cash Flow Statements' notified by Companies (Accounting Standard) Rules, 2006 (as amended).

3. Negative figures represents Cash outflow.

NITESH ESTATES LIMITED
ANNEXURE XXII

**NOTES TO THE RESTATED CONSOLIDATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES,
PROFITS AND LOSSES AND CASH FLOWS, AS RESTATED UNDER INDIAN GAAP**

1. Background

Nitesh Estates Limited ('the Company' or 'NEL') was incorporated on February 20, 2004. NEL together with its subsidiaries, joint venture and associate are hereinafter collectively referred to as 'the Group'. The Group is a real estate developer engaged in the business of development, sale, management and operation of all or any part of housing and hotel projects, commercial premises and other related activities.

At the extra-ordinary general meeting of the shareholders held on October 9, 2009, the shareholders approved the conversion of the Company from a private limited company to a public limited company, and approved the change in the name of the Company from Nitesh Estates Private Limited to Nitesh Estates Limited. The Company has received a fresh certificate of incorporation from the Registrar of Companies incorporating the change in the name of the Company effective November 3, 2009.

The restated consolidated summary statement of assets and liabilities of the Company as at December 31, 2009 and March 31, 2009 and the related restated consolidated summary statement of profits and losses and cash flows for nine months period ended December 31, 2009 and year ended March 31, 2009 (hereinafter collectively referred to as "Restated Consolidated Summary Statements") relate to Nitesh Estates Limited and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering.

These Restated Consolidated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations").

2. Statement of Significant Accounting Policies adopted by the Group in the preparation of the Consolidated financial statements as at and for the nine months period ended December 31, 2009.

a) Basis of preparation

The consolidated financial statements include the accounts of NEL, its subsidiaries, joint venture and associate. The consolidated financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006 (as amended). The consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

b) Principles of consolidation

The consolidated financials statements have been prepared in accordance with Accounting Standard 21 – 'Consolidated Financial Statements', Accounting Standard (AS) 23, 'Accounting for investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' notified by Companies (Accounting Standards) Rules, 2006 (as amended). The consolidated financial statements are prepared on the following basis:

i Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits/losses, except where cost cannot be recovered.

ii Interest in the assets, liabilities, income and expenses of the joint venture is consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profits/losses are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.

iii The difference between the cost to the Company of investment in the subsidiaries and joint venture and the proportionate share in the equity of such subsidiaries and joint venture as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

Goodwill arising on consolidation is disclosed under Fixed Assets – Intangible Assets and is not amortised but tested for impairment annually.

iv Investment in associate is accounted for using the equity method. The excess of cost of investment over the proportionate share in equity of the associate as at the date of acquisition of stake is identified as Goodwill and included in the carrying value of the investment in the associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such associate are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. The standalone financial statements of associate is used for the purpose of consolidation.

v Minority interest in net profits of consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.

vi 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, to the extent possible, in the same manner as the Company's stand alone financial statements.

vii The financial statements of the components used for the purpose of consolidation are drawn up to the same reporting date as that of the Company, i.e., for nine months period ended December 31, 2009.

c) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future years.

d) Fixed assets including intangible assets

Fixed assets including intangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work in progress. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

e) Depreciation / Amortisation

Depreciation on assets, other than those described below, is provided using written down value method ('WDV') at the rates prescribed under Schedule XIV of the Companies Act, 1956, which is also estimated by the management to be the estimated useful lives of the assets.

	Schedule XIV Rates (WDV)
Computers	40.00%
Office Equipment	13.91%
Furniture and Fittings	18.10%
Motor Cars	25.89%

Assets individually costing less than or equal to Rs.5,000 are fully depreciated in the period of purchase.

Leasehold improvements are amortised over the remaining primary period of lease or their estimated useful life, whichever is shorter, on a straight-line basis.

Intangible assets - Expenditure incurred on software is amortised using straight line method over a period of 5 years, which is estimated by the management to be the useful life of the asset.

f) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term Investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of investments.

i) Inventories

Inventories comprising of Work in Progress are valued at lower of cost and net realizable value. Cost includes direct and indirect expenditure, which is determined based on specific identification to the real estate construction/ development activity.

Direct expenditure relating to real estate construction/ development activity is inventorised. Indirect expenditure (including borrowing costs) during construction/ development period is inventorised to the extent the expenditure is related to construction/ development or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction/development period which is neither related to the construction/development activity nor is incidental thereto is charged to the profit and loss account.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j) Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Income from contractual activities

Revenue from fixed price construction contracts is recognised by reference to the stage of completion of the project at the balance sheet date. The stage of completion of project is determined by the proportion that contract costs incurred for work performed up to the balance sheet date bear to the estimated total contract costs. When estimated contract costs exceed contract revenue, the expected loss is recognized immediately.

Revenue from cost plus construction contracts is recognized on the basis of an agreed mark up on costs incurred, in accordance with the terms of the agreement entered into by the Group and its customers.

Revenue from other contractual activities is recognized as activities are performed, on an accrual basis, based on arrangements with concerned parties.

Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet.

Income from property development

Revenue from real estate under development/ developed property is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Group still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue is recognised on percentage of completion method, when the stage of completion of each project reaches a reasonable level of progress. Revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion.

Income from sale of developed property

Revenue from sale of developed property is recognised upon transfer of all significant risks and rewards of ownership of such developed property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Income from sale of development rights

Revenue from sale of development rights is recognised upon transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

k) Foreign currency translation

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Group at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise.

l) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

m) Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the balance sheet date. The gratuity liability is not externally funded.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on actuarial valuation performed at the balance sheet date. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred.

n) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax.

Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Further, in situations where the Group is entitled to tax holiday, deferred tax asset or liability is recognised only for those timing differences that originate during the tax holiday period, but reverse after the tax holiday period.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

o) Advances/deposits against property

Advances paid by the Group to the seller/ intermediary toward outright purchase of land is recognized as 'Advances against property' under Loans and Advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to Work in progress.

Deposits paid by the Group to the seller towards right for development of land in exchange of constructed area are recognized as deposits under Loans and Advances, unless they are non-refundable, wherein they are transferred to Work in progress on the launch of project.

p) Provisions and contingencies

A provision is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources 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 the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation, in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for event of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Material Adjustments

(a) Summary of results of restatements made to the audited financial statements of the Group for the respective period/year and their impact on the profits/ (losses) of the Group are as given below:

(Rupees in Million)

Adjustments made in Restated Profit & loss Account	Nine months ended December 31, 2009	Year ended March 31, 2009
Adjustments for :		
Prior period Item [(Expenses)/Income] (Refer Note no (b) below)	-	0.93
Total adjustments	-	0.93
Tax impact on adjustments	-	-
Adjustments (net of tax)	-	0.93
Adjustment of short provision of income tax of earlier years adjusted	-	(1.00)

b) In the audited financial statements of the Group for the year ended March 31, 2009, the Company has disclosed certain items as prior period items. Accordingly, in the preparation of Restated Consolidated Summary Statements, the effect of these prior period items have been appropriately adjusted to the results of the respective years to which these items pertain with a corresponding restatement of the respective assets and liabilities.

(c) Restatement of balance in profit and loss account as at April 1, 2008

	(Rupees in Million)
Profit and loss account as at April 1, 2008	44.79
Increase/(decrease) in the accumulated profit at April 1, 2008 as a result of adjustments for	(0.93)
- Prior period Item	(1.00)
- Adjustment of short provision of income tax of earlier years adjusted	
Profit and loss account as at April 1, 2008, as restated	42.86

4. The details of subsidiaries, joint venture and associate company consolidated in these financial statements are as follows:

Particulars	Country of incorporation	Percentage of holding
Subsidiaries		
Nitesh Indiranagar Retail Private Limited [‘NIRPL’]	India	99.9%
Nitesh Housing Developers Private Limited [‘NHDPL’]	India	89.9%
Joint venture		
Nitesh Estates – Whitefield, a jointly controlled entity [Association of persons (‘AOP’)]	India	See note below
Associate	India	20.74%
Nitesh Residency Hotels Private Limited [‘NRHPL’] [also refer note 6d(iii) below]		

Note: The Company has invested a sum of Rs.41.10 Million towards its contribution to the fixed capital in the AOP. As per the terms of the AOP agreement, the Company is entitled to 24% of the net profits of the

AOP. Further, the Company is entitled to share in net assets in the ratio of capital outstanding as at the balance sheet date.

5. The Company has invested a sum of Rs.115 Million in the equity shares (99.9%) of Nitesh Indiranagar Retail Private Limited ('NIRPL'), a subsidiary of the Company. Pursuant to a Share Pledge Agreement, the Company had pledged its entire shareholding in NIRPL as security against a loan of Rs.500 Million taken by NIRPL from another company ('the Lender'), as at March 31, 2009. Since NIRPL had not paid the aforesaid loan to the Lender in accordance with the terms of the loan agreement resulting in an Event of Default as at March 31, 2009, the rights to exercise all voting and other rights of the equity shares of NIRPL held by the Company vest with the Lender as at March 31, 2009. Subsequently, a supplement to the loan agreement has been entered into with the Lender thereby releasing the pledge on aforesaid equity shares and restructuring the terms of the aforesaid loan. Further, the Company has invested an additional sum of Rs.101 million in NIRPL as share application money pending allotment. The Company and NIRPL are also in the process of evaluating alternative additional means of financing the repayment of the said loan as and when it falls due.

6. Related party information

a) List of Related parties

Key managerial personnel ('KMP')	Mr. Nitesh Shetty [Managing Director and key shareholder of the Company] Mr. L.S.Vaidyanathan [Executive Director of the Company]
Enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise	Exora Business Parks Private Limited Globosport India Private Limited Lob Media Private Limited Madison Developers Private Limited Nisco Ventures Private Limited Nitesh Agrico Private Limited Nitesh Airways Private Limited Nitesh Boat Club Development Private Limited Nitesh Devanahalli Township Private Limited Nitesh Energy Private Limited Nitesh Estates Projects Private Limited Nitesh Healthcare Private Limited Nitesh Hospitals Private Limited Nitesh Industries Private Limited Nitesh Infrastructure and Construction Nitesh Infrastructure Private Limited Nitesh Kochi Projects and Developers Private Limited Nitesh Land Holdings Private Limited Nitesh Media Private Limited Nitesh Mylapore Developers Private Limited Nitesh Pharmacy Private Limited Nitesh Publishers Private Limited Nitesh Telecom Private Limited Nitesh Warehousing Private Limited Serve & Volley Holdings Private Limited Serve & Volley Media Private Limited Serve & Volley Outdoor Advertising Private Limited Serve & Volley Signages Private Limited Nitesh Realty Fund GP Limited Richmond Trading Enterprises
Shareholder holding substantial interest in the Company	AMIF I Limited
Joint venture enterprise (AOP)	Nitesh Estates – Whitefield (See note below)
Joint venturers of joint venture enterprise (AOP)	Mr. Joji Reddy Mr. Showrie Reddy
Associate Company	Nitesh Residency Hotel Private Limited

Note: The disclosures below pertain to the share of the other joint venturers in Nitesh Estates – Whitefield.

b) Transactions with Related parties

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009
Income from contractual activities		
Nitesh Residency Hotels Private Limited	195.27	208.65
Nitesh Estates – Whitefield	96.89	123.27
Mr. Nitesh Shetty	0.15	0.20
Total	**292.31**	**332.12**
Income from sale of developmental rights		
Nitesh Estates Projects Private Limited (refer note d(i) below)	-	270.00
Total	**-**	**270.00**
Purchase - Construction/Civil works /Apartment		
Nisco Ventures Private Limited	-	53.50
Nitesh Estates Projects Private Limited (refer note d(ii) below)	48.00	-
Total	**48.00**	**53.50**
Interest income		
Nitesh Estates Projects Private Limited	4.58	-
Total	**4.58**	**-**
Rent and other charges paid		
Nitesh Infrastructure and Construction	7.69	13.16
Total	**7.69**	**13.16**
Advertising and sales promotion expenses		
Serve & Volley Media Private Limited	4.43	1.96
Serve & Volley Outdoor Advertising Private Limited	4.77	15.74
Serve & Volley Signages Private Limited	-	0.18
Total	**9.20**	**17.88**
Reimbursement of expenses received		
Nitesh Estates Projects Private Limited (refer note d(iv) below)	25.80	51.80
Nitesh Boat Club Development Private Limited	0.02	0.78
Nitesh Devanahalli Township Private Limited	2.31	0.25
Madison Developers Private Limited	-	0.34
Nitesh Kochi Projects and Developers Private Limited	0.02	0.01
Nitesh Housing Developers Private Limited	-	0.01
Total	**28.15**	**53.19**
Remuneration to KMP		
Mr. Nitesh Shetty	4.05	11.68
Mr. L.S.Vaidyanathan	2.26	4.51
Total	**6.31**	**16.19**
Advances written off		
Nitesh Realty Fund GP Limited	-	11.17
Total	**-**	**11.17**
Investments made		
Nitesh Residency Hotels Private Limited(refer note d(iii) below)	104.00	-
Nitesh Industries Private Limited	8.69	-

Total	**112.69**	**-**
Share application money received/(refunded)		
Nitesh Industries Private Limited	37.86	-
Nitesh Industries Private Limited	(37.86)	-
Mr. Nitesh Shetty	-	(7.09)
Total	**-**	**(7.09)**

b) Transactions with Related parties (contd.)

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009
Deposits given/(refunded)		
Nitesh Infrastructure and Construction	-	(4.50)
Total	**-**	**(4.50)**
Unsecured loan taken		
Mr. Nitesh Shetty	23.40	27.52
Total	**23.40**	**27.52**
Unsecured loan repaid		
Mr. Nitesh Shetty	23.80	-
Total	**23.80**	**-**
Equity Investment		
Nitesh Industries Private Limited	155.10	-
Total	**155.10**	**-**
Loans /Advances given/(repaid)		
Nisco Ventures Private Limited	(1.04)	(134.49)
Nisco Ventures Private Limited	33.66	-
Nitesh Estates – Whitefield	39.24	-
Nitesh Infrastructure Private Limited	(0.10)	(14.76)
Nitesh Estates – Whitefield	(39.24)	-
Nitesh Devanahalli Township Private Limited	-	(0.08)
Nitesh Housing Developers Private Limited	-	(0.10)
Nitesh Estates Projects Private Limited	169.56	4.86
Nitesh Estates Projects Private Limited	-	(9.17)
Nitesh Mylapore Developers Private Limited	0.01	10.85
Nitesh Realty Fund GP Limited	-	11.17
Nitesh Infrastructure and Construction	-	6.21
Nitesh Mylapore Developers Private Limited	-	(0.08)
Madison Developers Private Limited	(1.07)	-
Madison Developers Private Limited	205.50	25.00
Richmond Trading Enterprises	35.11	6.27
Richmond Trading Enterprises	(0.15)	(0.49)
Mr. Nitesh Shetty	-	10.68
Mr. L.S.Vaidyanathan	-	1.46
Mr. Joji Reddy	10.39	5.74
Mr. Showrie Reddy	8.50	7.02
Mr. Joji Reddy	(9.23)	-
Mr. Showrie Reddy	(11.28)	-
Total	**439.87**	**(69.91)**
Loans /Advances taken/(repaid)		
Nitesh Estates Projects Private Limited	15.56	581.36
Nitesh Residency Hotels Private Limited	-	40.00

Nitesh Estates – Whitefield	49.59	33.04
Nitesh Estates Projects Private Limited	(73.12)	(752.60)
Nitesh Estates – Whitefield	(88.39)	(11.91)
Nitesh Residency Hotels Private Limited	(1.08)	(21.70)
Total	**(97.44)**	**(131.81)**
Guarantees given by the Group on behalf of:		
Nitesh Estates Projects Private Limited	-	200.00
Total	**-**	**200.00**
Guarantees given by the following entities on behalf of the Group		
Nitesh Estates Projects Private Limited	-	500.00
Total	**-**	**500.00**

c) Balances outstanding with Related parties

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009
Sundry debtors		
Nitesh Estates Projects Private Limited	-	95.00
Nitesh Estates – Whitefield	57.00	54.72
Nitesh Residency Hotels Private Limited	4.67	-
Mr. Nitesh Shetty	0.09	0.13
Total	**61.76**	**149.85**
Deposits		
Nitesh Infrastructure and Construction	9.04	9.04
Total	**9.04**	**9.04**
Contract revenue in excess of billing		
Nitesh Residency Hotels Private Limited	44.63	0.09
Nitesh Estates-Whitefield	12.61	-
Total	**57.24**	**0.09**
Advances recoverable		
Madison Developers Private Limited	230.50	26.04
Nitesh Boat Club Development Private Limited	3.27	3.24
Nitesh Devanahalli Township Private Limited	3.19	0.87
Nitesh Estates Projects Private Limited	194.65	51.35
Nisco Ventures Private Limited	44.28	14.06
Nitesh Infrastructure and Construction	6.36	6.74
Nitesh Kochi Projects and Developers Private Limited	-	0.03
Nitesh Land Holdings Private Limited	0.02	0.02
Nitesh Mylapore Developers Private Limited	10.91	10.90
Nitesh Housing Developers Private Limited	-	0.02
Nitesh Infrastructure Private Limited	-	0.12
Richmond Trading Enterprises	40.13	5.78
Mr. Nitesh Shetty	8.86	10.68
Mr. L.S.Vaidyanathan	1.61	1.46
Mr. Joji Reddy	21.43	26.69
Mr. Showrie Reddy	26.19	32.62
Total	**591.39**	**190.62**
Sundry creditors		
Nisco Ventures Private Limited	-	3.58
Nitesh Infrastructure and Construction	0.85	0.92
Serve & Volley Media Private Limited	5.79	2.96

Serve & Volley Outdoor Advertising Private Limited	4.39	9.14
Serve & Volley Signages Private Limited	0.27	0.27
Nitesh Estates Projects Private Limited	25.00	-
Total	**36.30**	**16.87**
Advance from customers		
Nitesh Estates Projects Private Limited	-	54.69
Nitesh Residency Hotels Private Limited	165.16	166.24
Total	**165.16**	**220.93**
Other liabilities		
Nitesh Estates – Whitefield	4.95	37.69
Nitesh Estates Projects Private Limited	-	3.47
Total	**4.95**	**41.16**
Unsecured loan (payable)		
Mr. Nitesh Shetty	27.12	27.52
Total	**27.12**	**27.52**
Guarantees given and outstanding on behalf of		
Nitesh Estates Projects Private Limited	200.00	200.00
Total	**200.00**	**200.00**
Guarantees given by the following on behalf of the Group and outstanding		
Nitesh Estates Projects Private Limited	500.00	500.00
Total	**500.00**	**500.00**

d) Notes to Related party information

i. During the year ended March 31, 2009, the Company sold 25% of its development rights under a joint venture to Nitesh Estates Projects Private Limited ('NEPPL') for a consideration of Rs. 270 Million. The Company had incurred cost (on pro-rata basis) of Rs. 116 Million towards land and other development costs as at the date of sale.

ii. On November 24, 2009, the Company purchased a developed property (apartment) from NEPPL for a consideration of Rs.48 Million and sold the same to a third party for a consideration of Rs.70 Million on December 29, 2009. The Company incurred other incidental costs of Rs.2 Million towards purchase of the said apartment.

iii. During the nine months ended December 31, 2009, the Company invested a sum of Rs.104 Million towards additional 10,400,000 Class A equity shares of Nitesh Residency Hotels Private Limited ('NRHPL'). Further, on October 30, 2009, the 0.01% Optionally Convertible Redeemable Non-cumulative preference shares were converted into 1,591,252 Class A equity shares of Rs.10 each. Further, NRHPL issued 14,321,268 Class A equity shares as fully paid bonus shares of Rs.10 each. The aforesaid shares held by the Company in NRHPL have certain transfer restrictions (including consent of another investor) under the Shareholders' Agreement entered into with the other investors in NRHPL. As part of the loan arrangement entered into by NRHPL for funding the hotel project, the Company has provided an undertaking to such lenders not to divest its shares in NRHPL. The aforesaid Class A shares have similar voting rights to the Class B shares held by another investor but have different dividend rights in terms of the shareholders agreement. Effective October 30, 2009, NRHPL became an associate company of the Group. The Company has a commitment to invest additional share capital in NRHPL alongwith the other investors. The Company's share of such additional investment as at December 31, 2009 is estimated to be Rs.460 million.

iv. Pursuant to the Share Subscription Agreement ('SSA') entered into between AMIF I Limited ('Investors'), Pushpalatha V Shetty, Nitesh Shetty, Nitesh Industries Private Limited and the Company, common costs i.e. the salaries, general and administrative and selling overheads incurred by the Company are being shared by NEPPL and the Company in the ratio of their project expenses. Accordingly, the Company has crossed charged NEPPL expenses amounting to Rs 32.54 Million for the year ended March 31, 2008, Rs

41.10 Million for the year ended March 31, 2009 and Rs 22.90 Million for the nine months period ended December 31, 2009. Although, the SSA has been terminated effective October 9, 2009, the Company and NEPPL continue to share common costs in the ratio of their project expenses.

7. **Contingent liabilities:**

(a) Contingent liability

(Rupees in Million)

Particulars	As at December 31, 2009		As at March 31, 2009	
	NEL and its subsidiaries	Joint Venture	NEL and its subsidiaries	Joint Venture
Guarantees given	225.95	-	275.88	-
Claims not acknowledged as debts in respect of sales tax / income tax	1.35	0.93	-	0.93

(b) The Company has entered into share subscription and share holders agreement dated October 21, 2007 with Sagar Nitesh Projects Private Limited ('SNPPL') and its promoters. Pursuant to the agreement, the Company had made an initial payment of Rs.50 Million towards the Company's obligation to subscribe upto 20% of the paid up capital of SNPPL amounting to Rs.354 Million upon fulfillment of certain conditions by the parties to the agreement. The Company, in consultation with its legal counsel is of the opinion that there has been a breach in fulfillment of the aforesaid conditions on the part of the promoters of SNPPL and accordingly, the Company has initiated arbitration proceedings with respect to refund of share application money. Based on the advice of the Company's external legal counsel and based on an opinion from an independent lawyer, the Company is confident that the arbitration proceedings would be in the favour of the Company and the realisable value will be atleast equal to its carrying value. Accordingly, the management is of the view that no provision is required to be made in respect of the carrying value of the aforesaid share application money as at December 31, 2009.

(c) Refer Note 16 below.

8. **Capital commitments**

(Rupees in Million)

Particulars	As at December 31, 2009		As at March 31, 2009	
	NEL and its subsidiaries	Joint Venture	NEL and its subsidiaries	Joint Venture
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	745.00	-	545.00	-

9. **Details of Construction contracts in progress**

(Rupees in Million)

Particulars	Nine months ended December 31, 2009	Year ended March 31, 2009
Contract revenue recognized as revenue for the period	440.98	641.04
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up to the balance sheet date for all the contracts in progress	1795.08	1,358.01
The amount of customer advances outstanding for contracts in progress as at the balance sheet date	243.17	292.94
The amount of retentions due from customers for contracts in progress as at the balance sheet date	12.02	9.03

10. **Employee benefits**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service subject to maximum of Rs.0.35 million. The scheme is unfunded and hence the disclosures with respect to plan assets as per AS-15 are not applicable to the Group.

The following tables summarise the components of net benefit expense recognized in the consolidated profit and loss account and the funded status and amounts recognized in the consolidated balance sheet for gratuity benefit.

(Rupees in Million)

Net employee benefit expense (recognized in Employee Cost)	Nine months ended December 31, 2009	Year ended March 31, 2009
Current service cost	0.68	2.03
Interest cost on benefit obligation	0.16	0.33
Net actuarial (gain)/loss recognized	(0.58)	(2.90)
Past service cost	-	-
Net benefit expense	**0.26**	**(0.54)**

(Rupees in Million)

Details of provision for gratuity	As at December 31, 2009	As at March 31, 2009
Defined benefit obligation	1.93	1.67
Less: Unrecognized past service cost	-	-
Plan liability	**1.93**	**1.67**

Changes in the present value of the defined benefit obligation are as follows:

(Rupees in Million)

	Nine months ended September 30, 2009	Year ended March 31, 2009
Opening defined benefit obligation	1.67	2.22
Interest cost	0.16	0.33
Current service cost	0.68	2.03
Benefits paid	-	-
Actuarial (gains) / losses on obligation	(0.58)	(2.90)
Closing defined benefit obligation	**1.93**	**1.68**

The principal assumptions used in determining gratuity benefit obligations are given below:

	As at December 31 2009	As at March 31, 2009
Discount rate	7.70%	7.95%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current period and previous year are as follows:

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009
Defined benefit obligation	1.93	1.68
Plan assets	-	-
Surplus / (Deficit)	(1.93)	(1.68)
Experience adjustments on plan liabilities	(0.41)	(2.18)

11. **Segment reporting**

The Group is engaged in the business of real estate development in India. Since, the Group's business activity primarily falls within a single business and geographical segment, no further disclosures are required, other than those already provided.

12. **Leases**

The Group has taken office, vehicles and other facilities under cancelable and non-cancelable operating leases, which are renewable on a periodic basis. The total lease expense for such leases recognized in the Profit and Loss Account is Rs.9.11 Million (March 31, 2009: Rs.17.70 Million). The future minimum lease payments for non-cancelable operating leases is as follows:

(Rupees in Million)

Particulars	As at December 31, 2009	As at March 31, 2009
Not later than one year	0.19	1.01
Total	**0.19**	**1.01**

13. **Deferred tax**

The break up of net deferred tax asset is as follows:

(Rupees in Million)

Particulars	As at December 31, 2009	As at March 31, 2009
Differences in depreciation in block of fixed assets as per tax books and financial books	0.95	1.07
Effect of expenditure debited to profit and loss account in the current period but allowed for tax purposes in following years	2.55	16.29
Effect of carry forwarded of losses	4.45	-
Net deferred tax asset	**7.95**	**17.36**

14. The Group has paid advance against property amounting to Rs.12.5 Million as at December 31, 2009 (March 31, 2009: Rs.12.5 Million), based on memorandum of understanding executed by the Group, which is under dispute amongst the Group and the other party to the arrangement. Based on the advice of the Group's external legal counsel and based on an opinion from an independent lawyer, the Group is confident that the dispute proceedings would be in the favour of the Group and the realisable value will be atleast equal to its carrying value. Accordingly, the management is of the view that no provision is required to be made in respect of the carrying value of the aforesaid advance against property as at December 31, 2009.

15. Details of amounts included in the Restated consolidated financial statements for the Groups' proportionate share of the assets, liabilities, income and expenses (before eliminations) of the joint venture are as follows:

(Rupees in Million)

Particulars	December 31, 2009	March 31, 2009
Reserves and surplus		
Profit and loss account (Debit balance)	1.53	1.81
Loan funds		
Secured loans	10.07	12.14
Unsecured loans	21.64	41.65
Current assets, loans and advances		
Inventories	66.52	82.35
Sundry debtors	11.71	14.37
Cash and bank balances	12.44	6.01

Loans and advances	113.52	128.07
Current liabilities and provisions		
Current liabilities	103.45	121.84
Income		
Income from operations	50.62	62.13
Expenditure		
Cost of sales	36.65	47.95
Operating and other expense	0.14	0.11

16. On September 24, 2009, NEL has invested a sum of Rs.49.99 Million in the equity shares (99.9%) of Nitesh Housing Developers Private Limited ('NHDPL'), a subsidiary of the Company. Subsequently, on September 25, 2009, NEL sold 10.1% of its investment in NHDPL to another party ('the Buyer'). As at December 31, 2009, the Company holds 89.9% of the equity share capital of NHDPL.

On September 25, 2009, NEL, NHDPL, the Buyer and Mr Nitesh Shetty have entered into an agreement whereby NHDPL would issue and allot to the Buyer, 6,200,000 Debentures of Rs.100 each aggregating to Rs.620 Millon secured by way of pledge of the entire shareholding of NEL in NHDPL and a part of shareholding of Mr Nitesh Shetty in NEL, equitable mortgage of project specific properties and hypothecation of receivables of such projects and further secured by corporate guarantee of NEL and personal guarantee of Mr Nitesh Shetty. Further, the Buyer has a put option to require Mr Nitesh Shetty to buy the 505,000 shares purchased from NEL under the terms of the agreement. The Buyer has the option to exercise conversion of such Debentures into preference shares of NHDPL after August 31, 2010 or secure the redemption of the same by NHDPL anytime on or after September 5, 2010 and no later than September 20, 2012. NHDPL has the option to redeem the Debentures to the extent of Rs.500 Millon on or before March 31, 2010 and obligation to redeem all the Debentures on September 20, 2012. The Debentures are redeemable at a price that shall entitle the Buyer to a pre-tax IRR of 18% p.a. on the subscribed amount if on such date of redemption NEL has not completed its initial public offering ('IPO'), or a post-tax IRR of 25% p.a., if on the date of redemption NEL has completed its IPO.

NHDPL has issued Debentures amounting to Rs.500 Millon as at December 31, 2009 and has accrued as interest the minimum IRR of 18% on the Debentures for the period ended December 31, 2009. In view to the uncertainty as to whether the Buyer would seek for redemption or conversion of the Debentures and subject to completion of the IPO of NEL, the additional return, if any, on the Debentures amounting to Rs.20 million for the period ended December 31, 2009 has not been provided for.

17. The Company invested/acquired equity interest in a subsidiary company only in the year ended March 31, 2009. Accordingly, the restated consolidated financial information have been furnished for the year ended March 31, 2009 and for nine months period ended December 31, 2009.

NITESH ESTATES LIMITED

ANNEXURE - XXIII

DETAILS OF LOANS & ADVANCES

		(Rupees in Million)
	As at December 31, 2009	**As at March 31, 2009**
Unsecured, Considered good		
Advances recoverable in cash or in kind or for value to be received	847.80	392.02
Advance against property (refer note below and note 14 in Annexure XXII)	718.36	613.98
Share application money (refer note 7(b) in Annexure XXII)	50.00	50.00
Sundry deposits	82.44	13.06
Advance income tax (net of provision)	-	6.05
Total	**1,698.60**	**1,075.11**

Note:
Advances/deposits against property though unsecured, are considered good as the advances/deposits have been given based on arrangements/memorandum of understanding executed by the Group. The Group/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation. Advances against property includes Rs.30 million in respect of which the Group holds guarantee from a bank.

Amounts due from promoters / promoter group companies/ directors/ relatives of directors/ associate companies:

		(Rupees in Million)
	As at December 31, 2009	**As at March 31, 2009**
Mr. Nitesh Shetty	8.86	10.68
Mr. L.S.Vaidyanathan	1.61	1.46
Mr. Joji Reddy	21.43	26.69
Mr. Showrie Reddy	26.19	32.62
Madison Developers Private Limited	230.50	26.04
Nisco Ventures Private Limited	44.28	14.06
Nitesh Boat Club Development Private limited	3.27	3.24
Nitesh Devanahalli Township Private limited	3.19	0.87
Nitesh Estates Projects Private Limited	194.65	51.35
Nitesh Housing Developers Private Limited	-	0.03
Nitesh Infrastructure and Construction	15.40	15.78
Nitesh Infrastructure Private Limited	-	

		0.12
Nitesh Kochi Projects and Developers Private Limited	0.00	0.03
Nitesh Land Holdings Private Limited	0.02	0.02
Nitesh Mylapore Developers Private limited	10.91	10.90
Richmond Trading Entreprises	40.13	5.78

Notes:

1. The list of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.

2. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

NITESH ESTATES LIMITED
ANNEXURE - XXIV
DETAILS OF SUNDRY DEBTORS

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	60.99	39.78
Other debts	161.35	206.29
Total	**222.34**	**246.07**

Amounts due from promoters / promoter group companies/ directors/ relatives of directors/ associate companies

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009
Mr. Nitesh Shetty	0.09	0.13
Mr. Mahesh Bhupathi	0.15	0.65
Mr. CGK Bhupathi	0.12	0.17
Nitesh Estates - Whitefield	57.00	54.72
Nitesh Estates Projects Private Limited	-	95.00
Nitesh Residency Hotels Private Limited	4.68	-

Notes :

1. The list of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.

2. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

NITESH ESTATES LIMITED

ANNEXURE - XXV

DETAILS OF INVESTMENTS

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009
Long Term Investments (Unquoted, at cost)		
A. Non-trade		
Government Securities (National Savings Certificate)	0.06	0.06
B. Trade Investments		
Equity shares of Rs.10 each fully paid up in Nitesh Residency Hotels Private Limited [net of Rs. 0.95 million (March 31, 2009: Nil) towards Share in loss of Associate] (includes Rs.4.17 million (March 31, 2009: Nil) of goodwill arising on acquisition of shares in the associate company) (also refer note 6d(iii) in Annexure XXII)	279.85	17.68
0.01% optionally convertible redeemable non-cumulative preference shares of Rs.10 each fully paid up in Nitesh Residency Hotels Private Limited	-	159.12
C. Share application money pending allotment		
Nitesh Kochi Project and Developers Pvt. Ltd.	8.69	-
Current Investments (Quoted, at lower of cost and market value)		
A. In Mutual Fund Units		
Units of Rs. 10 each in Baroda Pioneer PSU Bond Fund	1.00	-
Units of Rs. 10 each in HDFC Cash Management Fund	0.03	-
Total	**289.63**	**176.86**
Aggregate Book value of quoted investments	1.03	NA
Aggregate Market value of quoted investments	1.04	NA
Aggregate Book value of unquoted investments	288.59	176.86
Investments purchased and sold during the period/year:		
- 505,000 equity shares of Rs.10 each fully paid up in NHDPL	5.05	-
- 19,972,087.93 units of Rs. 10 each in HDFC Cash Management Fund	200.35	-

Note:

The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

NITESH ESTATES LIMITED

ANNEXURE - XXVI

STATEMENT OF RESTATED ACCOUNTING RATIOS

	As at and for nine months ended December 31, 2009	As at and for the year ended March 31, 2009
Weighted average number of equity shares used in calculating basic EPS	69,670,556	68,024,600
Add: Weighted average number of equity shares which would have been issued on allotment against share application money	809,220	1,728,340
Weighted average number of Equity Shares used in calculating Diluted EPS (refer note 5 below)	70,479,776	69,752,940
Total number of equity shares outstanding at the end of the period/ year (refer note 4 below)	69,783,100	68,024,600
Earnings/(Loss) per share (Basic) (Rs.)	(0.19)	0.41
Earnings/(Loss) per share (Diluted) (Rs.) (refer note 5 below)	(0.19)	0.40
Return on Net Worth (%)	-1.91%	5.01%
Net Asset Value Per Share (Rs.) (refer note 4 below)	9.95	8.12

Notes:

1. The ratios have been computed as below:-

	Net profit/(loss), as restated for the period/year attributable to Equity Shareholders
Earnings/(Loss) Per Share (Basic)	--
	Weighted Average number of Equity Shares outstanding during the period/year
	Net profit/(loss), as restated for the period/year attributable to Equity Shareholders
Earnings/(Loss) Per Share (Diluted)	--
	Weighted Average number of Dilutive Equity Shares outstanding during the period/year
	Net Profit/(Loss) after tax, as restated
Return On Net worth (%):	--
	Net Worth at the end of the period/year
	Net Worth at the end of the period/year
Net Asset Value per Share (Rs.):	---
	Equity shares outstanding at the end of the period/year

Net profit/(loss), as restated as appearing in the Consolidated Restated Summary Statement of Profits and Losses of the Group has been considered for the purpose of computing the above ratios.

2. Net worth= Equity share capital+ Securities Premium Account (+/-) Surplus in the Profit and Loss Account. Networth, as restated, as appearing in the consolidated Summary of Assets and Liabilities has been considered.

3. At the extra-ordinary general meeting of the shareholders held on October 9,2009, the Company has issued 62,804,790 equity shares as bonus shares to the existing shareholders by way of capitalization of securities premium and balance in the profit and loss account in the ratio of nine equity shares for every one equity share held. In accordance with Accounting Standard -20 "Earnings Per Share", the aforesaid bonus shares have been appropriately adjusted in computation of the Earnings per share for all periods presented above.

4. Net Asset Value per share has been computed after adjusting the number of equity shares outstanding at the end of the period/year, for the aforesaid bonus shares.

5. Since diluted loss per share reduces after considering the potential dilutive equity shares, the same is considered to be anti-dilutive and has not been considered for the computation of diluted EPS in accordance with the Accounting Standard – 20 Earnings Per Share, notified by Companies (Accounting Standards) Rules, 2006 (as amended).

6. The above are based on the Restated Consolidated Summary Statement of Assets and Liabilities and Profit and Losses of the Group.

NITESH ESTATES LIMITED
ANNEXURE - XXVII
DETAILS OF UNSECURED LOANS

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009
Short term loans:		
a. From a Director	27.12	27.52
b. From others	21.64	41.64
TOTAL	**48.76**	**69.16**

Amounts due from promoters / promoter group companies/ directors/ relatives of directors/ associate companies

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009
Mr. Nitesh Shetty	27.12	27.52

Notes:

1. The loan taken from Mr. Nitesh Shetty and oustanding as at December 31, 2009 is repayable on demand and is interest free.
2. The List of persons / entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.
3. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

NITESH ESTATES LIMITED
ANNEXURE - XXVIII(a)
DETAILS OF SECURED LOANS

(Rupees in Million)

	As at December 31, 2009	As at March 31, 2009
a. Debentures		
Secured Redeemable optionally convertible debentures of Rs.100 each	500.00	-
b. From Banks:		
Term loans	162.52	52.11
Vehicle loans	0.18	0.40
Interest accrued and due	0.24	0.13
c. From Others:		
Term loans	712.86	702.50
Vehicle loans	2.33	4.60
Other loans	500.00	500.00
Interest accrued and due	13.21	68.40

TOTAL	**1,891.34**	**1,328.14**

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.
2. Also refer Annexure XXVIII (b)

ANNEXURE XXVIII (b)

DETAILS OF SECURED LOANS

Rupees in Million

Name of the lender/ (Borrower)	Nature of Loan	Purpose of Loan	Outstanding as at December 31, 2009	Installment amount/ Repayment/ Reschedulement	Rate of interest p.a. (%)	Penalty/ default	Security
HDFC Ltd / (Nitesh Estates Limited)	Term Loan	Project loan for Construction of the residential project "Nitesh Forest Hills" Phase I located at Seegahalli Village, Bidarahalli Hobli, Bangalore.	497.90	Rs.40 million per month from April 2010 to February 2011 and one installment of Rs.60 million during March 2011 or earlier at the lenders' option. In addition to the aforesaid repayment terms, the Lender has a right to appropriate sales receivables of specified projects towards the principal amount outstanding.	HDFC's Corporate Prime Lending Rate at the time of entering into agreement. Current rate is 14.75%	Penal interest of 24% p.a. for delayed payment of principal and interest. (as per loan agreement)	(1) Mortgage of property situated at Sy. No. 49/1,50/1,51, 50/3 located at Chikkasane Village, Kasaba Hobli, Devanahalli Taluk, Bangalore (Nitesh Key Biscayne); (2) Mortgage of property in the project Nitesh Canary Wharf of SBUA 2800 sft of flat located at no. 3, Bride Street, Langford Town, Bangalore; (3) Mortgage of property located at Sy. no. 514/5, 514/8, 514/3, 514/10, 506/1, 506/2, 506/4 of Kakkanadu Village, Trikarakkara Grama Panchayat, Kanayannur Taluk, Ernakulam Dist, Kochi, vacant land admeasuring 4 acres; (4) Hypothecation of sales receivables of: (a) Nitesh Canary Wharf, Bangalore, (b) Wimbledon Garden, Kochi, (c) Nitesh Key Biscayne, Bangalore, (d) Nitesh Central Park, Bangalore and (e) Nitesh Buckingham Gate, Bangalore, through Escrow Account; (5) Personal Guarantee of Mr. Nitesh Shetty; (6) Demand promissory note issued by Nitesh Estates Limited for the amount of the loan.

HDFC Ltd / (Nitesh Estates Limited)	Term Loan	Construction finance loan for Nitesh Wimbledon Gardens, Kakkanad, Kochi.	228.17	Rs.30 million per month from April 2010 to January 2011 and Rs.40 million per month from February 2011 to June 2011.	HDFC's Corporate Prime Lending Rate at the time of entering into agreement. Current rate is 15.25%	Penal interest of 24% p.a. for delayed payment of principal and interest. (as per loan agreement)	(1) Mortgage of property financed (Nitesh Estates Limited share) located at Sy. no. 514/10, 506/1, 514/11, 506/1, 514/10, 514/10, 506/2, 514/5, 514/8, 514/3, 514/3, 506/4, 506/4 and 506/3 of Kakkanad Village, Trikkakkara Grama Panchayat, Kanayannur Taluk, Ernakulam, Kochi, Kerala, land admeasuring 8.02 acres and built up area thereon being constructed. (2) Personal guarantee of Mr. Nitesh Shetty and other party in the joint development arrangement. (3) Corporate Guarantee of other party in the joint development arrangement. (4) Demand promissory notes issued by Nitesh Estates Limited for the amount of the loan.
Bank of Baroda / (Nitesh Estates Limited)	Term Loan	To part fund residential construction project, "Nitesh Forest Hills", Whitefield, Bangalore.	152.69	Ten installments of Rs.23.5 million starting from March 2010.	13.50%i.e., 1 % over Bank's Prime Lending Rate	Penal interest @ 2% p.a. will be charged for (1) Non/delayed submission of Balance sheet /Profit and Loss Account;(2) Late payment of instalment / interest;(3) Non-compliance of any of the terms & conditions of	(1) Equitable mortgage of Company's undivided share in the land situated at Seegehalli Village, bearing Sy. No. 120/1, 120/2, 120/3, 123/1&2, 123/3, Bidarahalli Hobli, Bangalore East Taluk and residential building to be constructed thereon on pari passu basis with Oriental Bank of Commerce. (2) Personal guarantee of Mr. Nitesh Shetty , Managing Director and Mrs. Pushpalatha Shetty, Director of the Company.

						sanction.	
HDFC Bank / (Nitesh Estates Limited)	Vehicle Loan	Purchase of vehicle	0.17	Equal Monthly Instalment of Rs. 0.03 p.m for 36 months.	11.76%	-	Secured by way of hypothecation of vehicles acquired out of the loan proceeds
Kotak Mahindra Prime Ltd. / (Nitesh Estates Limited)	Vehicle Loan	Purchase of vehicles	2.33	Equal Monthly Instalment of Rs. 0.25 p.m for 36 months.	10.25% to 11.12%	-	Secured by way of hypothecation of vehicles acquired out of the loan proceeds

HDFC Asset Management Company Limited / (Nitesh Housing Developers Private Limited ('NHDPL'))	Debentures	General purpose	500.00	Secured redeemable optionally convertible debentures of Rs.100 each. The Debenture holder has the option to exercise conversion of Debentures into preference shares of NHDPL after August 31, 2010 or secure the redemption of the same by NHDPL anytime on or after September 5, 2010 and no later than September 20, 2012. NHDPL has the option to redeem the Debentures to the extent of Rs.500 million on or before March 31, 2010 and obligation to redeem all the Debentures on September 20, 2012.	Pre-tax IRR of 18% p.a. if on the date of redemption NEL has not completed its initial public offering ('IPO'), or a post-tax IRR of 25% p.a., if on the date of redemption NEL has completed its IPO.	Debentures are redeemable in a manner such that the debenture holder gets a post tax IRR of 28% p.a.	(1) Equitable mortgage of the following projects: (a) Napa Valley (Residential Villas) located in Survey no. 24, Vadeyarapura Village, Yelahanka hobli, Bangalore North Taluk (b) Wimbledon Gardens (Residential) Kochi - High rise apartments- located in Survey no. 506/1,506/2,506/3,506/4,506/13,514/1,514/3, 514/5,514/8,514/10, Kakkanadu Village, Kanayannur District, Ernakulam, Kochi (c) Wimbledon Gardens (Commercial) Kochi - Mixed use of office and retail space- located in Survey no. 506/1,506/2,506/3,506/4,506/13, 514/1,514/3,514/5,514/8,514/10, Kakkanadu Village, Kanayannur District, Ernakulam, Kochi (d) Nitesh Key Biscayne - Residential Villas - located in Survey no. 49/1 50/1,50/3,51, Chikkasane Village, Kasaba Hobli, Devanahalli Taluk, Bangalore Dist.(2) Hypothecation of receivables of the following projects: (a) Hyde Park - Residential Apartments (b) Wimbledon Gardens (Residential) (c) Wimbledon Gardens (Commercial) (d) Nitesh Key Biscayne - Residential Villas(3) Corporate guarantee of Nitesh Estates Limited;(4) Personal guarantee of Mr. Nitesh Shetty;(5) Pledge of the entire shareholding of the Company in NHDPL and a part of shareholding of the Managing Director of the Company in the Company.

Udhay-GK Realty Private Limited / (Nitesh Indiranagar Retail Private Limited)	Other loans	General purpose	500.00	Principal amount and the accumulated interest was supposed to be repaid by the borrower on or before October 29, 2008 based on the earlier agreement.Based on Supplementary agreement of September 30, 2009, the principal amount and the accumulated interest are repayable on or before March 31, 2010.	20% p.a compounded monthly basis on the outstanding balance amount, from the date of execution of agreement till June 30, 2009 and 20% per annum compounded half-yearly basis on the outstanding principal amount from July 1, 2009 onwards.	Penal interest of 2% p.a. for delayed payment of principal and interest.	(1) Registered Mortgage by deposit of title deeds of the following properties: a. Property situated at Vadeyarapura Village,Yelahanka Hobli, Bangalore North Taluk, measuring 2 acres and 34 guntas, b. Property situated at Netaji road, Pulakeshi Nagar, Bangalore, totally measuring 12826 sq. ft. (2) Personal guarantee of Mr. Nitesh Shetty;(3) Corporate guarantee of Nitesh Estates Projects Private Limited;(4) Pledge of equity shares held by Mr. Nitesh Shetty in NEL.
Oriental Bank of Commerce / (Nitesh Estates-Whitefield)	Term Loan,being the Company's share in the Association of Persons - Nitesh Estates - Whitefield	To fund residential construction project, "Nitesh Forest Hills", Whitefield, Bangalore.	10.08	Ten monthly installments of Rs. 2.5 Million starting from March 2010.	14 % which is 2 % above Prime lending rate	Penal interest at 2% per annum over and above the applicable rate.	(1) Assignment of receivables from the sale of flats of Nitesh Forest Hill project, Whitefield, Bangalore; (2) Equitable Mortgage of 4 acres 21 guntas of land in the Survey no. 120/3, 123/1, 123/2 and 123/3 situated at Seegehalli, Bidarahalli, Hobli, Bangalore along with the entire built up area under construction thereon; (3) Personal guarantee of Mr. Nitesh Shetty; (4) Corporate guarantee of Nitesh Estates Limited.
Grand Total			**1,891.34**				

NITESH ESTATES LIMITED

ANNEXURE - XXIX

DETAILS OF OTHER INCOME

(Rupees in Million)

	Nine months ended December 31, 2009	Year ended March 31, 2009	Nature Recurring/ Non-Recurring	Related/ Not Related to Business Activities
Sources of other income				
Interest income	5.45	0.82	Recurring	Not Related
Profit on sale of investments in subsidiary company (Refer note 16 in Annexure XXII)	174.95	-	Non-Recurring	Not Related
Profit on sale of assets, net	0.03	-	Non-Recurring	Related
Dividend income from current investments in mutual funds units	0.38	-	Recurring	Not Related
Miscellaneous income	0.28	0.21	Non-Recurring	Related
Total	**181.09**	**1.03**		
Net profit before tax, as restated	19.01	40.48		
Other Income, as restated	181.09	1.03		
% of Other income to net profit before tax, as restated	952.60%	2.54%		

Notes:

1. The classification of 'Other Income' as Recurring / Non Recurring and Related / Not Related to business activities is based on the current operations and business activities of the Group as determined by the management.

2. The figures disclosed above are based on the Restated Consolidated Summary Statement of Profits and Losses of the Group.

NITESH ESTATES LIMITED

ANNEXURE - XXX

CAPITALISATION STATEMENT

(Rupees in Million)

	Pre-issue as at December 31, 2009	As adjusted for issue
Borrowings		
Short-term debt (refer note 7 below)	1,809.74	
Long-term debt	130.36	
Total Debt	**1,940.10**	
Shareholders' Funds		
Share Capital		
- Equity Shares	697.83	
Reserves and Surplus		
- Surplus / (deficit) in Profit and Loss Account	(3.73)	
Total Shareholders' Funds	**694.10**	
Long-term Debt/Equity Ratio	**0.19**	

Notes

1. Short term debt represent debt which are due within twelve months from December 31, 2009.

2. Long term debt represent debt other than short term debt, as defined above.

3. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilites of the Group as at December 31, 2009.

4. Long Term Debt / Equity = $\frac{\text{Long Term Debt}}{\text{Shareholders' Funds}}$

5. The corresponding Post Issue data is not determinable at this stage pending the completion of Book Building Process and hence have not been furnished.

6. At the extra-ordinary general meeting of the shareholders held on October 9, 2009, the Company has issued 62,804,790 equity shares as bonus shares to the existing shareholders by way of capitalization of securities premium and balance in the profit and loss account in ratio of nine equity shares for every one equity share held.

7. In respect of the outstanding Debentures of Rs 500 million as discussed in note 16 in Annexure XXII, in view of the option available with NHDPL to redeem the same anytime on or before March 31, 2010 and also in view of the option available with the Debenture holders to seek redemption of the same anytime on or after September 5, 2010, solely, for the purposes of the classification of borrowings for the computation of Long Term Debt/Equity ratio, management has classified the outstanding Debentures as short-term debt.

8. In respect of certain loans outstanding, in addition to the fixed periodical repayment terms under the loan arrangements, the Lender has a right to appropriate sales receivables of specified projects towards the principal amount outstanding. The amounts that may be appropriated in future under such arrangement cannot presently be ascertained. Hence, the classification of the borrowings into short term/ long term debt has been based on the fixed periodical repayment terms under the loan arrangements.

NITESH ESTATES LIMITED

ANNEXURE XXXI

DETAILS OF SHARE CAPITAL

(Rupees in Million)

Particulars	As at December 31, 2009	As at March 31, 2009
Authorised Share capital:		
Equity shares of Rs.10 each	1,500.00	-
Equity shares of class " A" of Rs.10 each	-	96.00
Equity shares of class " B" of Rs.10 each	-	4.00
Total	**1,500.00**	**100.00**
Issued, Subscribed & paid up capital:		
Equity shares of Rs.10 each fully paid-up	697.83	-
Equity shares of class " A" of Rs.10 each fully paid up	-	68.02
Equity shares of class " B" of Rs.10 each fully paid up	-	-
Total	**697.83**	**68.02**

Notes:

1. At the Annual General Meeting of the Shareholders held on September 30, 2009, Class "B" equity shares are reclassified to be equal in all respects with Class "A" equity shares and in pursuance thereof, the share capital stands amended to one single class of equity shares. Accordingly, all outstanding Class "A" equity shares have been converted to a single class of equity shares of Rs.10 each.

2. At the Annual General Meeting of the shareholders held on September 30, 2009, the authorised share capital of the Company was increased from Rs. 100 million to Rs. 1,500 million .

3. At the Extra-ordinary General Meeting of the shareholders held on October 9, 2009, the Company has issued 62,804,790 shares as bonus shares to the existing shareholders by way of capitalisation of Securities Premium and balance in the profit and loss account in ratio of nine equity shares for every one equity share held.

4. During the year ended March 31, 2008, Class "B" equity shares were converted into Class "A" equity shares. Class "B" equity shares ranked equally in all respects with Class "A" equity shares.

5. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

NITESH ESTATES LIMITED

ANNEXURE - XXXII

DETAILS OF RESERVES & SURPLUS

(Rupees in Million)

Particulars	As at December 31,2009	As at March 31, 2009
Reserves and surplus:		
Securities Premium (refer note 1 below)	-	413.68
Surplus / (deficit) in Profit & Loss account	(3.73)	70.54
Total	**(3.73)**	**484.22**

Note:

1. At the extra-ordinary general meeting of the shareholders held on October 9, 2009, the Company has issued 62,804,790 equity shares as bonus shares to the existing shareholders by way of capitalization of securities premium and balance in profit and loss account in the ratio of nine equity shares for every one equity share held.

2. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

NITESH ESTATES LIMITED

ANNEXURE - XXXIII

DETAILS OF FIXED ASSETS

(Rupees in Million)

Particulars	As at December 31, 2009			As at March 31, 2009		
	Gross	Acc Depn	Net	Gross	Acc Depn	Net
Leasehold Improvements	12.65	3.13	9.52	12.65	2.31	10.34
Computers	8.39	6.05	2.34	8.34	5.03	3.31
Office Equipment	6.91	2.28	4.63	6.64	1.76	4.88
Furniture & Fittings	5.74	2.23	3.51	5.73	1.68	4.05
Motor Cars	14.16	7.69	6.47	14.71	6.43	8.28
Intangible assets - Computer Software	4.48	0.97	3.51	4.48	0.34	4.14
Total	**52.33**	**22.35**	**29.98**	**52.55**	**17.55**	**35.00**

Note:

The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

NITESH ESTATES LIMITED

ANNEXURE XXXIV

DETAILS OF INVENTORIES

(Rupees in Million)

Particulars	As at December 31 2009	As at March 31, 2009
Land cost	172.76	375.98
Other costs	114.27	125.05
Total	**287.03**	**501.03**

Note:

The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

SUMMARY AUDITED BALANCE SHEET, PROFIT & LOSS AND CASH FLOWS STATEMENT OF OUR SUBSIDIARIES AND ASSOCIATE COMPANY

I. Nitesh Indiranagar

NITESH INDIRANAGAR RETAIL PRIVATE LIMITED

SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Particulars	(Rupees in Million) As at March 31, 2009	As at March 31, 2008
(A) Fixed Assets:		
Gross Block		
Less: Depreciation		
Net Block		
Capital Work in Progress (including Capital Advances)	**120.46**	**11.31**
Total	**120.46**	**11.31**
(B) Current Assets, Loans and Advances		
Cash and Bank balances	6.58	0.30
Loans and Advances	591.14	40.85
Total	597.72	41.15
(C) Total Assets - (A) + (B)	**718.18**	**52.46**
(D) Liabilities & Provisions:		
Secured Loans	557.84	
Unsecured Loans	29.84	-
Current Liabilities	15.43	0.04
Total - (E)	603.11	0.04
Net Worth / (deficit) (E) - (F)	**115.07**	**52.42**
Net Worth represented by:		
Share Capital		
- Equity Shares	11.60	0.10
Share application money pending allotment		52.35

Reserves and Surplus		
- Securities Premium	103.50	
- Surplus/(Deficit) in Profit and Loss Account		
Miscellaneous expenditure (to the extent not written off)	(0.03)	(0.03)
Net Worth / (deficit)	**115.07**	**52.42**

There is no Profit &Loss for the company for the financial years ending March 31, 2009 and March 31, 2008.

NITESH INDIRANAGAR RETAIL PRIVATE LIMITED

STATEMENT OF CASH FLOWS

Particulars	**(Rupees in Million)** As at March 31, 2009	As at March 31, 2008
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before working capital changes		
Movement in working capital:		
(Increase) / decrease in loans and advances and other current assets	(550.28)	(40.85)
Increase / (decrease) in current liabilities and provisions	15.38	0.05
Cash (used in) /generated from operation	(534.90)	(40.80)
Income tax paid (net)		(0.04)
Net cash (used in) generated from operations	(534.90)	(40.84)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Capital Work in Progress	(109.15)	(11.31)
Net cash from/ (used in) from investing activities - (B)	(109.15)	(11.31)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	11.49	0.10
Proceeds from share application (pending allotment)	(52.35)	52.35
Proceeds from share premium	103.50	
Proceeds from secured loans	557.84	
Proceeds from unsecured loan	29.84	
Net cash from/(used in) financing activities -(C)	**650.32**	**52.45**
Net increase / (decrease) in cash or cash equivalents - (A+B+C)	6.28	0.30
Cash and cash equivalents as at beginning of the year	0.30	
Cash and cash equivalents as at the end of the year	6.58	0.30

Components of cash and cash equivalents:		
Cash on hand	6.10	**0.00**
Balances with scheduled banks:		
In Current accounts	0.48	0.30
Cash & Cash Equivalents in Cash Flow Statement	6.58	0.30

II. Nitesh Housing

NITESH HOUSING DEVELOPERS PRIVATE LIMITED

SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Particulars	(Rupees in Million) As at March 31, 2009	As at March 31, 2008
(A) Current Assets, Loans and Advances		
Cash and Bank balances	0.10	0.20
Loans and Advances		
Other Current Assets		
Total	0.10	0.20
(E) Total Assets - (A)	**0.10**	**0.20**
(F) Liabilities & Provisions:		
Unsecured Loans	-	0.10
Current Liabilities	0.06	0.03
Provisions		
Total - (F)	0.06	0.13
Net Worth / (deficit) (E) - (F)	**0.04**	**0.07**
Net Worth represented by:		
Share Capital		
- Equity Shares	0.10	0.10
Miscellaneous expenditure (to the extent not written off)- Preliminary expenss	(0.01)	(0.01)
Pre operative expenses	(0.05)	(0.02)
Net Worth / (deficit)	**0.04**	**0.07**

There is no Profit and Loss or cash flows for the company for financial years ending March 31, 2009 and March 31, 2008.

III. Nitesh Residency

NITESH RESIDENCY HOTELS PRIVATE LIMITED

SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at March 31, 2009	As at March 31, 2008	(Rupees in Million) As at March 31, 2007
(A) Fixed Assets:			
Gross Block	443.53	443.53	408.49
Less: Depreciation	0.39	0.20	
Net Block	443.14	443.33	408.49
Capital Work in Progress (including Capital Advances)	**954.33**	**542.52**	**77.79**
Total	**1,397.47**	**985.85**	**486.28**
(B) Investments	-	-	-
(C) Deferred Tax Asset, net	-	-	-
(D) Current Assets, Loans and Advances			
Cash and Bank balances	102.56	327.45	21.36
Loans and Advances	80.04	101.32	101.00
Other Current Assets	105.23	19.04	4.91
Total	287.83	447.81	127.27
(E) Total Assets - (A) + (B) + (C) + (D)	**1,685.30**	**1,433.66**	**613.55**
(F) Liabilities & Provisions:			
Secured Loans	701.04	463.77	-
Unsecured Loans	-	-	
Current Liabilities	45.80	27.16	9.32
Provisions	2.76	0.56	0.05
Total - (F)	749.60	491.49	9.37
Net Worth / (deficit) (E) - (F)	**935.70**	**942.17**	**604.18**
Net Worth represented by:			
Share Capital			
- Equity Shares	269.95	269.95	115.11
Share application money pending allotment			

Reserves and Surplus			
- Securities Premium	683.85	683.85	490.71
- Surplus/(Deficit) in Profit and Loss Account			
Miscellaneous expenditure (to the extent not written off)			(1.64)
Profit & Loss account	(18.10)	(11.63)	
Net Worth / (deficit)	**935.70**	**942.17**	**604.18**

NITESH RESIDENCY HOTELS PRIVATE LIMITED

SUMMARY STATEMENT OF PROFITS AND LOSSES

Particulars	**(Rupees in Million)** **As at March 31, 2009**	**As at March 31, 2008**
Income		
Income from Operations	-	-
Other income	2.04	3.48
Total Income	**2.04**	**3.48**
Expenditure		
Administrative and other expenses	5.21	11.79
Miscellaneous expenditure written off		1.64
Depreciation	0.19	0.19
Total expenditure	**5.40**	**13.62**
Profit/(loss) before Taxation	(3.37)	(10.14)
Provision for taxation:		
Current tax	3.06	1.35
Deferred tax		
Fringe benefit tax	0.04	0.14
Total Tax Expenses/ (Credit)	3.10	1.49
Profit /(loss) for the year	(6.47)	(11.63)
Balance brought forward from previous year	(11.63)	
Balance carried to the balance sheet	(18.10)	(11.63)

NITESH RESIDENCY HOTELS PRIVATE LIMITED

STATEMENT OF CASH FLOWS

Particulars	**(Rupees in Million)** **As at March 31, 2009**	**As at March 31, 2008**
Net Profit/(Loss) before tax	(3.37)	(10.14)

Adjustments for:		
Depreciation	0.19	0.19
Unrealised exchange loss/ (gain)		(0.36)
Miscellaneous expenses written off		1.64
Interest income	(9.29)	(4.61)
	(12.47)	(13.28)
CASH FLOWS FROM INVESTING ACTIVITIES		
Adjustments for changes in current assets and liabilities:		
(Increase)/ decrease in other current assets	(2.95)	0.95
(Increase)/ decrease in loans and advances	(60.41)	(14.13)
Increase/ (decrease) in current liabilities and provisions	18.64	17.73
Adjustment for unrealised exchange (loss)/ gain		0.36
	(57.19)	(8.37)
Direct taxes paid	(0.90)	(0.87)
Purchase of fixed assets		(35.03)
Addition to capital work-in-progress	(333.89)	(456.98)
Interest received	8.33	3.34
Net cash from/ (used in) investing activities	**(383.65)**	**(497.91)**
B) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share capital (including share application)		154.84
Securities premium received		193.14
Proceeds from long term borrowings	238.04	462.50
Interest paid	(79.29)	(6.47)
Net cash from/ (used in) financing activities	**158.75**	**804.01**
Net increase/(decrease) in cash and cash equivalents	**(224.90)**	**306.10**
Cash and cash equivalents at the beginning of the year:		
Cash and Bank Balances	327.46	21.36
Cash and cash equivalents at the end of the year:		
Cash and Bank Balances	102.56	327.46

SUMMARY OF SIGNIFICANT DIFFERENCES AMONG INDIAN GAAP, U.S. GAAP AND IFRS

Our Company's financial statements are prepared in conformity with Indian GAAP, which differs in certain significant respects with U.S. GAAP and IFRS. Such differences involve methods for measuring the amounts shown in the financial statements of our Company, as well as additional disclosure required by U.S. GAAP and IFRS, which our Company has not prepared. The areas in which differences between Indian GAAP as compared to U.S. GAAP and IFRS could be significant to our Company's financial statement are summarized below. Potential investors should not construe this summary to be exhaustive or complete and should consult with their own professional advisors for a complete understanding and impact on the financial statements provided in this Red Herring Prospectus.

Further, our Company has not prepared financial statements in accordance with U.S. GAAP or IFRS. Accordingly, there can be no assurance that the summary is complete or that the differences described would give rise to the most material differences between Indian GAAP, U.S. GAAP and IFRS. In addition, we cannot presently estimate the net effect of applying U.S. GAAP or IFRS on our Company's financial statements provided in this Red Herring Prospectus, which may result in material adjustments when compared to Indian GAAP.

Further, no attempt has been made to identify future differences between Indian GAAP, U.S. GAAP and IFRS as a result of prescribed changes in accounting standards.

Subject	Indian GAAP	U.S. GAAP	IFRS
Historical Cost	Uses historical cost, but property, plant and equipment may be revalued. Certain derivatives are carried at fair value. On adoption of AS 30 and 31, certain categories of financial instruments will be reported at fair value. No comprehensive guidance on biological assets.	No revaluations, except certain types of financial instruments.	Uses historical cost, but intangible assets, property, plant and equipment and investment property may be revalued. Derivatives, biological assets and certain securities are revalued to fair value
Fair Presentation Override	The Accounting standards by their very nature cannot and do not override the local regulations which govern the preparation and presentation of financial statements in India	Extremely rare, SEC does not permit such override.	In rare cases, override of standards is permitted to give a 'true and fair view'.
First-time Adoption of Accounting Frameworks	First-time adoption of Indian GAAP requires retrospective application. In addition, some accounting standards specify transitional treatment upon first-time application of those standards.	Similar to Indian GAAP.	Full retrospective application of IFRS effective at the reporting date for an entity's first IFRS financial statements, with some optional exemptions and limited mandatory exceptions.
Changes in Accounting Policy	The effect of the change is included in current-year income statement. The impact of change is disclosed.	Similar to IFRS	Comparatives are restated, unless specifically exempted; where the effect of period(s) not presented is adjusted against opening retained earnings.

Subject	Indian GAAP	U.S. GAAP	IFRS
Correction of Errors	Restatement is not required. The effect of correction is separately disclosed in the statement of profit and loss in a manner that their impact on current profit or loss can be perceived.	Similar to IFRS.	Comparatives are restated and, if the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period are restated.
Extraordinary items	Defined as events or transactions clearly distinct from the ordinary activities of the entity and are not expected to recur frequently or regularly.	Defined as being both infrequent and unusual, and are rare.	Prohibited under IFRS.
Components of Financial Statements	<u>Single-entity parent company (unconsolidated)</u> – Balance sheet, profit and loss account, cash flow statement, accounting policies and notes are presented for the current year, with comparatives for the previous year. <u>Public listed entity -</u> Additionally are required to prepare consolidated financial statements along with the unconsolidated financial statements.	Similar to IFRS, except three years required for U.S. public companies for all statements except balance sheet where two years are provided. Specific accommodations in certain circumstances for foreign private issuers that may offer relief from the three-year requirement.	Two years' consolidated statement of financial position, comprehensive income, changes in equity, cash flows and notes comprising a summary of significant accounting policies and other explanatory information. A statement of financial position as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.
Balance Sheet	Accounting standards do not prescribe a particular format; certain items must be presented on the face of the balance sheet. Formats are prescribed by the Companies Act, 1956 and other industry regulations such as in the banking and insurance industries.	Entities may present either a classified or non classified balance sheet. Items on the face of the balance sheet are generally presented in decreasing order of liquidity. U.S. public listed companies should follow SEC regulations.	Format not prescribed. A liquidity presentation of assets and liabilities is used, instead of a current/ non-current presentation, only when a liquidity presentation provides more relevant and reliable information. Certain minimum items are presented on the face of the balance sheet.
Income Statement	Does not prescribe a standard format; but certain income and expenditure items are disclosed in accordance with accounting standards and the Companies Act, 1956. Industry-specific formats are prescribed by industry regulations.	Present as either in a single-step (where all expenses are classified by function and are deducted from total income to give income before tax) or multiple step (where cost of sales is deducted from sales to show gross profit, and other income and expense are then presented to give income before tax).	Does not provide a standard format, although expenditure is presented in one of two formats (function or nature). Certain minimum items must be presented on the face of the income statement.

Subject	Indian GAAP	U.S. GAAP	IFRS
		Expenditures are presented by function.	
Statement of Comprehensive Income	No separate statement is required.	Total comprehensive income and accumulated other comprehensive income are disclosed, presented either as a separate primary statement or combined with the income statement or with the statement of changes in shareholders' equity.	A Statement of Recognised Income and Expense (SoRIE) can be presented as a primary statement, in which case changes in shareholders' equity are not presented. Alternatively it may be disclosed separately in the primary statement of changes in shareholders' equity.
Statement of Changes in Shareholders' Equity	No separate statement required. Changes in shareholders' equity are disclosed in separate schedules of 'Share capital' and 'Reserve and surplus'.	Similar of IFRS except that the statement is presented as a primary statement; SEC rules allow certain information to be included in the notes and not in the primary statement.	The statement shows capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity. The statement is presented as a primary statement except when a SoRIE is presented. In this case, only disclosure in the note applies.
Cash Flow Statement	Standard heading, but limited guidance n contents. The cash flow statement may be prepared using the direct or indirect method. However, indirect method is required for listed companies and direct method for insurance companies. Cash flow statement is not mandatory for small and medium size companies (SMC)	Similar to Indian GAAP, but more specific guidance for items included in each category. U.S. Securities and Exchange Commission encourages the direct method but however the indirect method is permitted and more common in practice.	Same as Indian GAAP. The indirect method is more common.
Cash and Cash Equivalents	Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a maturity of three months or less from its acquisition date.	Similar to IFRS, except bank overdrafts are excluded.	Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a maturity of three months or less from its acquisition date. Cash may also include bank overdrafts repayable on

Subject	Indian GAAP	U.S. GAAP	IFRS
			demand but not short-term bank borrowings, which are considered to be financing cash flows.
Consolidation Model	Based on voting control or control over the composition of the board of directors or the governing body. Control exists when (a) parent owns, directly or indirectly through subsidiaries, more than one half of an entity's voting power or (b) it controls composition of an entity's board of directors so as to obtain economic benefit from its activities. The existence of currently exercisable potential voting rights is not taken into consideration. No specific guidance exist on consolidation of SPE. Preparation of consolidated financial statements mandated only for listed companies.	Focus is on controlling financial interests. All entities are first evaluated as potential variable interest entities (VIEs). If VIE, FIN 46 (revised), as amended by FAS 167, requires the primary beneficiary (determined based on the consolidation of power and benefits) to consolidate the VIE. Entities controlled by voting rights are consolidated as subsidiaries, but potential voting rights are not included in this consideration. "Effective control", which is similar notion to de facto control under IFRS, is very rare if ever employed in practice. If a SPE meets the definition of a qualified SPE (QSPE), the transferor does not consolidate the QSPE.	Based on voting control or power to govern. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise. Control also exist when the parent owns half or less of the voting power but has legal or contractual rights to control, or de facto control (rare circumstances). The existence of currently exercisable potential voting rights is not taken into consideration. Special purpose entities ("SPEs") controlled by an entity are also consolidated. Preparation of consolidated financial statements is mandatory.
Types of Business Combinations	No comprehensive accounting standard on business combinations. All business combinations are acquisition; except uniting of interests method is used in certain amalgamations when all the specified conditions are met. Accounting would differ for following: • an entity acquired and held as a subsidiary; • an acquisition by way of amalgamation of entity; and • an acquisition of business (assets and liabilities only).	Similar to IFRS. Accounted in a manner similar to a pooling of interests (historical costs)	All business combinations are acquisitions. IFRS recognizes 'reverse merger' accounting. Combination of entities in a common control: Outside the scope of IFRS 3 (R). In practice, either follow an approach similar to U.S. GAAP or apply the purchase method if there is substance to the transaction.
Purchase Method – Values on Acquisition	For an entity acquired and held as a subsidiary, the	Similar to IFRS, except noncontrolling is measured	Assets acquired and liabilities assumed

Subject	Indian GAAP	U.S. GAAP	IFRS
	acquired assets and liabilities assumed are incorporated at their existing carrying amounts for consolidation purposes On amalgamation, they may be incorporated at their existing carrying amounts or, alternatively, the consideration is allocated to individual identifiable assets and liabilities at their fair values. However a court order approving an amalgamation may provide different and/or additional accounting entries On business acquisition, they may be incorporated at their fair values or the value of assets surrendered. No separate restructuring provision is recognized on acquisition. Noncontrolling interest (Minority interest) is valued at their historical book value.	at fair value, which includes the noncontrolling interest's share of goodwill and separate recognition of an intangible asset or liability is required, regardless of whether the acquiree is the lessor or lessee. Other differences may arise due to different accounting requirement of other existing U.S. GAAP – IFRS literatures.	including contingent liabilities of acquired entity are valued at their respective fair value. Goodwill is recognized as the residual between the fair value of the consideration paid and the fair value of the net assets acquired. If control is obtained in a partial acquisition of a subsidiary, non-controlling interest is measured either at fair value including goodwill or its proportionate share of the fair value of the acquiree's identifiable net assets, exclusive of goodwill. Liabilities for restructuring activities are recognized only when the acquired entity has an existing liability at acquisition date. Liabilities for future losses or other costs expected to be incurred as a result of the business combination cannot be recognized. Separate recognition of an intangible asset or liability is required only if the acquiree is the lessee.
Purchase Method – Goodwill and Intangible Assets with Indefinite Useful Lives	Goodwill on consolidation and business purchase: No specific guidance – practice varies between no amortization versus amortization over a period not exceeding 10 years Goodwill on amalgamation: Amortized over its useful life not exceeding 5 years unless a longer period can be justified. Goodwill is reviewed for impairment at the cash generating unit ("CGU") level whenever there is a trigger or indication of impairment.	Similar to IFRS, although the level of impairment testing and the impairment test itself are different.	Capitalized but not amortized. Goodwill and indefinite-lived intangible assets are tested for impairment atleast annually at either the CGU level or groups of CGUs, as applicable.

Subject	Indian GAAP	U.S. GAAP	IFRS
	Intangible assets are not classified into indefinite useful lives category. All intangible assets are amortized over a period not exceeding 10 years.		
Purchase Method – Subsequent Adjustments to Fair Values	No change is permitted, except for certain deferred tax adjustments on carry forward losses or unabsorbed depreciation not recognized on amalgamation. It is permitted to be recognized if it becomes recognizable by the first annual balance sheet date subsequent to the amalgamation. All other subsequent adjustments are recorded in income statement.	Similar to IFRS.	Any adjustments to the provisional amounts during the measurement period will be reflected by retrospectively adjusting the provisional amounts and recasting the prior period information.
Employee Share Option Trust	Employee share option trusts are not consolidated.	Similar to IFRS, except where specific guidance applies for employee share ownership plans in SOP 93-6	Consolidated, where substance of relationship indicates control (SIC 12 model). Entity's own shares held by an employee share option trust are accounted for as treasury shares.
Revenue recognition — General Criteria	Two revenue recognition standards capture all revenu transactions within one of four board categories: ▪ Sales of goods ▪ Rendering of services ▪ Other's uses of entities assets ▪ Construction contracts Revenue recognition for each of these categories when risks and rewards have been transferred and the revenue can be measured reliably.	Similar to IFRS in principle, based on four key criteria. Extensive detailed guidance exists for specific types of transactions.	Based on several criteria, which require the recognition of revenue when economic benefits associated with the transaction will to the entity and the revenue and costs can be measured reliably. The principal laid down in each categories are generally to be applied with significant further rules and/ or exceptions.
Real Estate Sales	A construction contract specifically negotiated for construction of an asset or combination of assets fall within the scope of AS 7. Guidance note on Accounting for Real estate developers provides the key criterion to determine whether arrangement would come under scope of AS 7 or AS 9.	FAS 66 provide extensive guidance regarding recognition of profit and loss on sale of real estate. It differentiates between retail land sales and other sales of real estate. Revenues from retail land sales are to be reported using full accrual method subject to certain conditions. Other sales of real estate are accounted	IFRIC 15 (effective from annual period beginning on or after 1 January 2009, early adoption is permitted) provides guidance on agreement for the construction of real estate. The interpretation requires determining whether the construction activity falls within the scope of IAS 11 or IAS 18 (further in the

Subject	Indian GAAP	U.S. GAAP	IFRS
		using several other methods including the full accrual method, subject to certain conditions.	nature of sale of goods or sale of services); and provides detailed guidance of such determination and evaluation of contracts.
Construction contracts	Accounted for using the percentage of completion method. Completed contract method is prohibited. A zero-profit model is not used.	Similar to IFRS, except that completed contract method is permitted in rare circumstances. Further, within percentage of completion model there are two different acceptable approaches: the revenue approach and the gross-margin approach.	Accounted for using the percentage of completion method. Completed contract method is prohibited. When the outcome of a service transaction cannot be measured reliably, revenue may be recognised to the extent of recoverable cost incurred.
Barter Transaction	No specific guidance, hence, practice varies from transactions not being recorded or recorded at cost or fair value.	Similar to IFRS, expect that U.S. GAAP generally requires companies to use the fair value of goods and services surrendered as the starting point for measure barter transaction.	A non-monetary barter transaction of similar goods or services in not considered having commercial substance and hence the gain or loss from such transaction is not recorded. IFRS requires companies to look first to the fair value of the items received to measure the value of a barter transaction. When the value is not reliably determinable, the fair value of the goods of services surrendered can be used to measure the transaction.
Foreign Currency Transactions	Indian GAAP does not define or require determination of functional currency. Assumes an entity normally uses the currency of the country in which it is domiciled in recording its transaction. Foreign currency assets and liabilities are restated at the year-end exchange rate. Income statement items are translated at exchange rate at dates of transactions or average rate if rates do not fluctuate significantly	Similar to IFRS.	Functional currency is defined as the currency of the primary economic environment in which the entity operates. Transactions in currencies other than the 'functional currency' are accounted for at the exchange rate prevailing on the transaction date. Foreign currency assets and liabilities are restated at the year-end exchange rate. Income statement items are translated at exchange rate at dates of transactions or average rate if rates do not fluctuate significantly.
Financial Instruments	Classification based on	Investments in marketable	Measurement of assets

Subject	Indian GAAP	U.S. GAAP	IFRS
	nature and legal requirements. Preference shares are treated as capital, even though, in many cases, in substance, it may be a liability. Investments are classified as long-term investments and current investments. Long-term investments are carried at cost less impairment. The carrying amount for current investments is the lower of cost and fair value. Any reduction in carrying amount and any reversals are charged or credited to the income statement. Unrealized losses are charged to the income statement. Unrealized gains are not recorded except to restore previously recorded unrealized losses that may have reversed. On adoption of AS 30 and AS 31, accounting of financial instruments to be similar to IFRS.	equities and all debt securities are classified according to management's intent to hold into one of the following categories – held for trading, available for sale or held to maturity. Held for trading securities are marked to fair value with the resulting unrealized gain or loss recognized currently in the income statement. Held to maturity assets are measured at amortized cost.	depends on classification of investment – if held to maturity or loans and receivables, they are carried at amortized cost; others (i.e., financial assets at fair value through profit or loss or held for trading or available for sale) at fair value. Unrealized gains or losses, i.e., changes in fair value of financial assets on fair value through profit or loss classification (including held for trading) is recognized in income statement. Unrealized gains and losses, i.e., changes in fair value on available for sale investments are recognized in equity. Accounting for derivatives and hedging specifically delineated. Comprehensive disclosures are made for all financial instruments, on and off balance sheet.
Provisions	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated. Discounting is not permitted.	Similar to IFRS, with rules for specific situations such as environmental liabilities, and loss contingencies. Discounting required only when timing of cash flows is fixed.	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated. Discounting required if effect is material
Deferred Income Taxes	Deferred tax assets and liabilities should be recognized for all timing differences subject to consideration of prudence in respect of deferred tax asset. Where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.	Deferred income tax assets and liabilities are determined using the balance sheet method. The net deferred tax assets or liability is based on temporary differences between the book and tax bases of assets and liabilities, and recognizes enacted changes in tax rates and laws. Deferred taxes are recognised in full, but are then reduced by a valuation allowance when it is considered more likely than not that some portion of deferred taxes will not	IAS 12 requires entities to account for taxation using the balance sheet liability method, which focuses on temporary differences in accounting for the expected future tax consequences of events. Deferred tax assets should be recognized to the extent that it is probable that future profits will be available against which the deductible temporary difference can be utilized. Where an enterprise has unabsorbed depreciation or carry forward of losses

Subject	Indian GAAP	U.S. GAAP	IFRS
	Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date. No deferred tax is recorded on investment made in subsidiaries, branches, associates and joint ventures (undistributed profits).	be realised. Deferred tax is recorded on investment made in subsidiaries, branches, associates and joint ventures (undistributed profits). .	under tax laws, the entity recognizes a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or used tax credits can be utilized by the entity. Deferred tax is recorded on investment made in subsidiaries, branches, associates and joint ventures (undistributed profits).
Fringe Benefit Tax	Fringe benefit tax should be disclosed as a separate item after determining profit before tax on the face of the profit and loss account for the period in which the related fringe benefits are recognized.	Similar to IFRS.	Fringe benefit tax is included as part of the related expense (fringe benefit) which gives rise to incurrence of the tax.
Employee Benefits — Defined Benefit Plans	The discount rate to be used for determining the defined benefit obligation is by reference to market yields at the balance sheet date on government bonds of a currency and a term consistent with the currency and term of the post-employment benefit obligations. Actuarial gains or losses are recognized immediately in profit and loss for the period.	Similar to IFRS but with several areas of differences in the detailed application. There is no option to permanently recognise actuarial gain/ losses outside income statement.	The discount rate to be used for determining the defined benefit obligation is by reference to market yields at the balance sheet date on high quality corporate bonds (or, in countries where there is no deep market in such bonds, government bonds) of a currency and term consistent with the currency and term of the post-employment benefit obligations. Entity has a policy choice for accounting for actuarial gains or losses viz., to recognize immediately in profit or loss, or in other comprehensive income or to defer it using the 'corridor approach'.
Employee Share Compensation	In absence of an accounting standard, SEBI provides certain basic guidelines for public listed companies. As	Similar model to IFRS. Compensation expenses are generally recognized based on fair value of	Expenses for services purchased are recognized. Corresponding amount recorded either as a

Subject	Indian GAAP	U.S. GAAP	IFRS
	per the SEBI guidelines, compensation expenses for stock options are recorded either based on intrinsic value or fair value using the option pricing model; whereas for the shares issued at discount at discount value. The ICAI has issued a guidance note which requires measurement of cost based on fair value where the guidance note is similar to IFRS; several areas of differences in detailed application. Alternatively, the Guidance Note allows use of the intrinsic value method.	awards at grant date. Several areas of differences exist in application.	liability or an increase in equity, depending on whether transaction is determined to be cash or equity settled. Amount to be recorded is measurement at fair value of shares or share options granted.
Deferred Revenue Expenditure	Under Indian GAAP, after the issuance of AS 26, no such deferred revenue expenses should be recognized.	Charge off, unless deferment permitted by specific literature. For example, SOP 93-7 permits deferment of cost of direct response advertising.	Expensed under IAS 38. Even advertising costs need to be expensed as incurred even though the expenditure incurred may provide future economic benefits.
Capitalization of Borrowing Costs	Required. AS 16 - Borrowing Costs defines the term 'qualifying asset' as "an asset that necessarily takes a substantial period of time to get ready for its intended use or sale". A period of twelve months is considered as substantial period of time unless a shorter can be justified.	Required. FAS 34 require interest capitalization only to the extent that it is an acquisition cost. Further, the amount of interest cost to be capitalised for qualifying assets is based on an avoidable cost concept.	Similar to Indian GAAP, except that substantial period of time has not been defined.
Capital Issue Expenses	May be set off against the securities premium account.	May be set off against the realized proceeds of share issue.	The transaction costs of an equity transaction should be accounted for as a deduction from equity, net of any related income tax benefit. The costs of a transaction which fails to be completed should be expensed.
Dividends	Presented as an appropriation to the income statement. Dividends are accounted in the year when proposed.	Similar to IFRS	Presented as a deduction in the statement of changes in shareholders' equity in the period when authorized by shareholders. Dividends are accounted in the year when declared.

Subject	Indian GAAP	U.S. GAAP	IFRS
Earnings Per Share ("EPS") –Diluted	Weighted average potential dilutive shares are used as denominator for diluted EPS. In certain circumstances advance share application money received is treated as dilutive potential equity shares. 'Treasury share' method is used for share options / warrants.	Similar to IFRS	Weighted average potential dilutive shares are used as denominator for diluted EPS. 'Treasury share' method is used for share options / warrants.
Related Party Transactions	Related parties are determined by the level of direct or indirect control, joint control and significant influence of one party over another or common control by another entity; however the determination may be based on legal form rather than substance. Hence the scope of parties covered under the definition of related party could be less than under U.S. GAAP or IFRS. Name of the parent entity is disclosed and, if different, the ultimate controlling party, regardless of whether transactions occur is disclosed. For related-party transactions, nature of relationship (seven categories), amount of transactions, outstanding balances, terms and types of transactions are disclosed. Exemption is given only to intra-group transactions in consolidated accounts. However, certain explicit exemptions are available for disclosures. Exemption for certain SMCs having turnover or borrowings below certain threshold but there is no exemption for separate financial statements of subsidiaries.	Similar to IFRS. Name of the parent entity is disclosed and, if different, the ultimate controlling party, regardless of whether transactions occur is disclosed. For related-party transactions, nature of relationship (seven categories), amount of transactions, outstanding balances, terms and types of transactions are disclosed. Exemption is given only to intra-group transactions in consolidated accounts; however the exemptions are narrower than under IFRS.	Related parties are determined by the level of direct or indirect control, joint control and significant influence of one party over another or common control by another entity. Name of the parent entity is disclosed and, if different, the ultimate controlling party, regardless of whether transactions occur is disclosed. For related-party transactions, nature of relationship (seven categories), amount of transactions, outstanding balances, terms and types of transactions are disclosed. Exemption is given only to intra-group transactions in consolidated accounts.
Segment Reporting	All entities except SMC Based on business and geographical reporting, one a	Similar to IFRS	Public listed entities Based on internally reported operating

Subject	Indian GAAP	U.S. GAAP	IFRS
	primary format and other as secondary. The choice will depend on the impact on business, i.e. profile of risk and return and internal reporting structure. The secondary format requires less disclosure.		segments and the way chief operating decision maker evaluates financial information for purposes of allocating resources and assessing performance.
	Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the entity as a whole. The Company disclose additional segment data based on internal accounting policies.		Internal financial reporting policies apply (even if accounting policies differ from group accounting policy)

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 consolidated and restated unconsolidated financial statements and the notes to those statements included in this Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections "Risk Factors" and "Forward Looking Statements" included in this Red Herring Prospectus. This discussion is based on our restated unconsolidated financial statements as of and for the years ended March 31, 2009, 2008, 2007 and 2006 and the restated consolidated financial statements as of and for the nine months ended December 31, 2009 and as of and for the year ended March 31, 2009, which have been prepared in accordance with Indian GAAP, the accounting standards prescribed by ICAI, the relevant provisions of the Companies Act and the ICDR Regulations. Indian GAAP is substantially different from U.S. 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.

Our financial year ends on March 31 of each year, so all references to "financial year" are to the 12 month period ended March 31.

Overview

Our Company is in the business of real estate development and is primarily engaged in the development of residential projects in Bengaluru. We are also developing a hospitality project in Bengaluru and a residential and an office project in Kochi. We are in the process of diversifying into the development of shopping malls and are expanding our geographic reach to Chennai, Goa and Hyderabad. Our residential projects include multi-unit apartment buildings targeted at high-income and middle-income customers. We are currently developing our first hospitality project, the first 'Ritz-Carlton' brand hotel in India, on Residency Road in the central business district of Bengaluru.

Our Company was incorporated in 2004 and since then, we have developed three residential projects totalling 0.55 million sq. ft. of Saleable Area and Developable Area. Our Completed Projects are:

- Nitesh Garden Enclave, (formerly referred to as Nitesh Long Island), completed in 2009, a built-to-suit premium corporate residential project that we developed for ITC Limited near Bellary Road, Bengaluru;
- Nitesh Wimbledon Park, completed in 2007, a premium residential project, located on Race Course Road, Bengaluru; and
- Nitesh Mayfair, completed in 2007, a premium residential project, located on Lavelle Road, Bengaluru.

We undertake most of our projects through the joint-development model as compared to acquiring a freehold or leasehold interest in the land, which reduces the upfront cost of land acquisition and our total project financing costs. This allows us to deploy our capital towards development expenses and the expansion of our operations.

As of March 20, 2010, a summary of our Ongoing Projects, Forthcoming Projects and Land Parcels Available for Future Development is set out below:

	Number	Land Area (in Acres)	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)
Ongoing Projects*				
Residential **	5	21.91	3.96	1.69
Hospitality ***	1	2.58	0.50	0.10
Office	1	2.65	0.85	0.30
Sub-Total		***27.14***	***5.31***	***2.09***
Forthcoming Projects*				
Residential	3	51.57	1.49	0.97
Shopping Mall	1	5.06	1.16	0.58
Sub-Total		***56.63***	***2.65***	***1.55***
Land Parcels Available for Future Development*		***132.62***	-	-
Total		**216.39**	**7.96**	**3.64**

* *Four of our Ongoing Projects, one of our Forthcoming Projects and two Land Parcels Available for Future Development are being/ proposed to be developed by our subsidiary Nitesh Housing, in which, our Company holds 89.9% of the equity share capital. The assignment of the rights, obligations and interests in the Nitesh Wimbledon Gardens (Residential) and Nitesh Wimbledon Gardens (Commercial) projects to Nitesh Housing is subject to the earlier of either of these two events (i) a no-objection certificate from HDFC, the lender for these projects, for the assignment, or (ii) the repayment of the loan availed from HDFC in relation to these projects. Further, pursuant to the right available to our joint venture partners under the joint-venture agreement, in light of the non-payment of the required security deposit, we have agreed to transfer 90,000 sq.ft. of our our share in the Saleable Area of the projects, to such partners, upon completion of these projects.*

** *Two of our Ongoing Residential Projects are being developed by Nitesh Estates-Whitefield an "association of persons", in which our Company is entitled to a profit share of 24.0%.*

*** *Our Ongoing Hospitality Project is being developed by a special purpose vehicle, NRHPL in which our Company holds 20.7% of the equity share capital.*

Our Ongoing Projects are:

- Nitesh Hyde Park, a residential project in the middle-income segment with 537 residential units, located at Bannerghatta Road, Bengaluru;
- Nitesh Forest Hills, a residential project in the middle-income segment with 284 residential units, located in Whitefield, Bengaluru;
- Nitesh Flushing Meadows, a residential project in the middle-income segment with 200 residential units, located in Whitefield, Bengaluru;
- Nitesh Columbus Square, a residential project in the middle-income segment with 390 residential units, located off Bellary Road, Bengaluru;
- Nitesh Wimbledon Gardens (Residential), a residential project in the middle-income segment with 672 residential units, located at Airport-Seaport road in Kochi;
- Nitesh Wimbledon Gardens (Commercial), an office project, located at Airport-Seaport road in Kochi; and
- the 'Ritz-Carlton' brand hotel with 281 keys, located at Residency Road in the central business district of Bengaluru, being executed by an SPV, in which our Company owns 20.7% of the equity share capital. One of our Promoters, Mr. Nitesh Shetty holds 5.3% of the equity share capital of this SPV.

We have an in-house, fully integrated property development team consisting of experienced professionals, which oversees key functions such as architectural and project planning, project execution, customer relationship management and facility management. Our employees regularly interact with our customers to enable an informed and customer-friendly purchasing experience. We place special emphasis on ensuring that our quality standards and delivery schedule are adhered to at every stage of a project. Our Company has documented its quality standards and internal policies and our management systems have been ISO 9001:2008 certified. We are also in the process of implementing enterprise resource planning software to enhance the efficiency of our various business processes in our Company.

Significant Factors Affecting Our Results of Operations

General Economic and Demographic Condition in India

All our operations are currently located in India and the economic condition in India, in particular in and around Bengaluru, Chennai and Kochi have a direct impact on our income. In the past, India has experienced rapid economic growth, with GDP growing at an average growth rate of 8.8% between the financial years 2003 to 2008. However, this high growth trajectory significantly reduced in the financial year 2009 to 6.7%, compared to 9.0% in the financial year 2008, as a result of the global economic downturn. *(Source: RBI, Macroeconomic and Monetary Developments: First Quarter Review, 2009-10)*. The success of our projects is dependant on general economic conditions in India. Growth in the GDP and per capita income in India generally results in an increase in our income. In addition, the growth in the Indian economy has also resulted in the growth of industries such as hospitality and information technology. We believe that growth in the general economic condition in India will not only increase the demand for more houses for those employed in these industries but will also require substantial real estate development activities, such as building of office space, IT parks, hotels and resorts and shopping-malls.

Condition and Performance of the Real Estate Market in Southern India, Particularly the Real Estate Market in Bengaluru

Our business is heavily dependent on the performance of the real estate market in southern India, particularly Bengaluru. While we have expanded our operations to Kochi, Goa and Hyderabad, our projects portfolio has and continues to be concentrated in Bengaluru. As of March 20, 2010, our seven Ongoing Projects and four Forthcoming Projects comprised a combined Saleable Area of 3.64 million sq. ft., out of which 2.65 million sq. ft., or 72.8% was located in Bengaluru. In the event of a regional slowdown in construction activity in Bengaluru or factors such as slow-down in the IT/ITES sectors, or any developments that make projects in Bengaluru less economically beneficial, we may experience adverse effects on our operations, financial condition and results of operations.

Further, the real estate development industry recently underwent a significant downturn due to the global economic slowdown and increase in the interest rates, among other factors. The global credit markets and financial services industry have experienced a period of upheaval characterised by the bankruptcy, failure, collapse or sale of various financial institutions, severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, uncertainty about economic stability and an unprecedented intervention by governments and monetary authorities. While the global markets have shown signs of recovery, we are unable to predict whether the current upward trend will be sustained. The ultimate outcome of these events cannot be predicted and it may continue to have an adverse effect on our ability to borrow or raise additional funds in the capital markets on favourable terms, which may have an adverse effect on our operations, financial condition and results of operation.

Success of Our Collaboration with Third Parties for the Development of Our Projects

We have entered into joint-development, joint-venture and similar such agreements with respect to all but one our Ongoing Projects and all but one of our Forthcoming Projects. The success of our business collaboration depends significantly on the satisfactory performance by our partners of their contractual and other obligations. As we do not control our partners, we face the risk that they may not perform their obligations, without we being able to intervene and procure adequate performance from them. If a partner fails to perform his obligations satisfactorily, we may be unable to perform adequately or successfully complete the intended project on the intended timetable, at the intended cost, or at all. In such circumstance, we may be required to make additional investments or become liable for our partners' obligations, which may result in reduced profits or in some cases, significant losses. Our collaboration with third parties may face difficulties in their operations due to a variety of circumstances, which may have an adverse effect on our business, financial condition and results of operation.

Costs of Construction and the Rate of Progress of Construction

The cost of construction primarily comprises costs of materials such as steel, cement, wood, flooring materials, electrical, plumbing and labour costs. We currently sub-contract all of our construction requirements and as a result, our ability to develop and construct properties profitably is dependent upon our third party construction contractors and our or their ability to source adequate building supplies for use in our projects. The purchase of materials is centralised and is based on the estimates given by our planning division or the architect, as the case may be. In some of our arrangements with our construction contractors, we provide for an escalation or reduction in price that corresponds to an escalation or reduction in the price of critical building components such as cement or steel. Construction progress depends on various factors, including the availability of labour and raw materials, the prompt receipt of regulatory clearances, access to utilities such as electricity and water, the absence of contingencies such as litigation and adverse weather conditions. During periods of shortages of building materials such as cement or steel, we may not be able to complete projects according to our schedules, at our estimated cost, or at all. In addition, during periods where the prices of such building materials significantly increase, we may face additional development costs because of our supply arrangements, which could reduce or eliminate the profits we intend to attain with regard to our projects.

Our revenue recognition policy is applicable to developments that we intend to sell. It is not applicable to developments that we intend to lease. For properties that we intend to sell, we follow the percentage of completion method of revenue recognition. Under this method, our revenue from sales depends on the volume of bookings we are able to obtain for our developments as well as the rate of progress of the construction of our projects. Our bookings depend on our ability to identify suitable types of developments that will meet customer preferences and market trends, and our ability to market and pre-sell our projects. This may lead to significant fluctuations in revenues and development costs and limit our ability to undertake new projects.

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. We are subject to a minimum alternate tax ("MAT") of 15.0% (18.0% as proposed under the Finance Bill 2010 tabled in the Parliament of India on February 26, 2010) on our book profits. Amounts paid as MAT may be credited against future income taxes for up to ten 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. Currently, an income tax deduction of up to Rs. 0.15 million is available on the interest component on housing loans for self-occupied property and further, a rebate of Rs. 0.10 million on the principal repayment is also available. Our customers may not be able to avail these benefits pursuant to the Direct Tax Code introduced by the Government, which is expected to come into effect from the financial year 2012. Under the proposed Direct Tax Code, the interest component on home loan for self-occupied property is considered to be ineligible for deduction for calculating income from house property. This could adversely affect the ability or willingness of our potential customers to purchase residential apartments.

Availability of Credit and Prevailing Interest Rates in India

Our results of operations and the purchasing power of our real estate customers are substantially affected by prevailing interest rates and the availability of credit in the Indian economy. We finance each of our real estate projects individually, primarily through borrowings from Indian banks which we repay during the development of each project. Based on our restated consolidated financial statements, as of December

31, 2009, we had outstanding secured and unsecured loans of Rs. 1,891.34 million and Rs. 48.76 million, respectively. Recent changes in the global and Indian credit and financial markets have led to and events similar to this may lead to significantly diminished availability of credit and an increase in the cost of financing. Our ability to borrow funds for the development of our real estate projects is also affected by the prevailing interest rates available from leading Indian banks. Changes in the prevailing interest rates affect our interest expense in respect of our borrowings and our interest income with respect to our interest on short-term deposits with banks and loans to associates. 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.

One of the major reasons for the growth of demand for housing units is low interest rates on housing loans. Changes in interest rates also affect the ability and willingness of our prospective real estate customers, particularly, the customers for our residential properties to obtain financing for their purchases of our completed developments. In the past, lower interest rates combined with the favourable tax treatment of loans, had helped to fuel the growth of the Indian real estate market. The interest rate at which our real estate customers may borrow funds for the purchase of our properties affects the affordability and purchasing power of and hence, the market demand for our residential real estate developments.

Identification of Suitable Projects

Most of our operations are currently located in Bengaluru. Our operations are dependent on the identification of and the availability of land for our projects. In the event of increased demand for land for development of residential and commercial properties, we may face significant competition in acquiring land or development rights. Our growth is linked to our ability to identify and obtain development rights in areas where we can develop projects that are marketable. Additionally our ability to negotiate our percentage of share in the developable area with regard to the land for which we acquire joint-development rights would significantly affect the results of our operations. Any governmental regulations, increases in the price of land or other impediments to the acquisition of land or land development rights in suitable locations may adversely affect our operations.

Ability to Develop our Land Reserves

The development of our land reserves is subject to a number of risks and contingencies, some of which are summarised below:

- the memorandum of understanding to enter into a joint development agreement ("JDA") may not culminate in the execution of a JDA if they expire or if conditions precedents are not satisfied;
- the agreement to enter into lease or purchase of land may not culminate in the execution of the lease or sale deed if they expire or if conditions precedent are not satisfied;
- we may not receive vacant possession of the land; and
- we may not receive required statutory and regulatory approvals and permits to develop our projects.

Other factors

For further details on these and other factors that may affect our results of operations, see "Risk Factors" on page 12.

Critical Accounting Policies

Key accounting policies that are relevant and specific to our business and operations are described below:

Basis of Preparation

Our financial statements have been prepared in accordance with the relevant accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended). Our financial statements have been prepared on an accrual basis using the historical cost convention.

Principles of Consolidation

The consolidated financials statements have been prepared in accordance with Accounting Standard 21 – 'Consolidated Financial Statements' with respect to our subsidiaries namely Nitesh Indiranagar and Nitesh Housing, Accounting Standard 23 in respect of Associate accounts for Nitesh Residency and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' with respect to Nitesh Estates-Whitefield, an Association of Persons where our Company's share of profits/losses is 24%, as notified by Companies (Accounting Standards) Rules, 2006 (as amended). Under Indian GAAP, financial reporting of interests in joint ventures is required to be accounted only in the consolidated financial statements prepared in accordance with Accounting Standard 21. Our Company did not have any subsidiaries until the financial year 2008. Consequently, the financial reporting of interests in our Company's joint venture Nitesh Estates-Whitefield was consolidated for the first time in the restated consolidated financial statements for the financial year 2009.

Our consolidated financials statements have been prepared on the following basis:

- Our subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the same items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.
- Interest in the assets, liabilities, income and expenses of the joint venture is consolidated using the proportionate consolidation method. Intra-group balances, transactions and unrealised profits or losses are eliminated to the extent of our Company's proportionate share, except where cost cannot be recovered.
- The difference between the cost to our Company of investment in our subsidiaries and joint venture and the proportionate share in the equity of such subsidiaries and joint venture, as of the date of acquisition of such shareholdings, is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is disclosed under Fixed Assets – Intangible Assets and is not amortised but tested for impairment annually.
- Investment in associate companies is accounted for using the equity method. The excess of the cost of investment over the proportionate share in the equity of the associate company, as of the date of acquisition of stake, is identified as Goodwill and included in the carrying value of the investment in the associate company. The carrying amount of the investment is adjusted thereafter for the post-acquisition change in the share of net assets of the associate company. However, the share of losses is accounted, only to the extent of the cost of investment. Subsequent profits of the associate company are not accounted for unless the accumulated losses (not accounted for by us) are recouped. The unconsolidated financial statements of the associate company is used for the purpose of consolidation.
- Minority interest in net profits of our consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to our shareholders. Their share of net assets is identified and presented in our consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of any contractual obligation on the minorities, the same is accounted for by the holding company.
- As far as possible, our consolidated financial statements are prepared using uniform accounting policies for same transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as our unconsolidated financial statements.

- The financial statements of the components used for the purpose of consolidation have been drawn up to the same reporting date as that of our Company, i.e., for nine months ended December 31, 2009.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations at the end of the reporting period. Although these estimates are based upon our management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future years.

Fixed Assets Including Intangible Assets

Fixed assets including intangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress. Borrowing costs relating to the acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included under capital work-in-progress to the extent they relate to the period till such assets are ready to be put to use.

Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal or external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is calculated at the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation or amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in the value is made to recognise a decline in the value of investments other than temporary declines.

Revenue Recognition

Revenue is recognised if it is probable that the economic benefits will flow to us and the revenue can be reliably measured.

Income from Contractual Activities

Revenue from fixed price construction contracts is recognised by reference to the stage of completion of the project at the balance sheet date. The stage of completion of project is determined on the basis of the ratio of the contract costs incurred for work performed up to the balance sheet date and the estimated total contract costs. When estimated contract costs exceed contract revenue, the expected loss is recognized immediately.

Revenue from other than fixed price construction contracts is recognized on the basis of an agreed mark-up on costs incurred, in accordance with the terms of the agreement entered into by us and our customers.

Revenue from other contractual activities is recognized as activities are performed, on an accrual basis, based on arrangements with concerned parties.

Contract revenue earned in excess of billing is reflected under "Other Current Assets" and billing in excess of contract revenue is reflected under "Current Liabilities" in the balance sheet.

Income from Sale of Development Rights

Revenue from sale of development rights is recognized upon transfer of all significant risks and rewards of ownership of such real estate or property, in accordance with the terms of the contracts entered into with buyers, which generally coincides with the execution of the sales contracts or agreements.

Income from Sale of Developed Property

Revenue from sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such developed property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Income from Property Development

Revenue from real estate under development or sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such real estate or property, in accordance with the terms of the contracts entered into with buyers, which generally coincides with the execution of the contracts or agreements, except for contracts where we still have obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue is recognized on the basis of percentage of completion method, when the stage of completion of each project reaches a reasonable level of progress, which is estimated to be at least 15% of the total estimated construction cost of the project. Revenue is recognized on the basis of ratio of the contract costs incurred for work performed up to the reporting date and the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion.

Share in Profits of Association of Persons

Share in profits from Nitesh Estates - Whitefield, the AOP where our Company is a partner is recognized on the basis of such AOP's audited annual accounts, in accordance with the terms of the agreement governing the AOP.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the year in which they are incurred.

Advances Against Property

Advances paid by us to the seller or intermediary towards purchase of land is recognized as 'advances against property' under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title. After this is obtained, such advances are transferred to work-in-progress.

Deposits paid by us to the seller towards right for development of land in exchange of constructed area are recognized as 'advances against property' under loans and advances, unless they are non-refundable, in which case they are transferred to work-in-progress on the launch of project.

Provisions and Contingencies

A provision is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resource 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 the best estimates required to settle the obligation at the balance sheet date. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation, in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Income

Our income consists of the following items:

- income from operations; and
- other income.

Income from Operations. Our income from operations includes income from contractual activities, income from property development, income from the sale of developmental rights, profit on sale of land purchase rights and income from sale of developed property. Our unconsolidated income also includes share of profits of the AOP in which our Company is one of the members.

Other Income. Our other income primarily includes income from technical and consultancy fees, trademark license fees, interest on fixed deposits and other investments and miscellaneous income.

Expenditure

Our expenditure consists of the following items:

- land and construction cost;
- cash of purchase of developed property;
- increase or decrease in inventories;
- personnel expenses;
- administrative expenses;
- selling and marketing expenses;
- interest expenses; and
- depreciation and amortization.

Land and Construction Cost. Land and construction cost includes the cost of purchasing land and acquiring development rights, costs incurred in civil works architects' and consultant's fees.

Increase or Decrease in Inventories. Work-in-progress are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost includes direct and indirect expenditure, which is determined based on specific identification of the construction activity.

Direct expenditure relating to construction activity is included in the inventory. Indirect expenditure (including borrowing costs) during construction period is included in the inventory to the extent the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the profit and loss account.

Personnel expenses. Our personnel expenses include salaries, wages and bonuses, contributions to provident and other funds and staff welfare expenses.

Administrative expenses. Our administrative expenses primarily includes professional and consultancy charges, rent, losses associated with the sale of fixed assets or the discontinuance of projects, advances written off, travel and conveyance expenses, expenses relating to rates and taxes (primarily including stamp duty expenses) and insurance charges.

Selling and marketing expenses. Our selling and marketing expenses consist of advertisement and sales promotion expenses, commissions and brokerage payments.

Interest expenses. Our interest expenses consist of interest on loans and finance charges.

Depreciation or amortization. Depreciation on assets, other than those described below, is provided using written down value method at the rates prescribed under Schedule XIV of the Companies Act.

Particulars	**Rates**
Computers	40.0%
Office equipment	13.9%
Furniture and fittings	18.1%
Motor cars	25.9%

Assets individually costing less than or equal to Rs. 5,000 are fully depreciated in the year of purchase. Leasehold improvements are amortized over the remaining primary period of lease or their estimated useful life, whichever is shorter, on a straight-line basis. Expenditure incurred on intangible assets such as software is amortized using straight line method over a period of five years, which is estimated by the management to be the useful life of the asset.

Taxation

Tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the financial year and reversal of timing differences of earlier financial years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where we have unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Further, in situations where we are entitled to any tax holiday, deferred tax asset or liability is recognized only for those timing differences that originate during the tax holiday period, but are reversed after such tax holiday period. The carrying amount of deferred tax assets are reviewed at each balance sheet date. We write-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain that sufficient future taxable income will be available.

Results of Operations

Our Restated Consolidated Profit and Loss

The following table sets forth, for the periods indicated, certain items from our restated consolidated profit and loss statements, in each case also stated as a percentage of total income:

	For the Nine Months Ended December 31, 2009		**For the Financial Year 2009**	
	(Rs. in Million)	**% of Total Income**	**(Rs. in Million)**	**% of Total Income**
Income:				
Income from Contractual Activity	363.95	54.7	544.86	62.1
Income from Sale of Development Rights	-	-	270.00	30.8
Income from Property Development	50.62	7.6	62.13	7.1
Income from Sale of Developed Property (apartment)	70.00	10.5	-	-
Other Income	181.09	27.2	1.03	0.1
Total Income	**665.66**	**100.0**	**878.02**	**100.0**
Expenditure:				
Land and Construction Costs	365.03	54.8	545.20	62.1
Cost of Purchase of Developed Property (apartment)	50.00	7.5	-	-
(Increase)/ Decrease in Inventories	14.00	2.1	26.59	3.0
Personnel Expenses	46.36	7.0	92.32	10.5
Administrative Expenses	43.75	6.6	106.80	12.2
Selling and Marketing Expenses	24.99	3.8	39.33	4.5
Interest Expenses	98.45	14.8	20.02	2.3
Depreciation and Amortization	4.07	0.6	7.28	0.8
Total Expenditure	**646.65**	**97.1**	**837.54**	**95.4**
Profit Before Tax and Prior Period Items	**19.01**	**2.9**	**40.48**	**4.6**
Provision for Taxation:				
Current Tax	21.90	3.3	27.90	3.2
Deferred Tax Charge/(Credit)	9.41	1.4	(14.90)	(1.7)
Fringe Benefit Tax	-	-	0.80	0.1
Total Tax Expenses	**31.31**	**4.7**	**13.80**	**1.6**
Net Profit/(Loss) After Tax and Before Prior Period Items	**(12.30)**	**(1.9)**	**26.68**	**3.0**
Prior period item	-		(0.93)	(0.1)
Net Profit/(Loss) for the period/year Before Share in Loss of Associate	**(12.30)**	**(1.9)**	**25.75**	**2.9**
Less: Share in Loss of Associate	**0.95**	**0.1**	**-**	**-**
Net Profit/(Loss) for the period/year	**(13.25)**	**(2.0)**	**25.75**	**2.9**
Adjustments	-	-	1.93	0.2

	For the Nine Months Ended December 31, 2009		For the Financial Year 2009	
	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income
Net Profit/(Loss) for the period/year, as Restated	**(13.25)**	**(2.0)**	**27.68**	**3.2**

Nine months ended December 31, 2009

Total Income Our total income for the nine months ended December 31, 2009 was Rs. 665.66 million. This primarily consisted of income from contractual activity and other income.

Income from Contractual Activity. Our income from contractual activity for the nine months ended December 31, 2009 was Rs. 363.95 million or 54.7% of our total income. This income was primarily from the completion of the Nitesh Garden Enclave, (formerly referred to as Nitesh Long Island), project which was completed during this period and income from the Ritz-Carlton and the Nitesh Forest Hills projects, which our Company is currently executing for Nitesh Residency and Nitesh Estates - Whitefield, respectively.

Income from Property Development. Our income from property development for the nine months ended December 31, 2009 was Rs. 50.62 million, or 7.6% of our total income. This was primarily due to the proportionate consolidation of our share of income from the property development being carried out by Nitesh Estates - Whitefield. Nitesh Estates - Whitefield is currently developing the Nitesh Forest Hills and Nitesh Flushing Meadows projects in Bengaluru.

Income from Sale of Developed Property. Our income from sale of developed property for the nine months ended December 31, 2009 was Rs. 70.00 million, or 10.5% of our total income. This was derived from the sale of an apartment that was purchased by us from NEPPL.

Other Income. Our other income for the nine months ended December 31, 2009 was Rs. 181.09 million, or 27.2% of our total income, which was derived from the sale of a part of our equity interest in our subsidiary, Nitesh Housing for a total consideration of Rs. 180.00 million. We currently hold 89.9% of the outstanding equity share capital of Nitesh Housing.

Land and Construction Costs. Our land and construction costs for the nine months ended December 31, 2009 were Rs. 365.03 million, or 54.8% of our total income, which primarily consisted of the construction costs with respect to the Ritz-Carlton, Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) and Nitesh Forest Hills projects.

Cost of Purchase of Developed Property. Our cost of purchase of developed property for the nine months ended December 31, 2009 were Rs. 50.00 million, or 7.5% of our total income, which comprised the price of Rs. 48.00 million paid for the purchase of an apartment from NEPPL and Rs. 2.00 million of incidental costs relating to the purchase.

Increase or Decrease in Inventories. Our inventories for the nine months ended December 31, 2009 decreased by Rs. 14.00 million, or 2.1% of our total income. Our inventories decreased for the nine months ended December 31, 2009 because of the reduction in our deposit payment obligation to our partner under the terms of the joint venture agreement for this project, which was partially offset by an increase in inventories as a result of the development of Nitesh Garden Enclave (formerly referred to as Nitesh Long Island). For more details, see "Our Business - Our Residential Projects - Nitesh Wimbledon Garden" on page 140.

Personnel Expenses. Our personnel expenses for the nine months ended December 31, 2009 were Rs. 46.36 million, or 7.0% of our total income.

Administrative Expenses. Our administrative expenses for the nine months ended December 31, 2009 were Rs. 43.75 million, or 6.6% of our total income. This primarily consisted of expenses relating to rates and taxes (primarily including stamp duty expenses) of Rs. 10.40 million, rent payments of Rs. 7.50 million and professional and consultancy charges of Rs. 13.49 million.

Selling and Marketing Expenses. Our selling and marketing expenses for the nine months ended December 31, 2009 were Rs. 24.99 million, or 3.8% of our total income.

Interest Expenses (net of amount inventorised/capitalised). Our interest expenses (net of amount inventorised/capitalised) for the nine months ended December 31, 2009 were Rs. 98.45 million, or 14.8% of our total income, which consisted of such interest expense (net of amount inventorised/capitalised) which was not included in the inventory due to the temporary suspension of construction at the Nitesh Wimbledon Garden (Residential and Commercial) projects.

Depreciation or Amortization. Our depreciation or amortization expenses for the nine months ended December 31, 2009 were Rs. 4.07 million, or 0.6% of our total income.

Provision for Taxation. Our provision for taxation for the nine months ended December 31, 2009 was Rs. 31.31 million. This was primarily due to the elimination of income from assignment of certain of our projects to our subsidiary, Nitesh Housing, on the consolidation. However, we were taxed on such income from assignment fees on an unconsolidated basis.

Net Loss Before Share in Loss of Associate. For the reasons stated above, our net loss before share in loss of associate for the nine months ended December 31, 2009 was Rs. 12.30 million.

Share in Loss of Associate. Our share in the loss of our associate was Rs. 0.95 million, which represented the loss made by our Associate Company, Nitesh Residency, which is developing the Ritz-Carlton Hotel.

Net Loss, as Restated. For the reasons stated above, our net loss, as restated, for the nine months ended December 31, 2009, was Rs. 13.25 million.

Financial Year 2009

Total Income. Our total income for the financial year 2009 was Rs. 878.02 million. This primarily consisted of income from contractual activity and income from the sale of development rights.

Income from Contractual Activity. Our income from contractual activity for the financial year 2009 was Rs. 544.86 million, or 62.1% of our total income. This consisted of income from development activity at the Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) and the Ritz-Carlton projects.

Income from Sale of Development Rights. Our income from the sale of development rights for the financial year 2009 was Rs. 270.00 million, or 30.8% of our total income. This consisted of the sale of 25.0% of our share in the development rights pertaining to the Nitesh Wimbledon Garden (Residential and Commercial) projects in Kochi to NEPPL.

Income from Property Development. Our income from property development for the financial year 2009 was Rs. 62.13 million, or 7.1% of our total income. This was primarily from our share in the income from Nitesh Estates - Whitefield in respect of the Nitesh Forest Hills project being developed by it.

Other Income. Our other income for the financial year 2009 was Rs. 1.03 million.

Land and Construction Costs. Our land and construction costs for the financial year 2009 were Rs. 545.20 million, or 62.1% of our total income. This was primarily on account of the land and construction costs with respect to the Ritz-Carlton and Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) projects and our proportionate share of the land and construction costs in respect of the Nitesh Forest Hills project that is being developed by Nitesh Estates - Whitefield, which were partially offset by unrealised profits in inventories with respect to the Nitesh Forest Hills project.

Increase or Decrease in Inventories. Our decrease in inventories for the financial year 2009 was Rs. 26.59 million.

Personnel Expenses. Our personnel expenses for the financial year 2009 were Rs. 92.32 million, or 10.5% of our total income.

Administrative Expenses. Our administrative expenses for the financial year 2009 were Rs. 106.80 million, or 12.2% of our total income. This primarily consisted of professional and consultancy charges of Rs. 27.93 million, rent payments of Rs. 15.68 million, loss on account of sale of fixed assets and discontinuance of projects of Rs. 14.14 million, advances written off of Rs. 13.22 million and travelling and conveyance charges of Rs. 9.79 million.

Selling and Marketing Expenses. Our selling and marketing expenses for the financial year 2009 were Rs. 39.33 million, or 4.5% of our total income.

Interest Expenses (net of amount inventorised/capitalised). Our interest expenses (net of amount inventorised/capitalised) for the financial year 2009 were Rs. 20.02 million or 2.3% of our total income.

Depreciation or Amortization. Our depreciation or amortization expenses for the financial year 2009 were Rs. 7.28 million.

Provision for Taxation. Our provision for taxation for the financial year 2009 was Rs. 13.80 million. Our effective tax rate (net of fringe benefit tax) for the financial year 2009 was 32.1%.

Net Profit. For the reasons stated above, our net profit for the financial year 2009 was Rs. 25.75 million.

Net Profit, as Restated. Our net profit, as restated, for the financial year 2009 was Rs. 27.68 million. We have restated our financial statements to take into account certain adjustments from the prior financial years. For further details, see "Material Adjustments" in Annexure XXII – Note 3 to the restated consolidated financial statements included in this Red Herring Prospectus.

Our Restated Unconsolidated Profit and Loss Statements

The following table sets forth, for the periods indicated, certain items from our restated unconsolidated profit and loss statements, in each case also stated as a percentage of total income:

	For the Financial Years							
	2009		**2008**		**2007**		**2006**	
	(Rs. in Million)	**% of Total Income**	**(Rs. in Million)**	**% of Total Income**	**(Rs. in Million)**	**% of Total Income**	**(Rs. in Million)**	**% of Total Income**
Income:								
Income from Contractual Activity	583.78	67.2	633.60	92.0	87.56	36.5	2.30	1.0
Income from Property Development	-	-	-	-	48.01	20.0	213.99	95.7
Income from Sale of Development rights	270.00	31.1	-	-	-	-	-	-
Share of Profits of Association of Persons	14.07	1.6	-	-	-	-	-	-
Profit on Sale of Land Purchase Rights	-	-	-	-	67.34	28.0	-	-
Other Income	1.04	0.1	55.13	8.0	37.24	15.5	7.30	3.3
Total Income	**868.89**	**100.0**	**688.73**	**100.0**	**240.15**	**100.0**	**223.59**	**100.0**

	For the Financial Years							
	2009		2008		2007		2006	
	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income
Expenditure:								
Land and Construction Cost	493.86	56.8	879.55	127.7	198.80	82.8	68.19	30.5
(Increase)/ Decrease in Inventories	67.09	7.7	(391.63)	(56.9)	(69.06)	(28.8)	108.69	48.6
Personnel Expenses	92.32	10.6	65.53	9.5	23.77	9.9	9.89	4.4
Administrative Expenses	106.66	12.3	73.54	10.7	24.91	10.4	6.84	3.1
Selling and Marketing Expenses	39.33	4.5	32.38	4.7	8.68	3.6	1.37	0.6
Interest Expenses	20.02	2.3	2.04	0.3	7.52	3.1	6.20	2.8
Depreciation and Amortization	7.28	0.8	5.29	0.8	2.09	0.9	0.94	0.4
Total Expenditure	**826.56**	**95.1**	**666.70**	**96.8**	**196.71**	**81.9**	**202.12**	**90.4**
Profit Before Tax, Exceptional Item and Prior Period Items	**42.33**	**4.9**	**22.03**	**3.2**	**43.44**	**18.1**	**21.47**	**9.6**
Exceptional Items	0.00	0.0	(2.84)	(0.4)	0.00	0.0	0.00	0.0
Profit Before Tax and Prior Period Items	**42.33**	**4.9**	**19.19**	**2.8**	**43.44**	**18.1**	**21.47**	**9.6**
Provision for Taxation:								
Current Tax	27.90	3.2	10.19	1.5	14.50	6.0	4.00	1.8
Deferred Tax Charge/ (Credit)	(14.90)	(1.7)	(1.83)	(0.3)	(0.33)	(0.1)	3.55	1.6
Fringe Benefit Tax	0.80	0.1	1.09	0.2	0.54	0.2	0.14	0.1
Total Tax Expenses	**13.80**	**1.6**	**9.45**	**1.4**	**14.71**	**6.1**	**7.69**	**3.4**
Net Profit After Tax and Before Prior Period Items	**28.53**	**3.3**	**9.74**	**1.4**	**28.73**	**12.0**	**13.78**	**6.2**
Prior Period Items (Net of Taxes)	(0.93)	(0.1)	0.12	0.0	-	-	-	-
Net Profit	**27.60**	**3.2**	**9.86**	**1.4**	**28.73**	**12.0**	**13.78**	**6.2**
Adjustments	0.93	0.1	(0.59)	(0.1)	5.51	2.3	(7.72)	(3.5)
Tax Impact on Adjustments	0.00	0.0	0.04	0.0	(2.09)	(0.9)	2.17	1.0
Provision for Taxation Pertaining to Earlier Years	1.00	0.1	0.65	0.1	(1.45)	(0.6)	(0.20)	(0.1)
Total Adjustments, net of tax	**1.93**	**0.2**	**0.10**	**0.0**	**1.97**	**0.8**	**(5.75)**	**(2.6)**
Net Profit, as Restated	**29.53**	**3.4**	**9.96**	**1.4**	**30.70**	**12.8**	**8.03**	**3.6**

In the following discussion of results of operation, "our", "us" and "we" refers to our Company on an unconsolidated basis.

Financial Year 2009 Compared to the Financial Year 2008 (Unconsolidated)

Total Income. Our total income increased by 26.2% to Rs. 868.89 million for the financial year 2009 from Rs. 688.73 million for the financial year 2008. This increase was primarily due to income from sale of development rights.

Income from Contractual Activity. Our income from contractual activity decreased by 7.9% to Rs. 583.78 million for the financial year 2009 from Rs. 633.60 million for the financial year 2008. This decrease was primarily due to a decrease in contractual income from our Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) project as this project reached the last stages of its completion during the financial year 2009. However, our construction income from contractual activity with respect to the Nitesh Forest Hill project increased to Rs. 162.21 million for the financial year 2009 from Rs. 62.57 million for the financial year 2008 and the Ritz-Carlton project increased by 71.5% to Rs. 208.65 million for the financial year 2009 from Rs. 121.65 million for the financial year 2008.

Income from Sale of Developmental Rights. Our income from the sale of developmental rights was Rs. 270.00 million for the financial year 2009. This consisted of the sale of 25.0% of our share in the development rights pertaining to the Nitesh Wimbledon Garden (Residential and Commercial) projects in Kochi to NEPPL. We did not record any income from sale of development rights in the financial year 2008.

Share of Profits from Association of Persons. Our income from our share of profits of association of persons was Rs. 14.07 million for the financial year 2009 which consisted of profits from the Nitesh Estate Whitefield. We could not record any income from our share in profits from Nitesh Estate Whitefield in the financial year 2008 as Nitesh Estate Whitefield commenced development of the Nitesh Forest Hills project in the financial year 2008 and we did not record any revenues under the percentage completion method and the expenses with respect to this project were included in the inventory.

Other Income. Our other income decreased to Rs. 1.04 million for the financial year 2009 from Rs. 55.13 million for the financial year 2008. We recorded an income of Rs. 44.89 million from technical and consultancy fees for the project management consultancy services, financial and accounting services and sales support services provided to our group company, NEPPL for the three projects developed by NEPPL. Additionally, we also recorded an income of Rs. 10.00 million as compensation for contract cancellations for the financial year 2008 as compared to nil for each of these items for the financial year 2009.

Land and Construction Costs. Our land and construction costs decreased by 43.9% to Rs. 493.86 million for the financial year 2009 from Rs. 879.55 million for the financial year 2008. This decrease was primarily due to a decrease in land costs by 84.3% to Rs. 65.28 million for the financial year 2009 from Rs. 415.43 million for the financial year 2008, a decrease in consultancy expenses by 53.7% to Rs. 20.78 million for the financial year 2009 from Rs. 44.90 million for the financial year 2008 and a decrease in other expenses by 96.0% to Rs. 0.92 million for the financial year 2009 from Rs. 22.75 million for the financial year 2008.

Increase or Decrease in Inventories. Our inventories decreased by Rs. 67.09 million in the financial year 2009 as compared to an increase of Rs. 391.63 million for the financial year 2008.

Personnel Expenses. Our personnel expenses (as reduced by reimbursement received from a related party in respect of personnel expenses) increased by 40.9% to Rs. 92.32 million for the financial year 2009 from Rs. 65.53 million for the financial year 2008, primarily due to an increase in the salaries and wages paid to our employees (gross of reimbursement) to Rs. 112.92 million for the financial year 2009 from Rs. 82.02 million for the financial year 2008.

Administrative Expenses. Our administrative expenses increased by 45.0% to Rs. 106.66 million for the financial year 2009 from Rs. 73.54 million for the financial year 2008. This increase was primarily due to an increase in losses on fixed assets or discontinuance of projects to Rs. 14.14 million for the financial year 2009 as compared to nil for the financial year 2008, an increase in advances written off to Rs. 13.22 million for the financial year 2009 from Rs. 1.64 million for the financial year 2008, an increase in rent by 74.2% to Rs. 15.68 million for the financial year 2009 from Rs. 9.00 million for the financial year 2008 and an increase in expenses relating to rates and taxes (primarily including stamp duty expenses) Rs. 8.34 million for the financial year 2009 from Rs. 1.19 million for the financial year 2008, which was partially offset by a decrease in recruitment expenses by 72.4% to Rs. 4.77 million for the financial year 2009 from Rs. 17.27 million for the financial year 2008.

Selling and Marketing Expenses. Our selling and marketing expenses increased by 21.5% to Rs. 39.33 million for the financial year 2009 from Rs. 32.38 million for the financial year 2008, which was primarily due to an increase in advertising expenses.

Interest Expenses (net of amount inventorised/capitalised). Our interest expenses (net of amount inventorised/capitalised) increased to Rs. 20.02 million for the financial year 2009 from Rs. 2.04 million for the financial year 2008. This was primarily due to an increase in interest costs and processing fees in relation to secured borrowings sanctioned to our Company during the year.

Depreciation or Amortization. Our depreciation or amortization expenses increased by 37.6% to Rs. 7.28 million for the financial year 2009 from Rs. 5.29 million for the financial year 2008. This increase was primarily due to an increase in depreciation recorded in respect of software and office equipment.

Provision for Taxation. Our provision for taxation increased by 46.0% to Rs. 13.80 million for the financial year 2009 from Rs. 9.45 million for the financial year 2008. This increase was primarily due to an increase in provision for income tax to Rs. 27.90 million for the financial year 2009 from Rs. 10.19 million for the financial year 2008 as a result of the increase in net profit before tax, which was partially offset by an increase in deferred tax asset to Rs. 14.90 million for the financial year 2009 from Rs. 1.83 million for the financial year 2008. Our effective tax rate (net of fringe benefit tax) for the financial year 2009 was 30.7 % as compared to 43.6% for the financial year 2008. Our effective tax rate for the financial year 2008 was higher due to the permanent disallowance of exemptions with regard to expenditure relating to capital raising, donations made to institutions, penalty on delay of value added tax payments and interest thereon and income tax relating to the previous year due to a short-fall in income tax provided for in financial year 2008.

Net Profit After Tax and Before Prior Period Items. For the reasons stated above, our net profit after tax and before prior period items increased to Rs. 28.53 million for the financial year 2009 from Rs. 9.74 million for the financial year 2008.

Net Profit as Restated. For the reasons stated above, our net profit, as restated, increased to Rs. 29.53 million for the financial year 2009 from Rs. 9.96 million for financial year 2008. We have restated our financial statements to take into account certain adjustments from the prior financial years. For further details, see “Material Adjustments” in Annexure IV – Note 3 to the restated unconsolidated financial statements included in this Red Herring Prospectus.

Financial Year 2008 Compared to the Financial Year 2007 (Unconsolidated)

Total Income. Our total income increased to Rs. 688.73 million for the financial year 2008 from Rs. 240.15 million for the financial year 2007. This increase was primarily due to an increase in income from contractual activities and other income.

Income from Contractual Activity. Our income from contractual activity increased to Rs. 633.60 million for the financial year 2008 from Rs. 87.56 million for the financial year 2007, primarily due to the income from the Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) project in Bengaluru in the financial year 2008. Additionally, we commenced construction activity for the Ritz-Carlton and Nitesh Forest Hills projects during the year for which we received income from contractual activity, being developed by Nitesh Residency and Nitesh Estates - Whitefield, respectively.

Income from Property Development. We did not receive any income from property development in the financial year 2008. Our income from property development was Rs. 48.01 million for the financial year 2007 which consisted of income from two of our Completed Projects, Nitesh Wimbledon Park and Nitesh Mayfair.

Profits on Sale of Land Purchase Rights. We did not record any profits from sale of land purchase rights in the financial year 2008. Our income from the profit on sale of land purchase rights was Rs. 67.34 million for the financial year 2007. During the financial year 2007, we sold land purchase rights acquired by us to ITC Limited for the development of the Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) project.

Other Income. Our other income increased by 48.0% to Rs. 55.13 million for the financial year 2008 from Rs. 37.24 million for the financial year 2007. This increase was primarily due to income of Rs. 44.89 million from technical and consultancy fees for the project management consultancy services, financial and accounting services and sales support services provided to our group company, NEPPL with respect to three projects developed by NEPPL for the financial year 2008. The corresponding income for the financial year 2007 was Rs. 15.11 million. Additionally we recorded an income of Rs. 10.00 million from contract cancellation charges for the financial year 2008 as compared to nil for the financial year 2007. However this was partly offset by the receipt of trade mark license fees of Rs. 20.00 million for the financial year 2007 from NEPPL for the use of the trademark "Nitesh Estates" owned by us as compared to nil for the financial year 2008.

Land and Construction Costs. Our land and construction costs increased to Rs. 879.55 million for the financial year 2008 from Rs. 198.80 million for the financial year 2007. This increase was primarily due to an increase in land costs to Rs. 415.43 million for the financial year 2008 as compared to nil for the financial year 2007. This was primarily because of the acquisition of land for the Nitesh Wimbledon Gardens (Residential and Commercial) projects in Kochi, an increase in expenses for civil works at the Nitesh Garden Enclave (formerly referred to as Nitesh Long Island), Ritz-Carlton and Nitesh Forest Hills projects and an increase in consultancy fees which were partly offset by a decrease in expenditure on other items.

Increase or Decrease in Inventories. Our inventories increased by Rs. 391.63 million for the financial year 2008 as compared to an increase of Rs. 69.06 million for the financial year 2007.

Personnel Expenses. Our personnel expenses (as reduced by reimbursement received from a related party in respect of personnel expenses) increased to Rs. 65.53 million for the financial year 2008 from Rs. 23.77 million for the financial year 2007, primarily due to an increase in the number of employees to 142 as of March 31, 2008 from 86 as of March 31, 2007 and an increase in the salaries and wages paid.

Administrative Expenses. Our administrative expenses increased to Rs. 73.54 million for the financial year 2008 from Rs. 24.91 million for the financial year 2007. This increase was primarily due to an increase in professional and consultancy charges, an increase in recruitment expenses, an increase in rent payment and an increase in travelling and conveyance expenses.

Selling and Marketing Expenses. Our selling and marketing expenses increased to Rs. 32.38 million for the financial year 2008 from Rs. 8.68 million for the financial year 2007, which was primarily due to an increase in advertising expenses.

Interest Expenses (net of amount inventorised/capitalised). Our interest expenses (net of amount inventorised/capitalised) decreased by 72.9% to Rs. 2.04 million for the financial year 2008 from Rs. 7.52 million for the financial year 2007. The interest expense (net of amount inventorised/capitalised) decreased for the financial year 2008 because the interest expense (net of amount inventorised/capitalised) related to the loans availed for the Nitesh Wimbledon Garden (Residential) project which was included in the inventory whereas the interest expense (net of amount inventorised/capitalised) in the financial year 2008 was in respect of loans for general corporate purposes which was accounted in the profit and loss statement.

Depreciation or Amortization. Our depreciation or amortization expenses increased to Rs. 5.29 million for the financial year 2008 from Rs. 2.09 million for the financial year 2007. This increase was primarily due to additions made to fixed assets other than leasehold land to Rs. 39.09 million as of March 31, 2008 from Rs. 9.94 million as of March 31, 2007.

Provision for Taxation. Our provision for taxation decreased by 35.8% to Rs. 9.45 million for the financial year 2008 from Rs. 14.71 million for the financial year 2007. This decrease was primarily due to a decrease in provision for income tax by 29.7% to Rs. 10.19 million for the financial year 2008 from Rs. 14.50 million for the financial year 2007 primarily on account of decrease in profits before taxes and prior period items. Our effective tax rate (net of fringe benefit tax) for the financial year 2008 of 43.6% as compared to 32.6% for the financial year 2007 primarily on account of permanent disallowances with respect to exceptional items pertaining to full and final settlement of claims against our Company and income tax pertaining to the previous year.

Net Profit After Tax and Before Prior Period Items. For the reasons stated above, our net profit after tax and before prior period items decreased by 66.1% to Rs. 9.74 million for the financial year 2008 from Rs. 28.73 million for the financial year 2007.

Net Profit, as Restated. Our net profit, as restated, decreased by 67.6% to Rs. 9.96 million for the financial year 2008 from Rs. 30.70 million for financial year 2007. We have restated our financial statements to take into account certain adjustments from the prior financial years. For further details, see "Material Adjustments" in Annexure IV – Note 3 to the restated unconsolidated financial statements presented in this Red Herring Prospectus.

Financial Year 2007 Compared to the Financial Year 2006 (Unconsolidated)

Total Income. Our total income increased by 7.4% to Rs. 240.15 million for the financial year 2007 from Rs. 223.59 million for the financial year 2006. This increase was primarily due to an increase in income from contractual activity and profit on the sale of land purchase rights.

Income from Contractual Activity. Our income from contractual activity increased to Rs. 87.56 million for the financial year 2007 from Rs. 2.30 million for the financial year 2006, primarily due to contractual income derived as a result of the commencement of the development of the Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) project in Bengaluru.

Income from Property Development. Our income from property development decreased by 77.6% to Rs. 48.01 million for the financial year 2007 from Rs. 213.99 million for the financial year 2006, primarily due to the income received from two of our Completed Projects, Nitesh Wimbledon Park and Nitesh Mayfair in the financial year 2006.

Profits on Sale of Land Purchase Rights. Our income from the profit on sale of land purchase rights was Rs. 67.34 million for the financial year 2007, which was derived from the sale of land purchase rights acquired by us to ITC Limited for the development of the Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) project. We did not record any income profits from sale of land purchase rights in the financial year 2006.

Other Income. Our other income increased to Rs. 37.24 million for the financial year 2007 from Rs. 7.30 million for the financial year 2006. This increase was primarily due to an increase in income from technical and consultancy fees for the project management consultancy services, financial and accounting services and sales support services to our group company, NEPPL with respect to three projects developed by NEPPL to Rs. 15.11 million for the financial year 2007. The corresponding income for the financial year 2006 was nil. Additionally, we also recorded an income from receipt of trade mark license fees of Rs. 20.00 million from NEPPL for the use of the trademark "Nitesh Estates" owned by our Company for the financial year 2007 as compared to nil for the financial year 2006. However, this increase was partially offset by the an income of Rs. 5.19 million from forfeiture of advance from customers for the financial year 2006 as compared to nil for the financial year 2007.

Land And Construction Costs. Our land and construction costs increased to Rs. 198.80 million for the financial year 2007 from Rs. 68.19 million for the financial year 2006. This increase was primarily due to an increase in expenditure on other items.

Increase or Decrease in Inventories. Our inventories increased by Rs. 69.06 million for the financial year 2007 as compared to a decrease of Rs. 108.69 million for the financial year 2006.

Personnel Expenses. Our personnel expenses (as reduced by reimbursement received from a related party in respect of personnel expenses) increased to Rs. 23.77 million for the financial year 2007 from Rs. 9.89 million for the financial year 2006, which was primarily due to an increase in the number of employees to 86 as of March 31, 2007 from 30 as of March 31, 2006 and an increase in the salaries and wages paid.

Administrative Expenses. Our administrative expenses increased to Rs. 24.91 million for the financial year 2007 from Rs. 6.84 million for the financial year 2006. This increase was primarily due to an increase in professional and consultancy charges, an increase in travelling and conveyance expenses, an increase in rent, which was partly offset by a decrease in miscellaneous expenses.

Selling and marketing Expenses. Our selling and marketing expenses increased to Rs. 8.68 million for the financial year 2007 from Rs. 1.37 million for the financial year 2006, which was primarily due to an increase in advertising expenses.

Interest Expenses (net of amount inventorised/capitalised). Our interest expenses (net of amount inventorised/capitalised) increased by 21.3% to Rs. 7.52 million for the financial year 2007 from Rs. 6.20 million for the financial year 2006, which was primarily due to higher utilization of the bank loans sanctioned to us.

Depreciation or Amortization. Our depreciation or amortization expenses increased to Rs. 2.09 million for the financial year 2007 from Rs. 0.94 million for the financial year 2006, which was primarily due to an increase in fixed assets (gross block) to Rs. 15.30 million as of March 31, 2007 from Rs. 5.36 million as of March 31, 2006.

Provision for Taxation. Our provision for taxation increased by 91.3% to Rs. 14.71 million for the financial year 2007 from Rs. 7.69 million for the financial year 2006. This increase was primarily due to an increase in provision for income tax to Rs. 14.50 million for the financial year 2007 from Rs. 4.00 million for the financial year 2006 on account of an increase in profits before taxes and prior period items, which was partly offset by an increase in deferred tax asset to Rs. 0.33 million for the financial year 2007 as compared to a deferred tax charge of Rs. 3.55 million for the financial year 2006. Our effective tax rate (net of fringe benefit tax) for the financial year 2007 was 32.6% as compared to 35.2% for the financial year 2006.

Net Profit After Tax and Before Prior Period Items. For the reasons stated above, our net profit after tax and before prior period items increased to Rs. 28.73 million for the financial year 2007 from Rs. 13.78 million for the financial year 2006.

Net Profit, as Restated. Our net profit, as restated, increased to Rs. 30.70 million for the financial year 2007 from Rs. 8.03 million for financial year 2006. We have restated our financial statements to take into account certain adjustments from the prior financial years. For further details, see “Material Adjustments” in Annexure IV – Note 3 to the restated unconsolidated financial statements presented in this Red Herring Prospectus.

Liquidity and Capital Resources

Historically, we have relied upon equity financing from our shareholders for land acquisition, project development and construction and other capital needs. We also incur secured and unsecured debt financing from banks and financial institutions to supplement our capital needs with respect to project development and construction. Our secured debt has land and projects as collateral.

Our Borrowings

Based on our restated consolidated financial statements, as of December 31, 2009, we had Rs. 1,891.34 million of secured loans outstanding. These loans were secured by, among other things, our land parcels, personal guarantees by one of our Promoters, Mr. Nitesh Shetty, corporate guarantees given by us and movable and immovable assets. Based on our restated consolidated financial statements, as of December 31, 2009, we also had Rs. 48.76 million of unsecured loans outstanding. For details, see "Our Indebtedness".

Cash Flows

The following table sets forth our consolidated cash flows for the nine months ended December 31, 2009 and for the financial year 2009:

(Rs. in million)

Particulars	Nine Months Ended December 31, 2009	Financial Year Ended March 31, 2009
Net cash generated from/(used in) operating activities	(741.30)	(116.02)
Net cash generated from/(used in) investing activities	260.26	(552.99)
Net cash generated from/(used in) financing activities	615.68	200.31
Net increase/ (decrease) in cash and cash equivalents	134.64	(468.70)

Cash Flows from Operating Activities

Net cash used in operating activities for the nine months ended December 31, 2009 was Rs. 741.30 million, consisting of profit before tax, as restated, of Rs. 19.01 million, as adjusted by, among others, profit on sale of investments of Rs. 174.95 million and interest expense (net of amount inventorised/capitalised) of Rs. 98.40 million, and as further adjusted by an increase in loans and advances and other current assets of Rs. 694.16 million, a decrease in debtors of Rs. 23.72 million, a decrease in current liabilities and provisions of Rs. 21.07 million and a decrease in inventories of Rs. 15.24 million.

Net cash used in operating activities for the financial year 2009 was Rs. 116.02 millions, consisting of net profit before tax, as restated, of Rs. 40.48 million, as adjusted by, among others, interest expense (net of amount inventorised/capitalised) of Rs. 18.87 million, loss on the sale of fixed assets or discontinuance of projects of Rs. 14.14 million, advances written-off of Rs. 13.22 million and a decrease in current liabilities and provisions of Rs. 370.54 million, a decrease in loans and advances and other current assets of Rs. 198.80 million, a decrease in inventories of Rs. 141.11 million and an increase in debtors of Rs. 159.89 million. The operating profit before working capital changes for the financial year 2009 was Rs. 93.17 million.

Cash Flows from Investing Activities

Net cash generated from investing activities for the nine months ended December 31, 2009 was Rs. 260.26 million, consisting of proceeds from sale of assets or discontinuance of projects (including refund of capital advances) of Rs. 200.27 million, proceeds from sale of investments in mutual fund units of Rs. 200.73 million and sale of investments in subsidiary of Rs. 180.00 million, decreased by, among others, purchase of investments in mutual fund units of Rs. 201.38 million, purchase of investments of Rs. 112.69 million and purchase of fixed assets (including payments towards capital advances) of Rs. 7.19 million.

Net cash used in investing activities for the financial year 2009 was Rs. 552.99 million, consisting of purchase of fixed assets (including refund of capital advances of Rs. 600.42 million with respect to the payment made for the land for a proposed SEZ project in Mangalore), decreased by proceeds from the sale of assets of Rs. 45.68 million and interest received of Rs. 1.75 million.

Cash Flows from Financing Activities

Net cash generated from financing activities for the nine months ended December 31, 2009 was Rs. 615.68 million, consisting of proceeds from the preferential issue of shares to the promoters of Rs. 155.09 million, proceeds from secured loans of Rs. 632.49 million, proceeds from unsecured loans of Rs. 33.40 million, decreased by, among others, interest paid of Rs. 137.28 million, repayment of unsecured loans of Rs. 53.80 million and repayment of secured loans of Rs. 14.22 million

Net cash generated from financing activities for the financial year 2009 was Rs. 200.31 million, consisting of proceeds from secured loans of Rs. 1,200.65 million and proceeds from unsecured loans of Rs. 17.36 million, decreased by, repayment of share application money of Rs. 607.09 million, repayment of secured loans of Rs. 352.97 million and interest paid of Rs. 57.64 million.

Transactions with Related Parties

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions could be for provision of services, purchase and sale of goods, lease of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see Note 6 of our restated consolidated financial statements.

Contingent Liabilities

Our contingent liabilities not provided for as of December 31, 2009 based on our restated consolidated financial statements included the following:

(Rs. in million)

Particulars	Amount
Guarantees given by our Company*	225.95
Claims not acknowledged as debts in respect of sales tax and income tax	1.35

**The guarantees have been given with respect to our Group Entities.*

In addition, certain amounts relating to the investments made by our Company in Sagar Nitesh Projects Private Limited are under dispute and there is a potential interest liability on account of uncertainty with respect to the redemption or conversion of debentures issued NHDPL. For more details, see "Financial Statements – Notes to Accounts – Liabilities" on page 242

Contractual Obligations and Commercial Commitments

As of December 31, 2009, the estimated aggregated amount of contracts remaining to be executed on capital account and not provided for (net of advances) was Rs. 745.00 million, which contracts are required to be executed in less than one year.

Off-balance sheet arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse charges in market prices, including interest rate risk and commodities risk. We are exposed to commodity risk, interest rate risk and credit risk in the normal course of our business.

Risk Management Procedures

The objective of market risk management is to avoid excessive exposure of our income and equity to loss. We generally manage our market risk through our treasury operations.

Interest Rate Risk

We currently maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates. Upward fluctuations in interest rates increase the cost of both existing as substantially all our indebtedness is at floating rates and new debts. It is likely that in the current financial year and in future periods our borrowings will rise substantially given our planned expenditure.

Commodity Risk

We are exposed to market risk with respect to the prices of raw material and components used in our projects. These commodities are primarily steel and cement. The cost of these raw materials and components are subject to fluctuation based on commodity prices. The cost of components and various small parts sourced from third party manufacturers may also fluctuate based on their availability from suppliers. We currently do not have any hedging mechanism in place in respect of any of these commodities.

Credit Risk

We are exposed to credit risk on accounts receivables owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts. We generally grant our customers credit periods of 60 to 90 days.

Inflation

In recent years, although India has experienced fluctuations in inflation rates, inflation has not had material impact on our business and results of operations.

Other Qualitative Factors

Significant Developments Occurring after December 31, 2009

- Our Company, pursuant to a share subscription agreement, issued 1,049,000 Equity Shares, or 1.48% of our pre-Issue share capital to BETL for an aggregate consideration of Rs. 150.01 million or Rs. 143 per Equity Share.
- Our Company has also drawn down a further amount of Rs. 42.94 million from Bank of Baroda pursuant to the sanction letter dated February 27, 2009.
- Pursuant to the transfer of 6,802,460 ("**Transfer Shares**"), from Mr. Nitesh Shetty to Nitesh Land, these Transfer Shares held by Nitesh Land in our Company are pledged with HDFC AMC as required under the Securities Subscribtion Agreement dated February 2, 2010 executed among Nitesh Land, HDFC AMC and Mr. Nitesh Shetty. Further, pursuant to the DSSPA entered into among Nitesh Housing, HDFC AMC, our Company and Mr. Nitesh Shetty, Nitesh Housing has issued debentures aggregating to a further amount of Rs. 120.00 million such that the total debenture amount outstanding as of this date of the Red Herring Prospectus is Rs. 620.00 million.
- Nitesh Indiranagar has signed a second supplementary MoU in respect of the Nitesh Mall, one of our Forthcoming Projects. Our deposit payment obligations have changed. For further details, see "Our Business – Our Shopping Mall Projects – Nitesh Mall".

Except as stated above or elsewhere in this Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Other than as described in the section titled “Risk Factors”, and this section and elsewhere in this Red Herring Prospectus, to the best of our knowledge there are no known trends or uncertainties that have had, or are expected to have, a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Costs and Income

Other than as described in the section entitled “Risk Factors” and this section, to our knowledge there are no future relationship between cost and income that have or had or are expected to have a material adverse impact on our operations and finances.

New Product or Business Segment

Other than as described in the section “Our Business”, to our knowledge, there are no new products or business segments.

Seasonality

Our results of operations do not generally exhibit seasonality. However, we may have variation in our financial results from the financial period to the financial period as a result of various factors, including those described under “– Significant Factors Affecting Our Results of Operations” and “Risk Factors”.

Competitive Conditions

We expect competition in the real estate development sector from existing and potential competitors to intensify. For further details, please refer to the discussions of our competition in the sections “Risk Factors” and “Our Business” beginning on pages 12 and 132, respectively.

FINANCIAL INDEBTEDNESS

As on March 20, 2010, on an unconsolidated basis, the details of our total indebtedness is as follows:

(Rs. in million)

	Amount Outstanding as of March 20, 2010
Secured Indebtedness*	917.38
Unsecured Indebtedness	25.87

*The total secured indebtedness includes Rs. 1.73 million of vehicle loans

I. Secured loans granted to our Company

1. Sanction Letter dated February 27, 2009 between Bank of Baroda and our Company

Sanctioned amount (Rs. In million)	Amount availed (Rs. In million)	Amount outstanding as of March 20, 2010 (Rs. In million)	Current rate of Interest (%)	Repayment and Security	Purpose
235.00	192.91	192.91	1% over BPLR that is 13.0% p.a.	• Repayment to be made in 10 monthly instalments of Rs. 23.5 million each commencing from March 2010. The interest payable during instalment repayment period is to be serviced separately at monthly rests. • Equitable mortgage of our Company's undivided share in the land situated at Seegehalli village, bearing Survey No. 120/1, 120/2, 120/3, 123/1 & 2, 123/3, Bidarahalli Hobli, Bengaluru East Taluk and residential building to be constructed thereon on pari passu basis with the mortgage on the said property created in favour of Oriental Bank of Commerce. • Personal guarantee of Mr. Nitesh Shetty and Ms. Pushpalatha Shetty.	To part fund the construction of the Ongoing Project "Nitesh Forest Hills" in Whitefield, Bengaluru.

2. Facility Agreement dated March 31, 2009 between HDFC and our Company

Sanctioned amount (Rs. In million)	Amount availed (Rs. In million)	Amount outstanding as of March 20, 2010 (Rs. In million)	Current rate of Interest (%)	Repayment and Security	Purpose
500.00	500.00	494.93	Applicable rate of interest with effect from	• Repayment to be made in 12 monthly instalments commencing from the end of the 13th	To utilise the proceeds for the purpose of capital

Sanctioned amount (Rs. In million)	Amount availed (Rs. In million)	Amount outstanding as of March 20, 2010 (Rs. In million)	Current rate of Interest (%)	Repayment and Security	Purpose
			February 1, 2010 is 14.0% per annum	month from the date of first disbursement or earlier in the following manner: (a) monthly instalments of Rs. 40 million each from 13th month to the 23rd month; (b) last monthly instalment of Rs. 60 million in the 24th month. • Mortgage of property bearing Survey No. 49/1,50/1,51 and 50/3 situated at "Nitesh Key Biscayne", Chikkasane Village, Kasaba Hobli, Devanahalli Taluk, Bengaluru and the building constructed thereon. • Mortgage of the apartment situated at ground floor in the building "Nitesh Canary Wharf" constructed on the property at No.3, Bride Street, Langford Town, Bengaluru along with the proportionate share in the land and 2800 sq.ft. of super built up area. • Mortgage of the property situated at Survey No. 514/5, 514/8, 514/3, 514/10, 506/1, 506/2 and 506/4 of kakkanadu Village, Trikarakkara Grama Panchayat, Ernakulam District, Cochin, vacant land measuring 4 acres. • Hypothecation of	expenditure for the construction of the project financed namely "Nitesh Forest Hills".

Sanctioned amount (Rs. In million)	Amount availed (Rs. In million)	Amount outstanding as of March 20, 2010 (Rs. In million)	Current rate of Interest (%)	Repayment and Security	Purpose
				sales receivables from the projects namely: (a) Nitesh Canary Wharf, Bengaluru; (b) Wimbeldon Gardens, Kochi; (c) Nitesh Key Biscayne Devanahalli, Bengaluru; (d) Nitesh Buckingham Gate, Bengaluru; (e) Nitesh Central Park, Bengaluru (f) Escrow Account • Demand promissory note issued by our Company for the amount of the loan • Post dated cheques for interest and principal repayment of the said loan. • Personal guarantee of Mr. Nitesh Shetty.	

3. Term Loan Agreement dated December 28, 2007 between HDFC, Vayalat Estates Private limited and our Company*

Sanctioned amount (Rs. In million)	Amount availed (Rs. In million)	Amount outstanding as of March 20, 2010 (Rs. In million)	Current rate of Interest (%)	Repayment and Security	Purpose
500.00	222.50	227.81	Applicable rate of interest with effect from February 1, 2010 is 14.25% per annum	• Repayment in 15 monthly instalments comprising of interest and principal repayments commencing from the end of 28th month from the date of first disbursement as follows: (a) 10 monthly instalments of Rs. 30 million each;	To finance the construction of the project "Nitesh Wimbeldon Garden" at Kakkanad, Kochi.

	(b) 5 monthly instalments of Rs. 40million each. • Demand promissory note issued by our Company for the amount of the loan • Personal guarantee of Mr. Nitesh Shetty. • Corporate Guarantee of Vayalat Estates Private Limited. • Mortgage of the land bearing Survey No. 514/10, 506/1, 506/2, 514/5, 514/8, 514/3, 506/4 and 506/3 situated at Kakkanadu Village, Trikkakkara Grama Panchayat, Ernakulam District, Cochin admeasuring 8.02 acres and building constructed thereon which is known as "Nitesh Wimbledon Garden" at Kochi.	

**A change in control of the Company or of any other person who controls the Company, without the approval of the lender is an event of default under the term loan agreement.*

II. Total unsecured loans outstanding as on March 20, 2010 are Rs. 25.87 million.

Some of the corporate actions for which we need the prior written consent of our lenders include the following:

- to avail of credit facilities from other banks or financial institutions, further expansion of business, merger, amalgamation, re-constitution, taking up new business activities or setting up or investing in a subsidiaries whether in the same business line or unrelated business;
- to make any modifications to any of the documents related to the projects;
- to undertake any new project, or augment, modernize, expand or otherwise change the scope of the projects;
- make any modifications to any of the project documents;
- to convey, sell, lease or otherwise dispose or mortgage or otherwise charge (or agree to do any of the foregoing) all or any part of assets;
- to issue any debentures, raise any loan, accept deposits, issue preference capital;
- to effect any change in capital structure or create any security interest or give any guarantees;
- to enter into any agreement or arrangement with any person, institution, local or government or body for the use, occupation or disposal of the property or any part thereof;
- to declare or pay any dividends or authorize or make any distribution to its shareholders/members/partners/ or permit withdrawal of amounts brought in;
- to prepay any indebtedness incurred by us from any entity and/or person other than the lender;
- to pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any indebtedness incurred by us;
- to change the accounting method or policies currently followed us unless expressly required by applicable law;
- to sell, assign, mortgage, alienate or otherwise dispose of any of its assets or those charged with the Bank;

- to permit any transfer of the controlling interest or make any change in the management set up;
- to make any amendment to its constitutional documents;
- to create, grant or extend any charge, lien or encumbrance over its assets;
- to enter into or carry on any business not directly related to its present business; and
- to engage in any business or activities other than those which it is engaged in, either alone or in partnership or joint venture with any other person, nor acquire any ownership interest in any other entity or person or enter into any profit sharing or royalty agreement or other similar arrangement whereby borrower's income or profits are or might be shared with any other person.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Subsidiaires, joint venture, our Promoters, Group Entities and our Directors, and there are no defaults, non-payment of statutory dues, overdues to banks/financial institutions/small scale undertaking(s), defaults against banks/financial institutions/small scale undertaking(s), defaults in dues payable to holders of any debentures, bonds or fixed deposits or arrears on preference shares issued by our Company, our Subsidiaires, joint venture, our Promoters, Group Entities and our Directors, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any 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) other than unclaimed liabilities of our Company, the Promoters, the Group Companies and our Directors, and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, the Group Companies, individuals forming part of our Group Companies, our Directors and other Group Companies that would result in a material adverse effect on our consolidated business taken as a whole.

Cases involving our Company

Cases filed against our Company

Criminal Cases

Nil

Civil Suits

1. Mr. Bhanwar Lal filed a suit in the Court of Civil Judge (Senior.Division), Devanahalli, O.S. No. 830/2007 dated August 20, 2007 against Mr. Mewaram and others of which our Company has been impleaded as a defendant. The plaintiff had given a general power of attorney to Mr. Mewaram to conclude the purchase of the transaction in respect of the property bearing Survey No. 51, admeasuring 2.49 acres, situated in Chikkasanne Village, Kasaba Hobali, Devanahalli Taluk, Bengaluru Rural District with Ms. K.P. Ambujakshi. After purchasing the said property, Mr. Mewaram sold the property to Mr. Suraj Mal Maloo who subsequently gifted the said property to Mr. Premkumar. The plaintiff has alleged that the general power of attorney was granted to Mr. Mewaram to only complete the purchase transaction and not to sell the property to any party. Thus, the plaintiff has prayed for the cancellation of the sale deed dated March 11, 1992 and the subsequent gift deed dated June 22, 2005 and to grant a permanent injunction restraining the defendants from developing the said property for commercial or residential purposes. The Court of Civil Judge (Senior.Division), Devanahalli has passed an order restraining the defendants from alienating the said property. Pursuant to this, the plaintiff has filed an I.A. 2 of 2007 at the Court of Civil Judge (Senior Division), Devanahalli dated August 20, 2007 for the production of the general power of attorney from us. The Court of Civil Judge (Senior Division) on January 12, 2010, by way of an order has directed our Company to produce the original power of attorney in this regard. The plaintiff, in the suit filed, has prayed to the Court of Civil Judge to declare the sale deed dated March 11, 1992 and the gift deed dated June 22, 2005 as null and void and to grant permanent injuction resraining Mr. Mewaram and others from interfering with the peaceful possession and enjoyment of the plaintiff in respect of the property. The matter is still pending and the next date of hearing is April 18, 2010.

2. A suit has been filed by Deccan Garden Services, O.S. No. 3034 of 2008 dated April 19, 2008 in the Court of the City Civil Judge, Bengaluru against our Company, ITC Limited and Larsen & Toubro Limited seeking a stay against the defendants from appointing another sub-contractor for landscaping the property in relation to the Nitesh Garden Enclave (formerly referred to as

Nitesh Long Island) project bearing Survey No. 1B situated at Jakkur Plantation, Jakkur Village, Jakkur Bengaluru. Deccan Garden Services was initially appointed by our Company on April 1, 2006 as a sub-contractor for land-scaping and the execution of civil works. On April 3, 2008, the defendants terminated the agreement appointing the plaintiff on the grounds including that the plaintiff has failed to mobilize the work at site and has failed to depute the proper technical staff and mobilize the materials required for the work. Subsequently, the defendants appointed another sub-contractor named Engler and Pranthale Landscpaes Private Limited on April 16, 2008. The plaintiff has prayed that the termination letter be declared as not binding on the plaintiff, issue a judgement and decree of permanent injunction against the defendants from committing a breach of the contract and issue a judgement and decree restraining the defendants from entrusting the sub-contract to any other third party. The suit is presently pending and the date of next hearing is June 6, 2010.

Tax Case

1. The Office of the Commissioner of Service Tax had given a show cause notice dated July 8, 2009 to our Company on the ground that our Company has not discharged the service tax liability received by them pursuant to the construction work undertaken for ITC Limited, Bengaluru in the name of Nitesh Garden Enclave (formerly referred to as Nitesh Long Island) project. The service tax liability including education cess and other liabilities is Rs. 15.58 million. The Office of the Commissioner of Service Tax issued a letter dated August 17, 2009, granting 30 days time to our Company to file a reply to the show cause notice. The reply to the show cause notice was filed on September 8, 2009 by our Company. The matter is presently pending.

2. The Income Tax Department has served an assessment order dated January 4, 2010 to our Company on the ground that the compensation value paid to Mr. Mahesh Bhupathi as non-compete fee in the assessment year 2007-1008 was to be revised to reflect Rs. 67.00 million and not Rs. 85.00 million, thereby making the total tax payable by the Company for the said assessment year as Rs. 0.42 million. Based on the assessment order, our Company has filed an appeal against the said order dated February 2, 2010 to the Commisioner of Income Tax (Appeals)-III praying that the allocable compensation for the relevant assessment year was to be determined only on Rs. 85.00 million being the agreed compensation payable to Mr. Mahesh Bhupathi and that the quantum of compensation having been revised in the subsequent year, the Company had itself offered the difference for taxation on the mercantile basis. The matter is currently pending.

Cases filed by our Company

Criminal Cases

1. Our Company has filed a criminal appeal No. 170 of 2009 against Swamy Enterprises and another in the High Court of Karnataka dated March 5, 2009 for recovery of Rs. 20.00 million from Swamy Enterprises and to set aside the order passed by the trial court dated February 2, 2009 in CC No. 233/2008 in this regard. Our Company and Swamy Enterprises had entered into an agreement to procure certain property for development. The consideration paid by our Company under the agreement was Rs. 50.00 million. Further the Company has alleged that a further payment of Rs. 25.00 million was made to Swamy Enterprises under the agreement. In order to settle the dispute, Swamy Enterprises orally agreed to pay the Company a sum of Rs. 40.00 million. It was alleged that the respondents issued two post dated cheques for a sum of Rs. 20.00 million and Rs. 5.00 million in lieu of the Rs. 40.00 million agreed as settlement amount. It was alleged by the Company that the cheque for Rs. 20.00 million issued by Swamy Enterprises was dishonoured by the bank, thereby committing an offence under Section 138 of the Negotiable Instruments Act. Our Company filed the plaint in the trial court to recover the balance Rs. 20.00 million from Swamy Enterprises. The trial court concluded that the Company had only paid Rs. 50.00 to Swamy Enterprises million under the agreement and held that the

Company did not adequately prove that the cheque for Rs. 20.00 million issued by the respondents was dishonoured. The trial court dismissed the matter on the grounds that in the absence of the existence of any written agreement in support of the payment to be made to the Company and the reasons stated above, the complaint filed by the Company is not maintainable. The matter that was pending at the High Court of Karnatakais settled out of Court. On March 19, 2010 both the parties filed joint memo recording the terms of settlement in High Court of karantaka. Presently the matter is pending for final disposal post realization of the cheques issued by Swamy Enterprises by the third week of July 2010.

Civil Suits

1. Our Company had filed a petition under Section 9 of the Arbitration and Conciliation Act, 1996 pursuant to the JDA dated October 20, 2005 entered into by our Company and Mrs. Tammana Moolchandani & another, before the City Civil Court, Bengaluru on February 13, 2007 against Ms. Tammana Moolchandani & another. Our Company sought an order of temporary injunction from the City Civil Court dated February 14, 2007, against the respondents restraining them from carrying on any activity in the property admeasuring 0.20 acres bearing No. 50/1 & 50/1-1, Cunningham Road, Bengaluru. However, the respondents had commenced certain preliminary excavation activities in the property. Due to non-compliance by the respondents, our Company had also filed a Civil Miscellaneous Petition, CMP No. 111 of 2007 before the High Court of Karnataka seeking the court's intervention in the constitution of the arbitral tribunal for adjudication of the dispute between our Company and the respondents. By order on I.A. in CMP 111 of 2007 dated April 3, 2008, the Court directed the constitution of the arbitral tribunal for the abovementioned purpose. Our Company has filed a claim before the arbitration tribunal dated June 26, 2008 requesting the tribunal to issue a permanent injunction restraining the respondents from selling, leasing, mortgaging or alienating the property mentioned under the JDA, or entering into any other JDA in respect of the said property with anyone else other than our Company, and direct the respondents to pay a sum of Rs. 50.00 million as damages to our Company. The arbitral tribunal dated April 10, 2009 granted the award in favour of our Company directing the respondents to pay a sum of Rs. 13.6 million together with interest at 12.0% per annum on Rs. 10.00 million from March 31, 2009 till the date of payment. The respondents have filed an appeal A.S. No. 36 of 2009 dated Septemebr 1, 2009 under Section 34 of the Arbitration and Conciliation Act, 1996 in the Court of City Civil Judge, Bengaluru seeking the stay of the award granted by the arbitral tribunal. The Court has dismissed A. S. No.36 of 2009 on March 29, 2010 and we await the final copy of the order dismissing the suit.

2. The Court of the 1st Additional Civil Judge (Senior Division), Bengaluru Rural District, Bengaluru passed an order dated November 4, 2008 O.S.No. 731 of 2008, dismissing the petition I.A.No.I filed by our Company U/O 39 Rule 1 & 2 Civil Procedure Code against Mr. Kailashnath Patil and others on the basis that there was no prima-facie case established by the plaintiff to grant a temporary injunction against the defendants from alienating the land or any portion of it to another third party in relation to which the plaintiff and the defendant had entered into a memorandum of expression and interest dated May 24, 2006. Our Company filed a suit dated April 15, 2008, O.S. 731/2008, for specific performance of the memorandum of expression and interest to cause the defendant to enter into a JDA. Our Company had appealed to the High Court of Karnantaka MFA No. 981 of 2009 dated February 3, 2009 against the order dated November 4, 2008. This appeal has been dismissed and was declared as not maintainable on September 16, 2009. Additionally, the Court of 1st Additional Civil Judge (Senior Division), Bengaluru Rural District, Bengaluru passed an order dated November 4, 2008 O.S.No.731 of 2008, allowing the application for rejection of plaint U/O 7 Rule 11 Civil Procedure Code. Our Company has appealed to the High Court of Karnantaka RFA No.127 of 2009 dated February 3, 2009 to set aside the order dated November 4, 2008, to direct the defendants to enter into a joint development agreement with our Company and restrain the defendants from entering into any agreement with any third party other than our Company. The matter is currently pending at the High Court of Karnataka.

3. Sagar Nitesh Projects Private Limited ("**SNPPL**") is a company incorporated under Act represented by its directors, Dr. Premchandra Sagar and Dr. Hemachandra Sagar. On October 21, 2007, SNPPL and our Company entered into a share subscription and shareholders agreement to do certain acts mentioned therein. Under the shareholders agreement, Dr. Premchandra Sagar and Dr. Hemachandra Sagar will hold 80.0% of the shareholding of SNPPL and our Company will hold 20.0% of the shareholding of SNPPL. Our Company paid a sum Rs. 50.00 million as advance towards its 20.0% shareholding in SNPPL as stipulated under the shareholders agreement. Subsequently, the shareholders agreement was terminated by our Company on the grounds that certain conditions precedents were not fulfilled by Dr. Premchandra Sagar and Dr. Hemachandra Sagar and SNPPL. Thus, we initiated arbitration proceedings against Dr. Premchandra Sagar and another for recovery of advance amount aggregating to Rs. 50.00 million pursuant to the share subscription and shareholders' agreement dated October 21, 2007. Our Company has prayed to the Arbitral Tribunal to declare the action of forfeiture of the amount of Rs. 50.00 million as illegal, null and void, direct the respondents to refund the share application money of Rs. 60.24 million at the rate of 15.0% per annum along with interest in accordance with the shareholders agreement, declare that the respondents have not complied with the conditions precedent to the shareholders agreement and to direct the respondents to pay Rs. 10.47 million which is 10.0% of Rs. 50.00 million for the loss of profit and for the loss of opportunity by the Company for not being able to invest the advanced amount in some other project. Further, we have filed a Civil Miscellaneous Petition dated August 24, 2009 under Section 11 of the Arbitration and Conciliation Act, 1996, CMP No. 235/2009 at The High Court of Karnataka to appoint and confirm all the three arbitrators appointed by Dr. Premchandra Sagar and another to Sagar Nitesh Projects Private Limited, who has been impleaded as a respondent in this case. The arbitral tribunal on May 28, 2009 commenced the arbitration proceedings. Further on September 30, 2009, the Arbitral Tribunal heard the application filed by Dr. Premchandra Sagar and another for dismissal of the arbitration proceedings due to delay in filing the statement of claim. The arbitral tribunal had granted eight weeks (that is on or before November 25, 2009) to file the statement of claim. Our Company filed the statement of claim on November 25, 2009 and the defendants have sought an extension from the Arbitral Tribunal to file their objections to the statement of claim. The Arbitral Tribunal has granted an extension up to April 14, 2010 to file its objections to the statement of claim. The matter is currently pending and the next date of hearing is April 16, 2010.

Cases involving our Subsidiaries

Companies

Nitesh Indiranagar

Cases filed by or against Nitesh Indiranagar

Nil

Contingent liability as of December 31, 2009

Estimated amount of contracts remaining to be excuted on capital account not provided for Rs. 745.00 million.

Nitesh Housing

Cases filed by or against Nitesh Housing

Nil

Contingent liability as of December 31, 2009

Nitesh Housing has issued debentures amounting to Rs. 500.00 million as at December 31, 2009 and has accrued as interest the minimum IRR of 18.0% on the debentures for the period ended December 31, 2009. In view of the uncertainity as to whether the buyer (HDFC AMC) would seek for redemption or conversion of the debentures and subject to completion of the IPO of the Company, the additional return, if any, on the debentures amounting to Rs. 20.00 million for the period ended December 31, 2009 has not been provided for.

Joint Venture

Nitesh Estates-Whitefield

Cases filed by or against Nitesh Estates-Whitefield

1. Ms. Indiramma has filed a suit for partition, O.S. No. 416 of 2009 dated June 2, 2009 against Ms. Narasamma and other, of which Nitesh Estates-Whitefield and our Company are also the defendants at the Court of the Principal Civil Judge (Senior.Division), Bengaluru Rural, Bengaluru. The plaintiff has alleged that her brothers and sisters, the defendants in this case, have sold the property to which she has $1/7^{th}$ share in the property bearing Survey No. 123/1 and 123/2 totally measuring 1.52 acres situated at Seegehalli, Bidarahalli Hobli, Bengaluru East Taluk. Our Company has entered into an agreement for the purpose of developing and building residential apartments dated November 14, 2005 with Mr. Joji Reddy and Mr. Showri Reddy in relation to developing the abovementioned property. The plaintiff has prayed for $1/7^{th}$ share in the abovementioned property. The matter is currently pending and the next date of hearing is on June 24, 2010.

2. Ms. Shobha Radhakrishnan has filed a consumer case number 2727/2009 at the Consumer Court on December 5, 2009 against Nitesh Estates-Whitefield alleging delay in the construction of the Nitesh Forest Hills project. In this regard, she has claimed a compensation at the rate of 18% interest to the amount paid for booking of a flat in the project, Rs. 231,000 towards compensation for extended rent payment for 22 months, Rs. 20,857 towards loss of income tax waiver on the pre EMI paid and Rs. 25,000 towards physical strain and mental agony suffered by her. The agreement or sale of the flat was terminated by the complainant with Nitesh Estates-Whitefield due to slow progress of work and sought a refund of Rs. 663,967 along with 18.0% interest. The complainant has alleged that Nitesh Estates-Whitefield has refunded the sum of Rs. 663,967 along with only 10.0% interest. Nitesh Estates-Whitefield has filed its objections on February 4, 2010. The matter is currently pending for filing of the complaint evidence and the next date of hearing is April 26, 2010.

3. Ms. Yashodamma filed a partition suit at the Trial Court against Nanjundaswamy and others and Nitesh Estates-Whitefield on July 30, 2007 claiming $1/5^{th}$ share in the property having Survey No. 123/3 measuring 2 acres and 22 guntas situated at Seegahalli village, Bidarahalli Hobli, Bengaluru East Taluk. The plaintiff also filed an interim application I.A. 2 of 2007 dated July 30, 2007 at the Court of the Civil Judge (Senior Division) for granting a temporary injunction and restraining the defendants from changing the nature of the abovementioned property. The Court of Civil Judge dismissed the interim application of the plaintiff by way of an order dated December 22, 2007 and directed the defendant to furnish a bank guarantee of Rs. 500,000 to the plaintiff. Subsequently, the plaintiff filed an appeal M.F.A. 968/2008 dated January 21, 2008 at the High Court of Karnataka challenging the order of the Court of Civil Judge. The High Court passed an order on February 22, 2008 granting a stay on the abovementioned property. Further, the plaintiff filed an affidavit dated June 2, 2008 at the High Court of Karnataka stating that she wishes to withdraw her claim filed in the M.F.A. 968/2008. The High Court of Karnataka disposed the case by way of an order dated June 2, 2008. Based on the order passed by the High Court, Nitesh Estates-Whitefield filed a memo on October 14, 2008 at the Trial Court for deletion of the name of the defendants from the suit, according to which the Trial Court has deleted the name of the defendants from the suit. The plaintiff, now has filed a writ petition 24811 of 2009, before the High Court of Karnataka, Bengaluru against the defendants for

setting aside the order of the Trial Court dated November 25, 2008. The matter is currently pending at the High Court of Karnataka.

Contingent liability as of September 30, 2009

The agreements entered for sale of flats are for sale of immovable property on which VAT is not applicable, in lieu of pending case relating to Larsen & Toubro vs. Government of Karnataka in Supreme Court. Hence, as against the demand of Rs. 3.86 million (including penalty and interest) raised by the Commercial Taxes Department for the year ended March 31, 2008, the firm has paid a partial amount of Rs. 2.50 million under protest and the same is classified under the loans and advances. Accordingly, no provision of Value Added Tax is considered for the nine months period ended December 31, 2009.

Cases involving our Promoter

Cases filed against our Individual Promoters

Mr. Nitesh Shetty

Nil

Ms. Pushpalataha V. Shetty

Nil

Cases filed by our Corporate Promoter

Nitesh Industries

Cases filed by or against Nitesh Industries

Nil

Contingent Liability as of March 31, 2009

Nil

Cases filed involving our Group Entities

Cases filed by or against Nitesh Projects

1. Nitesh Projects filed a application for arbitration A.A. 194 of 2009 dated March 17, 2009 under Section 9 of the Arbitration and Conciliation Act, 1996 against Y. Surendra Jayamahal to grant an injunction restraining the respondent from alienating the property in favour of any third parties in relation to which Nitesh Projects has entered into memorandum of understanding dated April 23, 2007 for the purpose of joint development of the property admeasuring 1.68 acres of Bengaluru City Corporation No. 4, Old Nos. 27/1 and 25/1, situated at Marappa Thota, ard No. 92, Old division No. 83, K.G. Baiderahalli, Maranpannpalya into a residential apartment project. On March 19, 2009 an order was passed by The City Civil Judge, Bengaluru in favour of Nitesh Projects. Nitesh Projects has filed a Civil Miscellaneous Petition No. 215 of 2009 dated June 25, 2006 before The High Court of Karnataka for the appointment of an arbitrator. The High Court of Karnataka disposed the matter on September 1, 2009 appointing Justice R. Gururajan (Retired) as the sole arbitrator. The first arbitration proceeding was held on October 10, 2009, and subsequently we have filed our pleadings on November 23, 2009 subsequent to which the statement of objections was filed by the respondents on February 10, 2010. The matter is currently pending and the next date of hearing is April 16, 2010.

2. Nitesh Projects filed a Civil Miscellaneous Petition No. 15 of 2009 at the High Court of Karnataka dated February 4, 2009 against Karishma Paradise & Hill Country Resorts Private Limited seeking the appointment of the third arbitrator for conducting arbitration proceedings and resolving the disputes arising out of the JDA entered between Nitesh Projects and Karishma Paradise & Hill Country Resorts Private Limited dated November 13, 2006. The petition was disposed on July 7, 2009 by the High Court of Karnataka directing both the arbitrators appointed by the parties to appoint the third arbitrator. Pursuant to the order passed by the High Court of Karnataka, Justice R.G. Vaidyanathan, the arbitrator appointed by Nitesh Projects has written a letter to Mr. V. Chandrashekhar, the arbitrator appointed by Karishma Paradise & Hill Country Resorts Private Limited to discuss the appointment of the third arbitrator. Both the arbitrators have appointed Justice R. V. Vasanth Kumar (Retired) as the third and presiding arbitrator. Justice R. V. Vasanth Kumar has fixed the fist date of hearing on October 15, 2009 and subsequently the further hearing has been fixed on November 24, 2009. Additionally, Nitesh Projects has filed an arbitration application A.A. No. 5 of 2009 dated March 6, 2009 at the City Civil Court, Bengaluru against Karishma Paradise & Hill Country Resorts Private Limited seeking to obtain an interim injunction against the respondents from alienating the property bearing Survey No. 48/1, admeasuring 4 acres, situated at Turahalli Village, Uttarhalli Hobli, Bengaluru South Taluk. An order was passed dated March 13, 2009 by the Additional District Judge, Bengaluru Rural District, Bengaluru granting the interim injunction against the respondents from alienating the said property. The matter is currently pending and the next date of hearing is on April 20, 2010.

3. A writ petition No. 1467 of 2007 was filed at the High Court of Karnataka dated January 23, 2007 by Dr. B. Veeragowda and another against the State of Karnataka, Karishma Paradise & Hill Country Resorts Private Limited, Nitesh Projects and others, alleging that the property bearing Survey No.48/1 admeasuring 4 acres situated in Turahalli Village, Uttarahalli Hobali, Bengaluru South Taluk, can be used only for the purposes mentioned under Section 109 of the Karnataka Land Reforms Act, 1961 which includes for the purposes of industrial development, education institutions recognized by the State or Central Government, places of worship to be specified by Government by notification. It has been alleged that the defendants are developing the said property for commercial and residential purposes which is against the import of Section 109 of the Karnataka Land Reforms Act, 1961. The petitioners are seeking the High Court of Karnataka to pass an order of temporary injunction restraining the respondents from proceeding with any commercial venture or development of the said property and quash the exemption notification granted by the Government of Karnataka No. RD 15 LRM dated September 29, 1999 as unconstitutional. The writ petition is presently pending.

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Residency

1. Nitesh Residency has filed an application STP 89 of 2007-1008, dated July 10, 2007 under Section 44 of the Karnataka Stamp Act, 1957 before the Chief Controller of Revenue and Inspector General of Registrar, Commissioner of Stamps seeking refund of excess stamp duty paid on the lease deed dated January 11, 2007 with Archdiocese of Bengaluru. The Inspector General has directed the District Registrar to assess the correct market value of the property. Nitesh Residency has submitted its representations dated December 17, 2008 in this regard pursuant to the notice sent by the District Registrar dated October 16, 2008. The matter is currently pending.

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Kochi

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Madison Developers

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Mylapore

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Devanahalli

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Boat Club

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Land

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against NISCO Ventures

A plaint O.S. 3768/2009 under Section 26, Order VII Rule 1 & 2 of the Code of Civil Procedure was filed in the Court of the City Civil Judge at Bengaluru on June 11, 2009 by NISCO Ventures. The defendant Santosh Kumar C.L. had awarded the work to NISCO Ventures for the construction of civil works for the proposed corporate office and residential bungalow at survey no. 184 at Hunasemaranahalli village, Bellary Road, Jala Hobli, Bengaluru Taluk. The Plaintiff has alleged that the defendant owes Rs. 16.28 million towards the work done by it. Additionally, the plaintiff has sought a restraint order against the defendant's agents and from continuing construction or commencement of new work by engaging third parties. The defendant has filed the written statement on July 18, 2009 in the Court of the City Civil Judge in relation to the same. The matter is currently pending and the next date of hearing is June 5, 2010.

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Infrastructure

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Agrico

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Grass Outdoor

1. A criminal complaint No. 2973/2010 has been filed by Grass Outdoor Media against Vivus Specialty Hospital Private Limited and others dated February 1, 2010 in the Court of XVI Additional Chief Metropolitan Magistrate, Bengaluru under Section 138 of the Negotiable Instruments Act for recovery of the cheque amount of Rs. 1.3 million. The accused in this case had issued a cheque for the said amount which was dishonoured. The matter is currently pending and the date of the next hearing is May29, 2010.

Contingent liability as of March 31, 2009

1. Corporate guarantee given by Grass Outdoor Media to Nitesh Infra Rs. 187.50 million
2. Corporate guarantee given by Grass Outdoor Media to Serve & Volley Outdoor Rs. 20.00 million.

Cases filed by or against Serve & Volley Outdoor

Criminal Case

1. A criminal complaint No. 29636/2008 has been filed by Serve & Volley Outdoor against Links Private Limited and others dated April 10, 2008 in the Court of XIV Additional Chief Metropolitan Magistrate, Bengaluru under Section 138 of the Negotiable Instruments Act for recovery of the cheque amount of Rs. 0.45 million. The accused in the case had issued a cheque for the said amount which was dishonoured. The matter is currently pending and the date of the next hearing is April 17, 2010.

2. A criminal complaint No. 10060/2009 has been filed by Serve & Volley Outdoor against Oriole Advertising dated February 26, 2009 in the Court of XIII Additional Chief Metropolitan Magistrate, Bengaluru under Section 138 of the Negotiable Instruments Act for recovery of the cheque amount of Rs. 0.24 million. The accused in the case had issued a cheque for the said amount which was dishonoured. The matter is currently pending and the date of the next hearing is May 15, 2010.

Civil Suits

1. Serve & Volley Outdoor filed a writ petition (W.P. No. 33170/2009) at the High Court of Karnataka dated November 10, 2009 against the Bengaluru Mahanagara Palike. The Petitioner was the successful bidder of the tender dated January 17, 2009 invited by the Bengaluru Mahanagara Palike for maintenance of BDA junction Surface pass on BOT basis. Bengaluru Mahanagara Palike vide endorsement dated September 15, 2009 cancelled the said tender. The Petitioner filed this writ petition before the High Court seeking quashing the endorsement. The matter is pending admission and the court has ordered notice to the respondents.

2. Serve & Volley Outdoor had eneterd into an agreement dated December 30, 2004 with Bengaluru Mahanagara Palike ("**BBMP**") pursuant to a tender for maintenance of medians against commercial advertisement on BOT basis issued by BBMP. Due to breach of certains terms of the contract by BBMP, Serve & Volley Outdoor filed a statement of claim against Bengaluru Mahanagara Palike in Arbitration Case No. 1/2006, dated April 24, 2007 before the Arbitral Tribunal. The statement of claim is to seek an extension to carry on the business and to direct the Bengaluru Mahanagara Palike not to interfere with the appellant's possession of the same, order and direct the respondent to pay a sum of Rs. 8.00 million as compensation and mesne profits for the losses caused and damages suffered by the appellant on account of the acts of the respondent. The arbitration proceedings are still pending and next date of hearing would be intimated to the parties by the arbitrator.

3. Serve & Volley Outdoor had eneterd into an agreement dated December 30, 2004 with Bengaluru Mahanagara Palike ("**BBMP**") pursuant to a tender for maintenance of medians against commercial advertisement on BOT basis issued by BBMP. Due to breach of certains terms of the contract by BBMP, Serve & Volley Outdoor filed a statement of claim against Bengaluru Mahanagara Palike in Arbitration Case No. 2/2006, dated April 24, 2007 before the Arbitral Tribunal seeking an extension to carry on the business and to direct the Bengaluru Mahanagara Palike not to interfere with the appellant's possession of the same, order and direct the respondent to pay a sum of Rs. 6.00 million as compensation and mesne profits for the losses caused and damages suffered by the appellant on account of the acts of the respondent. The arbitration proceedings are still pending and next date of hearing would be intimated to the parties by the arbitrator.

4. Serve & Volley Outdoor had eneterd into an agreement dated December 30, 2004 with Bengaluru Mahanagara Palike ("**BBMP**") pursuant to a tender for maintenance of medians against commercial advertisement on BOT basis issued by BBMP. Due to breach of certains terms of the contract by BBMP, Serve & Volley Outdoor filed a statement of claim against Bengaluru Mahanagara Palike in Arbitration Case No. 3/2006, dated April 24, 2007 before the Arbitral Tribunal seeking an extension to carry on the business and to direct the Bengaluru Mahanagara Palike not to interfere with the appellant's possession of the same, order and direct the respondent to pay a sum of Rs. 5.00 million as compensation and mesne profits for the losses caused and damages suffered by the appellant on account of the acts of the respondent. The arbitration proceedings are still pending and next date of hearing would be intimated to the parties by the arbitrator.

5. Serve & Volley Outdoor filed a plaint O.S. No. 25638/2007 dated March 21, 2007 under Order VII Rule 1 of the Civil Procedure Code against the Commissioner, Social Welfare Department, Bengaluru Mahanagara Palika and others for declaration and deemed license under Section 443 (10) of the Karnataka Municipal Corporations Act, 1976 to erect hoarding in the property in the premises of the Government Science College Students Hostel, M.G.Road, Bengaluru and restraining the defendants from interfering with the hoarding put up by the plaintiff in the said premises. The Court of Principal City Civil & Sessions Judge, Bengaluru dated March 24, 2007 passed an interim injunction order in favour of the plaintiff. The matter is currently pending and the next date of hearing is April 16, 2010.

6. Serve & Volley Outdoor filed a plaint O.S. 1876 of 2006 dated March 6, 2006 under Order VII Rule 1 of the Civil Procedure Code against Karnataka land Army Corp. and others for permanent injunction restraining the defendants from interfering possession of the road median at airport road, removing the grills erected over the road median and from erecting larger grills over the road median. The Court of Principal City Civil & Sessions Judge, Bengaluru dated March 9, 2006 passed an interim injunction order in favour of the plaintiff. The matter is currently pending and the next date of hearing is May 26, 2010.

7. A suit O.S. 3975/2008 was filed by Serve & Volley Outdoor against Wodiyar Investments dated June 19, 2008 in the Court of The Additional City Civil Judge, Bengaluru under Order VII Rule 1 of Civil Procedure Code for the recovery of money to an extent of Rs. 1.00 million which was paid under the memorandum of understanding dated March 17, 2005 as a refundable amount. The matter is currently pending and the next date of hearing is June 19, 2010.

8. A suit O.S. 27359/2009 was filed by Serve & Volley Outdoor against Media Mindscape on November 26, 2009 in the Court of The Additional City Civil Judge, Bengaluru under Order VII Rule 1 of Civil Procedure Code for the recovery of money to an extent of Rs. 1.59 million due from Media Mindscape against display of advertisement on the hoarding. The matter is currently pending and the next date of hearing is June 2, 2010.

9. Serve & Volley Outdoor filed a writ petition (W.P. No. 9746/2010) at the High Court of Karnataka dated March 23, 2010 against the Bengaluru Mahanagara Palike. The Petitioner submitted three applications for the erection of a new advertisement hoarding on a private property at Konena Agrahara near old airport. The Bengaluru Mahanagara Palike by an endorsement rejected all the three application on the grounds that the Commissioner of the Bengaluru Mahanagara Palike has issued a official order dated June 1, 2007 to the advertisement department not to accept or permit any new application seeking permission for erection of any advertisement hoarding until the application already received have been considered. The Petitioner filed this writ petition before the High Court of Karnataka praying to the Court to quash the endorsement. The matter is pending admission at the High Court of Karnataka.

10. A plaint was filed by Media Mindscape O.S. 16828/2006 dated September 23, 2006 in the Court of Principal City Civil & Sessions Judge, Bengaluru against Serve & Volley Outdoor claiming damages amounting to Rs. 0.40 million and seeking mandatory injunction directing the defendants to put back the display along with cut out and neon tubes removed by them on the hoardings situated at Airport Road, M.G.Road and J.C.Nagar. An interim order was passed dated September 23, 2006 by Court of Principal City Civil & Sessions Judge, Bengaluru granting a mandatory injunction against the defendant. The matter is still pending and the next date of hearing is June 19, 2010.

Contingent liability as of March 31, 2009

(Rs. in million)

S No.	Particluars	As on March 31, 2009
1.	Guarantees given by the banks on behalf of Serve & Volley Outdoor for its sister concerns	
	(a) Grass Outdoor	20.00
	(b) Nitesh Infra	30.00
2.	Guarantees given by the banks on behalf of Serve & Volley Outdoor to Municipal Corporation, Delhi	1.88
3.	Unpaid license fee to Bangalore Mahanagar alike pending decision from arbitration proceedings	6.85

Cases filed by or against Serve & Volley Signages

1. A suit O.S. 255/2009 was filed by Shakeel and others against Serve & Volley Signages dated May 29, 2009 in the Court of Civil Judge (Jr. Dn.), Sharanpur under Order VII Rule 1 of Civil Procedure Code for the recovery of money to an extent of Rs. 0.83 million pursuant to the work done for the defendants. The matter is currently pending and the next date of hearing is April 16, 2010.

2. A suit C.S. 321/2009 was filed by City Publicity against Serve & Volley Signages dated March 7, 2009 before the Additional District & Sessions Judge, Patiala House Courts, New Delhi under Order VII Rule 1 of Civil Procedure Code for the recovery of money to an extent of Rs. 0.74 million pursuant to the work done for the defendants. The matter is currently pending and the next date of hearing is May 3, 1010.

3. A suit C.S. 462/2009 was filed by Sunrise Ad Corporation against Serve & Volley Signages dated March 7, 2009 before the Judge Small Cause Court/Additional Senior Civil Judge, Patiala House Courts, New Delhi under Order VII Rule 1 of Civil Procedure Code for the recovery of money to an extent of Rs. 0.21 million pursuant to the work done for the defendants. The matter is currently pending and the next date of hearing is June 5, 2010.

4. A suit C.S. 1095/2009 was filed by Delhi Telecom Private Limited against Serve & Volley Signages dated August 8, 2009 before the Judge Small Cause Court/Additional Senior Civil Judge, Patiala House Courts, New Delhi under Order VII Rule 1 of Civil Procedure Code for the recovery of money to an extent of Rs. 0.16 million pursuant to the work done for the defendants. The matter is currently pending and the next date of hearing is May 5, 2010.

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Warehousing

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Pharmacy

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Lob Media

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Media

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Serve & Volley Holdings

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Healthcare

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Hospitals

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Telecom

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Airways

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Publishers

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitesh Energy

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Nitstone

Nil

Contingent liability as of March 31, 2009

Nil

Cases filed by or against Healthcare

A civil suit O.S. 6977/2004 has been filed at the City Civil Court, Bengaluru by Nitesh Healthcare against Dr. Ramalinga Shetty praying for a permanent injunction restraining Dr. Shetty from disposing off the property (basement, 1st and 2nd floor) situated at Lavelle road bearing Municipal No. 42/1/42/2 and 42/3, Bengaluru. It is alleged by the petitioner that a letter of acceptance was entered into by the petitioner and defendant for the sale of the said premises. Pursuant to signing of this letter of acceptance, and an advance of Rs. 2.00 million being paid by the petitioner, the defendant had allegedly commenced negotiations to sell the said premises to another third party. An order was passed by the City Civil Court on September 20, 2004 for maintaining status quo of the said premises. Further, the defendant had entered into an agreement for construction of additional floors on the property with S.N.S. Towers. Thereafter, S.N.S. Towers filed a writ petition at the High Court of Karnataka for vacation of the stay on the said premises. The High Court of Karnataka directed the City Civil Court to consider the matter and the Court vacated the stay with respect to the additional floors on the said premises. The matter is still pending at the City Civil Court.

Partnership

Nitesh Infra

Cases filed by or against Nitesh Infra

1. A suit has been filed by Andrews Development and Investment Enterprises, a partnership firm in the Court of the City Civil Judge, Bengaluru, O.S. No. 15595/2000 dated March 27, 2006 against Square Projects, Nitesh Infra and others. The plaintiffs are the absolute owners of the property bearing Survey No. 101-102, having shop numbers 104-113 at Andrews Building, M.G. Road, Bengaluru and premises bearing No. 8/1, Rajaram Mohan Roy Road, Bengaluru admeasuring 0.41 acres. One of the partners of the partnership firm, Ms. Caroline F. Webb has sold the said property to Square Projects by way of a sale deed dated March 26, 2003. Nitesh Infrastructure and Constructions has entered into a JDA dated June 9, 2003 with Square Projects for developing the property bearing No. 8/1, Rajaram Mohan Roy Road, Bengaluru admeasuring 0.41 acres for residential purposes. The plaintiffs have sought a permanent injunction restraining the defendants from interfering with the possession of the land. Further, the plaintiffs have asked for the cancellation of the abovementioned sale deed. The plaintiffs have also filed an impleading application unde order 1 Rule 10(2) read with Section 121 of Civil Procedure Code to implead Nitesh Infrastructure and Constructions and Serve & Volley as additional defendants to the above suit. The matter is currently pending and the next date of hearing is May 18, 2010.

2. Shapoorji Pallonji and Company Limited has commenced arbitration proceedings dated July 13, 2007 before the arbitral tribunal, Bengaluru against Nitesh Infrastructure and Constructions for recovery of dues in relation to the construction of ‘Nitesh Broadway’ at 9/3 M.G. Road, Bengaluru. Further, Nitesh Infrastructure and Constructions has filed a counter-claim dated November 2, 2007 stating that Shapoorji Pallonji and Company have delayed the construction

of 'Nitesh Broadway'. The arbitration proceedings are still in progress and the matter is posted for further hearing on May 4, 2010.

3. Nitesh Infrastructure and Constructions filed a plaint O.S. 26710/2009 dated August 7, 2009 under Order VII Rule 1 of the Civil Procedure Code against Bengaluru Mahanagara Palike for declaration of deemed license under Section 443 (10) of the Karnataka Municipal Corporations Act, 1976 to renew the hoarding license for the hoarding erected in the property bearing No. 25, Old No. 8, M.G.Road, Bengaluru restraining the defendants from interfering with the hoarding put up by the plaintiff in the said premises. The matter is presently pending.

Contingent liability as of March 31, 2009

Nil

Richmond Trading Enterprises

Nil

Contingent liability as of March 31, 2009

Nil

Land Subject to Litigation

1. A civil suit O.S. No. 440/2009 has been filed in the court of the principle civil judge, senior division, Bangalore Rural District by Babu and Anil Kumar against Giriyamma and others alleging that the suit property situated at Sy.No. 9, measuring 1 acre at Bidarahalli, Hobli, Bangalore is the ancestral and joint family property of the plaintiff and the defendants, It is alleged that the suit property is not divided or partioned between the parties. The plaintiffs have submitted that the defendans had alienated the suit property to the thiord party without the consent of the plaintiff. The plaintiff also alleges that the third party has no right, title or interst over the suit property. The plaintiff has prayed for granting a temporary injunction restraining the defendants from alienating the suit property, the separate possession of $1/7^{th}$ share of the suit property and that the registerd sale deed in the name of the third party is not binding on the plaintiff.

2. A civil suit O.S. No. 447/2009 has been filed in the court of the principle civil judge, senior division, Bangalore Rural District by Lokesh and others against Nagamma and others alleging that the suit property situated at Sy. No. 9, measuring 2 acres 20 guntas at Bidarahalli, Hobli, Bangalore is the ancestral and joint family property of the plaintiff and the defendants, It is alleged that the suit property is not divided or partioned between the parties. The plaintiffs have submitted that the defendans had alienated the suit property to the thiord party without the consent of the plaintiff. The plaintiff also alleges that the third party has no right, title or interst over the suit property. The plaintiff has prayed for granting a temporary injunction restraining the defendants from alienating the suit property, the separate possession of $2/12^{th}$ share of the suit property and that the registerd sale deed in the name of the third party is not binding on the plaintiff.

Cases involving our Directors

Mr. L.S. Vaidyanathan

Cases filed by or against Mr. L.S. Vaidyanathan

Nil

Mr. Subir Raha

Cases filed by or against Mr. Subir Raha

Nil

Mr. G.N. Bajpai

Cases filed by or against Mr. G.N. Bajpai

Nil

Mr. Darius E. Udwadia

Cases filed by or against Mr. Darius E. Udwadia

1. A criminal compliant No. 13/2002 has been filed before the Chief Judicial Magistrate's Court, Nadiad. This criminal complaint was filed by Mr. Yogesh Chandra Madhusudan Soni, Food Inspector on behalf of the Gujarat Government (the "Complainant") against ADF Foods Limited and all of its directors including the non-executive independent directors, namely, Mr. Jayantilal Motilal Madiar, Mr. Ramesh Thakkar, Mr. Kishore Thakkar, Mr. Ashok Thakkar, Mr. D.E. Udwadia, Mr. Nipun Shah, Mr. Yasir Varawala and Mr. Vikram Munshi. The aforementioned persons are all co-accused in the matter. This complaint has been filed by the Complainant abovenamed under Sections 2 (ix) (k) Rule 32 (e) and (f), Section 7 (ii) and (v) read with Rule 5, Section 16 (1-A) of the Prevention of Food Adulteration Act, 1954 ("the Act") and the Prevention of Food Adulteration Rules, 1955 ("the Rules"). The complaint was filed by the Complainant on 9th August 2002. The allegation made by the Complainant is that the Accused have not complied with the labeling requirements under the Act and Rules for the Ashoka brand mixed pickle and mango pickle. The Accused Nos. 1 and 2 filed an application before the Judicial First Class Magistrate, Nadiad for discharge under Section 245(2) of the Code of Criminal Procedure, 1973 on December 30, 2004. The Learned Magistrate's Court passed an order dated April 24, 2007 rejecting the aforesaid application. The Accused Nos. 1 and 2 thereafter filed a Criminal Revision Application bearing No. 65/2007 before the Nadiad Additional Session Judge, Fast Track Court No. 5 against the Government of Gujarat and the Complainant for vacating the Order dated April 24, 2007 and on January 4, 2008 the Sessions Court vide its order of even date inter alia refused to interfere with the order of the Magistrate's court and remanded the matter back to the trial court. Our company is now in the process of filing a quashing petition in the above matter and discharging all of the Accused named therein at the Ahmedabad High Court.

2. A criminal compliant No. 15/2002 before the Learned Chief Judicial Magistrate's Court, Nadiad. This criminal complaint was filed by Mr. P. R. Panchal, Food Inspector on behalf of the Gujarat Government (the "Complainant No. 2") against ADF and all of its directors including the non-executive independent directors, namely, Mr. Jayantilal Motilal Madiar, Mr. Ramesh Thakkar, Mr. Kishore Thakkar, Mr. Ashok Thakkar, Mr. D.E. Udwadia, Mr. Nipun Shah, Mr. Yasir Varawala and Mr. Vikram Munshi. The aforementioned persons are all co-accused in the matter. This complaint has been filed by the Complainant abovenamed under Sections 2 (ix) (k), Section 7 (ii) and (v), Rule 32 (e) and (f) and Section 16 (1-A) of the Prevention of Food Adulteration Act, 1954 ("the Act") and the Prevention of Food Adulteration Rules, 1955 ("the Rules"), as the case may be. The complaint was filed by the Complainant on August 26, 2002. The allegation made by the Complainant is that the Accused have not complied with the labeling requirements under the Act and Rules for the Ashoka brand mixed pickle and mango pickle. The Accused Nos. 1 and 2 filed an application before the Judicial First Class Magistrate, Nadiad for discharge under Section 245(2) of the Code of Criminal Procedure, 1973 on 30th December 2004. The Learned Magistrate's Court passed an order dated April 24, 2007 rejecting the aforesaid application. The Accused Nos. 1 and 2 thereafter filed a Criminal Revision

Application bearing No. 66/2007 before the Nadiad Additional Session Judge, Fast Track Court No. 5 against the Government of Gujarat and the Complainant for vacating the Order dated April 24, 2007 and on January 4, 2008 the Sessions Court vide its order of even date inter alia refused to interfere with the order of the Magistrates's court and remanded the matter back to the trial court. Our Company is now in the process of filing a quashing petition in the above matter and discharging all of the Accused named therein at the Ahmedabad High Court.

Mr. Mahesh Bhupathi

Cases filed by or against Mr. Mahesh Bhupathi

Nil

Mr. James Brent Stephen

Cases filed by or against Mr. James Brent Stephen

Nil

Mr. Ashok T. Aram

Cases filed by or against Mr. Ashok T. Aram

Nil

GOVERNMENT APPROVALS

We are required to obtain all government approvals to undertake the Issue or continue its business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

Approvals for the Issue

1. The Board of Directors have, pursuant to resolutions passed at its meeting held on October 7, 2009 authorised the Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.

2. The shareholders have, pursuant to a resolution dated November 21, 2009 under Section 81(1A) of the Companies Act, authorised the Issue.

3. In-principle approval from the National Stock Exchange of India Limited dated January 13, 2010.

4. In-principle approval from the Bombay Stock Exchange Limited dated January 5, 2010.

Incorporation Details

1. Certificate of incorporation dated February 20, 2004 and November 3, 2009 issued by the Registrar of Companies, Karnataka.

Approvals to carry on our business

1. Permanent Account Number (No. AABCN9267C) issued by The Income Tax Department to our Company.

2. Value Added Tax registration dated April 1, 2005 issued by the Commercial Taxes Department to our Company.

3. Service Tax Code (No. AABCN9267CST001) dated August 3, 2007 issued by the Service Tax Commissionerate, Bengaluru.

4. Tax Deduction Account number (No. BLRN02262B) issued by the Income Tax Department to our Company.

5. Code Number (No. KN/41796) of our Company under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952.

6. Employees State Insurance registration number KAR.INSPN.53-24222-101 dated June 5, 2001 issued by the Employees' State Insurance Corporation to our Company.

7. Registration certificate (Registration certificate letter number 04423367) dated November 24, 2004 from the Commercial Tax Department issued to our Company.

8. Registration of certificate of establishment (Registration no: 76/VASO/3904) dated January 19, 2005 from the Government of Karnataka, Department of Labour issued to our Company.

9. Certificate of Registration of Trade mark dated November 1, 2006 issued by the Trade Marks Registry bearing Trade Mark No. 1500477.

Project specific approvals

Some of the important approvals received by us in relation to our Ongoing and Forthcoming Projects are as follows:

S. No.	Name of the Project		Approvals
1.	Nitesh Mayfair	(i)	Application filed for occupancy certificate dated February 12, 2008 made to the The Joint Commissioner (Town Planning), BBMP
2.	Nitesh Wimbledon Park	(i)	Application filed for occupancy certificate dated March 22, 2007 made to the The Joint Commissioner (Town Planning), BBMP
3.	Nitesh Key Biscayne	(i)	Letter dated July 30, 2007 from Karnataka Geo Spatial Data Centre, Survey of India to our Company in relation to clearance from the AAI for latitude, longtitude and height above MSL at survey no. 49/1, 50/1, 50/3 and 51 of Chikkasane village, Kasaba Hobli, Devanahalli Taluk, Bengaluru District
		(ii)	Letter dated November 9, 2005 submitted by our Company to BIAPPA for layout approval of the residential project. Acknowledgement of this letter dated November 11, 2008 has been given by BIAPPA
		(iii)	No objection certificate dated August 2, 2007 from BSNL for construction of proposed residential building at property bearing survey no. 49/1, 50/1, 50/3 and 51 of Chikkasane village, Kasaba Hobli, Devanahalli Taluk, Bengaluru District
		(iv)	No objection certificate dated October 28, 2005 from AAI for formation of residential layout at survey no. 49/1, 50/1, 50/3 and 51 of Chikkasane village, Kasaba Hobli, Devanahalli Taluk, Bengaluru District
		(v)	Certifiacte of elevation from assistant director of town planning certifying the site elevation and co-ordinates of the property situated at survey no. 49/1, 50/1, 50/3 and 51 of Chikkasane village, Kasaba Hobli, Devanahalli Taluk, Bengaluru District
		(vi)	No objection certificate dated October 26, 2005 from KSPCB under Water & Air Pollution Control point of view for development of residential layout at survey no. 49/1, 50/1, 50/3 and 51 of Chikkasane village, Kasaba Hobli, Devanahalli Taluk, Bengaluru District.
4.	Nitesh Mall	(i)	Letter dated April 23, 2008 from Vertical Surveys, Bengaluru to our Company in relation to latitude, longtitude and height above MSL at Khata No 21, 80 feet road, Binnamangala, Michaelpalya, Bengaluru
		(ii)	Letter dated April 24, 2008 from B.M.S. College of Engineering to our Company in relation to latitude, longtitude and height above MSL at Khata No 21, 80 feet road, Binnamangala, Michaelpalya, Bengaluru
		(iii)	Certificate of elevation granted by Assistant Director, town planning, Bruhut Bengaluru Mahanagara Palike to our Company in relation to latitude, longtitude and height above MSL at Khata No 21, 80 feet road, Blnnamangala, Michaelpalya, Bengaluru
		(iv)	No objection certificate dated September 4, 2008 from AAI to in relation to the construction of the proposed construction at property No 21, 80 feet road, Blnnamangala, Michaelpalya, Bengaluru.
5.	Nitesh Columbus Square	(i)	Letter dated June 17, 2008 from Vertical Surveys, Bengaluru to Nitesh Projects in relation to latitude, longtitude and height above MSL at survey no. 174/4 and 175/2, Kattiganahalli village, Bagalur Raod, Yelahanka, Bengaluru
		(ii)	Letter dated June 18, 2008 from B.M.S. College of Engineering to Nitesh Projects in relation to latitude, longtitude and height above MSL at survey no. 174/4 and 175/2, Kattiganahalli village, Bagalur road, Yelahanka, Bengaluru
		(iii)	Certificate of elevation granted by Assistant Director, town planning, Bruhut Bengaluru Mahanagara Palike to our Company in relation to latitude, longtitude and height above MSL at survey no. 174/4 and 175/2, Kattiganahalli village, Bagalur road, Yelahanka, Bengaluru
		(iv)	No objection certificate dated November 7, 2008 from AAI to Nitesh Projects in relation to the construction of the proposed residential building at survey no. 174/4 and 175/2, Kattiganahalli village, Bagalur road, Yelahanka, Bengaluru
		(v)	No objection letter dated September 10, 2008 from BSNL to our Company in relation to clerance for construction of proposed residential builsing at property no. 174/4 and 175/2, Kattiganahalli village, Bagalur road, Yelahanka, Bengaluru
		(vi)	No objection certificate dated January 22, 2009 from Ministry of Defence, Government

S. No.	Name of the Project	Approvals
		of India for construction of proposed residential building at property no. 174/4 and 175/2, Kattiganahalli village, Bagalur road, Yelahanka, Bengaluru (vii) Application filed for issuance of no objection certificate dated September 15, 2009 submitted to BWSSB for water supply for the proposed residential building at survey no. 174/4 and 175/2, Kattiganahalli village, Bagalur road, Yelahanka, Bengaluru. (viii) Application filed for issuance of no objection certificate dated September 15, 2009 submitted to BESCOM for water supply for the proposed residential building at survey no. 174/4 and 175/2, Kattiganahalli village, Bagalur road, Yelahanka, Bengaluru. (ix) Application filed for issuance of no objection certificate dated September 15, 2009 submitted to Karnataka Fire & Emergency Services, Bengaluru to our Company for the proposed residential building at survey no. 174/4 and 175/2, Kattiganahalli village, Bagalur road, Yelahanka, Bengaluru. (x) Application filed for issuance of Environmental Clearance dated January 23, 2010 submitted to The Secretary of Government (Ecology & Environment) Forest Ecology & Environment Department, Karnataka SEIA Authority, Bengaluru to our Company for the proposed residential building at survey no. 174/4 and 175/2, Kattiganahalli village, Bagalur road, Yelahanka, Bengaluru.
6.	Nitesh Hyde Park	(i) No objection certificate dated November 24, 2008 from AAI to our Company in relation to the construction of the proposed residential building at survey no. 49, Kammanahalli Main road, Begur Hobli, Hulimavu village, Bengaluru. (ii) No objection letter dated July 19, 2008 from BSNL to our Company in relation to clearance for construction by our Company at survey no. 49, Kammanahalli Main road, Begur Hobli, Hulimavu village, Bengaluru. (iii) No objection certificate dated June 25, 2009 from BESCOM to Topnotch Infrastructure Private Limited general power of attorney holder of our Company for the construction of building at survey no. 49, Kammanahalli Main road, Begur Hobli, Hulimavu village, Bengaluru. (iv) Demand note dated February 11, 2010 from BWSSB to our Company for the payment of deposit amounting to Rs. 7.47 million towards obtaining no objection certificate. (v) Letter dated March 11, 2010 from SEAC, Karnataka vide No. SEIAA 42 CON 2009 to our Company considering 'Nitesh Hyde Park' project for environmental clearance requesting additional information from the Company in order to receive environmental clearance for the purpose of construction of the proposed residential building at survey no. 49, Kammanahalli Main road, Begur Hobli, Hulimavu village, Bengaluru. (vi) Development Plan dated November 11, 2008 submitted by our Company to BDA and acknowledgement for the same received on November 11, 2008 from BDA. (vii) No objection certificate dated October 15, 2009 from Director General Karnataka State Fire & Emergency Services to the Commissioner, Bruhat Bangalore Mahanahara Palike for the construction of building at survey no. 49, Kammanahalli Main road, Begur Hobli, Hulimavu village, Bengaluru. (viii) Demand note date July 28, 2009 from the joint director, Karnataka Fire & Emergency Services, Bengaluru to our Company for the payment of deposit amounting to Rs. 1,367,740 towards obtaining no objection certificate from the fire department.
7.	Nitesh Forest Hills	(i) No objection letter dated June 19, 2006 from BSNL to Nitesh Estates Private Limited in relation to clearance for construction of proposed residential building at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru. (ii) No objection certificate dated November 17, 2006 from AAI to our Company in relation to the construction of the proposed residential building at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru. (iii) No objection certificate dated November April 23, 2007 from BWSSB Bengaluru Water Supply and Sewage Board to our Company in relation to the proposed construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru. (iv) No objection letter dated August 7, 2006 by BESCOM to our Company in relation to the proposed construction of residential apartmenst at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru. (v) No objection letter dated September 30, 2006 by the office of director general of police, director of civil defence and Karnataka state fire and emergency services to the

S. No.	Name of the Project		Approvals
			Commissioner, Development Authority for the proposed construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(vi)	Consent letter dated May 3, 2007 by KSPCB to our Company for the proposed construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(vii)	Environmental Clearance letter dated April 1, 2008 by State Level Environment Impact Assessment Authority, Karnataka to our Company in relation to the construction of residential apartments at survey no. 120/1, 2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(viii)	Sanction plan dated March 31, 2007 issued by Bangalore Development Authority to our Company vide its license plan No. NM/AS/AA3/E/159/06-07 for construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(ix)	Commencement certificate dated March 30, 2007 given by BDA to our Company for the construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(x)	Certificate of Registration dated July 2, 2009 issued by the Department of Labour bearing number LOB-4/BOCW/REG NO.5
		(xi)	License (License No. ALCB4/CLA/C-158/2009-10) granted to Apex Viswa Engineering Services Private Limited for the purpose of doing construction in the establishment of Nitesh Forest Hills dated September 11, 2007 from the Department of Labour.
8.	Nitesh Flushing Meadows	(i)	No objection letter dated June 19, 2006 from BSNL to our Company in relation to clearance for construction of proposed residential building at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(ii)	No objection certificate dated November 17, 2006 from AAI to our Company in relation to the construction of the proposed residential building at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru
		(iii)	No objection certificate dated November April 23, 2007 from BWSSB Bengaluru Water Supply and Sewage Board to our Company in relation to the proposed construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(iv)	No objection letter dated August 7, 2006 by BESCOM to our Company in relation to the proposed construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(v)	No objection letter dated September 30, 2006 by the office of director general of police, director of civil defence and Karnataka state fire and emergency services to the Commissioner, Development Authority for the proposed construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(vi)	Consent letter dated May 3, 2007 by KSPCB to our Company for the proposed construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(vii)	Environmental Clearance letter dated April 1, 2008 by State Level Environment Impact Assessment Authority, Karnataka to our Company in relation to the construction of residential apartments at survey no. 120/1, 2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(viii)	Sanction plan dated March 31, 2007 issued by Bangalore Development Authority to our Company vide its license plan No. NM/AS/AA3/E/159/06-07 for construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(ix)	Commencement certificate dated March 30, 2007 given by BDA to our Company for the construction of residential apartments at survey no. 120/1,2 & 3 & 123/1,2 & 3, Sigehalli village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru.
		(xii)	Certificate of Registration dated July 2, 2009 issued by the Department of Labour bearing number LOB-4/BOCW/REG NO.5
		(x)	License (License No. ALCB4/CLA/C-158/2009-10) granted to Apex Viswa Engineering Services Private Limited for the purpose of doing construction in the establishment of Nitesh Forest Hills dated September 11, 2007 from the Department of

S. No.	Name of the Project	Approvals
		Labour.
9.	Nitesh Fischer Island, Goa	(i) Sanction letter dated August 21, 2009 from Sarpanch, Office of Village Panchayat, Cavelossim village, Sallete Taluka for the construction of residential villas at survey no. 90/1,5,6 (parts), 91/1,3,4,5,6,7,8,9,10, Goa. (ii) Sanad dated July 22, 2009 from The office of the Collector, South Goa District, Margao – Goa for the construction of residential villas at survey no. 90/1,5,6 (parts), 91/1,3,4,5,6,7,8,9,10, Goa. (iii) No Objection Certificate, dated December 21, 2009 from Primary Health Center, Government of Goa, Chinchinim for the construction of residential villas at survey no. 90/1,5,6 (parts), 91/1,3,4,5,6,7,8,9,10, Goa. (iv) Technical Approval letter, dated November 20, 2009 from PWD Department, The Sarpanch, Office of Village Panchayat, Cavelossim village, Sallete Taluka for the construction of residential villas at survey no. 90/1,5,6 (parts), 91/1,3,4,5,6,7,8,9,10, Goa.
10.	Nitesh Wimbeldon Garden, Kochi	(i) Survey report dated April 4, 2008 from Lardner North & Company, Kerala to our Company in relation to latitude, longtitude and height of the proposed building at survey no. 506/1, 514/10,506/2,514/5, 514/3, 514/8,506/4, 506/3, 506/13, village Kakkanad, Taluk Kanayannur, Ernakulam district, Kerala. This report has been certified by Assistant Executive Engineer (Liaison officer), PWD, Advocates General Office, Ernakulam, Kerala (ii) Application for no objection certificate from AAI dated August 1, 2008 for the residential project at survey no. 506/1, 514/10,506/2,514/5, 514/3, 514/8,506/4, 506/3, 506/13, village Kakkanad, Taluk Kanayannur, Ernakulam district, Kerala. (iii) Application for no objection certificate from the Flag Officer Commanding in Chief, Command Aviation Officer, Southern Naval Command (Kochi) dated August 1, 2008 for the residential project at survey no. 506/1, 514/10,506/2,514/5, 514/3, 514/8,506/4, 506/3, 506/13, village Kakkanad, Taluk Kanayannur, Ernakulam district, Kerala. (iv) No objection certificate granted from the Fire and Rescue Services, Thiruvananthapuram dated April 24, 2008 for the residential project at survey no. 506/1, 514/10,506/2,514/5, 514/3, 514/8,506/4, 506/3, 506/13, village Kakkanad, Taluk Kanayannur, Ernakulam district, Kerala. (v) Building permit dated July 25, 2006 from Office of the Thrikkakara Grama Panchayat, Kakkanad, Kochi for the residential project at survey no. 506/1, 514/10,506/2,514/5, 514/3, 514/8,506/4, 506/3, 506/13, village Kakkanad, Taluk Kanayannur, Ernakulam district, Kerala. (vi) No objection certificate dated September 5, 2008 from the Government of Kerala – Science and Technology Department, Thiruvananthapuram confirming the residential project at survey no. 506/1, 514/10,506/2,514/5, 514/3, 514/8,506/4, 506/3, 506/13, village Kakkanad, Taluk Kanayannur, Ernakulam district, Kerala does not fall under coastal regulation zone area. (vii) No objection certificate dated July 9, 2008 from the Office of the Thrikkakara Grama Panchayat, Kakkanad, Kochi confirming the residential project at survey no. 506/1, 514/10,506/2,514/5, 514/3, 514/8,506/4, 506/3, 506/13, village Kakkanad, Taluk Kanayannur, Ernakulam district, Kerala does not fall under coastal zone restriction area. (viii) No objection certificate dated April 1, 2008 from the Kerala State Pollution Board granting the consent to establish the residential project at survey no. 506/1, 514/10,506/2,514/5, 514/3, 514/8,506/4, 506/3, 506/13, village Kakkanad, Taluk Kanayannur, Ernakulam district, Kerala.
11.	Ritz-Carlton	(i) No objection certificate from AAI dated May 3, 2007 for the proposed construction by Nitesh Residency at Property No. 99, Residency Road, Bengaluru (ii) No objection letter dated October 31, 2007 from BBMP to Nitesh Residency in relation to clearance for construction of proposed construction at Property No. 99, Residency Road, Bengaluru (iii) No objection letter dated March 29, 2007 by BESCOM to Nitesh Residency in relation to the proposed construction at Property No. 99, Residency Road, Bengaluru (iv) No objection letter dated February 16, 2007 from BSNL to Nitesh Residency in relation to clearance for proposed construction at Property No. 99, Residency Road, Bengaluru (v) No objection certificate from BWSSB dated March 29, 2007 to Nitesh Residency in relation to clearance for proposed construction at Property No. 99, Residency Road,

S. No.	Name of the Project		Approvals
			Bengaluru
		(vi)	Letter of consent obtained from KSPCB dated October 9, 2007 for establishment to expand the five star hotel in the name of "Ritz-Carlton" from 250 guest rooms to 267 guest rooms having total buil up area 68,362 sq.mtrs at Property No. 99, Residency Road, Bengaluru
		(vii)	Approval granted by the Ministry of Tourism dated July 25, 2008 to Nitesh Residency for setting up of five star category hotel project, "Ritz-Carlton hotel" at Property No. 99, Residency Road, Bengaluru
		(viii)	Clearance obtained from SEIAA, Ministry of Environment & Forests dated December 22, 2007 to Nitesh Residency for the proposed construction at Property No. 99, Residency Road, Bengaluru
		(ix)	No objection certificate dated October 31, 2007 from Karnataka State Fire & Emergency Services for the construction of a high rise hotel building at plot No. 99, Residency Road, Bengaluru.

In addition to the approvals already granted in relation to our Ongoing and Forthcoming Projects, we have made certain applications (as stated above) which are pending approval from the relevant government authority.

Our Company requires approvals from various governmental and local bodies in relation to all the projects executed or to be executed by it. These approvals are required at various stages of construction and shall be granted to us by these authorities subject to our compliance with the requirements of the local laws. These include no objections certificates from government agencies, plan sanction from the authorities, commencement certificate and occupancy certificate. In addition to the above, we also require the approvals under various environmental legislations for all our projects. We shall apply for these at the relevant stages of the construction.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Authority from the Company

The Issue has been authorised by a resolution of the Board dated October 7, 2009. The shareholders have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the EGM of the Company held on November 21, 2009.

One of our Directors, Mr. Darius E. Udwadia is on the board of directors of JM Financial Limited which is associated with the securities market.

Prohibition by SEBI

The Company, its Directors, its Promoters, PromoterGroup, Group Companies and companies in which the 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.

None of the Directors are associated with any entities, which are engaged in securities market related business and are not are registered with SEBI for the same.

Prohibition by RBI

The Company, its Directors, Promoters, the Promoter Group, Group Companies, the directors or the person(s) in control of the Promoter and companies in which the Directors are directors have not been declared as wilful defaulters by RBI or any other governmental authorities.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26 (2) of the ICDR Regulations, which states as follows:

"An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:

(a) *(i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent of the Net offer to Public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers ;*
or
(ii) at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the Net offer to Public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

(b) *(i) the minimum post-issue face value capital of the issuer is ten crore rupees;*
or
(ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the Equity Shares, subject to the following:

(A) the market makers offer buy and sell quotes for a minimum depth of three hundred Equity Shares and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent.;

- *(B) the inventory of the market makers, as on the date of allotment of the Equity Shares, shall be at least five per cent. of the proposed issue."*

We are an unlisted company not complying with the conditions specified in Regulation 26 (1) of the ICDR Regulations and are therefore required to meet both the conditions detailed in Regulation 26 (2) (a) and Regulation 26 (2) (b) of the ICDR Regulations.

Further, the Issue is being made through the 100.0% Book Building Process wherein at least 50.0% of the Issue will be allocated on a proportionate basis to QIBs. If at least 50.0% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15.0% and 35.0% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders respectively, subject to valid Bids being received at or above the Issue Price.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SECURITIES EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING, ICICI SECURITIES, ENAM AND KOTAK HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER 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 DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES, ENAM AND KOTAK HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 25, 2009 WHICH READS AS FOLLOWS:

(1) "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

(b) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY**

THE SEBI, THE CENTRAL 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 AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. NOTED FOR COMPLIANCE

(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE.NOT APPLICABLE

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING

PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION.NOTED FOR COMPLIANCE

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE AS THE OFFER SIZE IS MORE THAN Rs. 100 MILLION, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE OFFERED IN DEMAT ONLY;

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

(b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

Pursuant to the SEBI observation letter dated January 22, 2010, JM financials has signed the Due Diligence Certificate at the stage of filing the Red Herring Prospectus with the ROC.

In compliance with the proviso to regulation 21A (1) and explanation (iii) to regulation 21A (1) of the SEBI (Merchant Bankers) Regulations, 1992, read with Regulation 110 and Schedule XX of the SEBI Regulations, JM Financial would be involved only in the marketing of the Issue.

The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 and section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs and any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Karnataka in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Karnataka in terms of Sections 56, 60 and 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.niteshestates.com would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the agreement entered into among the BRLMs and our Company dated November 25, 2009 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 centers or elsewhere.

Our Company, the BRLMs and the Underwriters shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our group companies, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our group companies, affiliates or associates for which they have received, and may in future receive, compensation.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company and 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 our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our 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 our 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 authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds), eligible NRIs and to FIIs. 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 only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. 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 the 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 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 in reliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where these offers and sales occur.

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

Disclaimer Clause of BSE

Bombay Stock Exchange has given vide its letter dated January 5, 2010 permission to the Issuer to use its name in this offer document as one of the stock exchanges on which the Issuer's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. BSE does not in any manner: (i) warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; or; (ii) warrant that the Issuer'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 the Issuer, its Promoters, its management or any scheme or project of the Issuer; (iv) and it should not for any reason be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE.

Every person who desires to apply for or otherwise acquire**s** any securities of the Issuer 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 has been submitted to NSE. NSE had given *vide* its letter dated January 13, 2010 permission to the Issuer to use the NSE's name in the Red Herring Prospectus as one of the stock exchanges on which this Issuer's securities are proposed to be listed. NSE has scruitinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the 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 this Issuer'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 Issuer, its promoters, its management or any scheme or project of this Issuer.

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

Filing

A copy of the 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 the 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, E' wing, 2nd floor, Kendriya Sadana, Koramangala, Bengaluru 560 034, Karnataka, India.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company 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 the 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 15.0 % p.a. on application money, as prescribed under Section 73 of the Companies Act.

The 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 finalisation of the Basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which are 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."

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) the Book Running Lead Managers to the Issue, and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, Legal Counsel to the Issue, to act in their respective capacities, architect, 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 shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

The Auditors S.R. Batliboi & Associates, Chartered Accountants, have given their written consent to the inclusion of their examination report as well as report in relation to tax benefits accruing to the 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 for registration with the RoC.

Expert Opinion

Except the report of CRISIL Limited in respect of the IPO grading of this Issue annexed herewith and the opinions from the Architects, with respect to the Developable Area and Saleable Area disclosed in this Red Herring Prospectus, the Company has not obtained any expert opinions.

CRISIL Limited, the IPO grading agency engaged by the Company for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in this Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Registrar of Companies.

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, SCSB's commission/ 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 the Company.

The estimated Issue expenses are as under:

(Rs.in million)

S. No.	Activity Expense	Amount* (Rs. Million)	Percentage of Total Estimated Issue Expenditure*	Percentage of Issue Size*
1	Fees of the Lead Managers*	[●]	[●]	[●]
2	Underwriting and selling commission (including commission to SCSBs for ASBA Applications) *	[●]	[●]	[●]
3	Registrar's fees*	[●]	[●]	[●]
4	Advertising and marketing expenses*	[●]	[●]	[●]
5	Printing and distribution expenses*	[●]	[●]	[●]
6	IPO Grading expenses*	[●]	[●]	[●]
7	Advisors*	[●]	[●]	[●]
8	Bankers to the Issue*	[●]	[●]	[●]
9	Legal Expenses	[●]	[●]	[●]
9	Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]

**To be completed after finalisation of issue price*

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members will be as per the engagement letter dated October 22, 2009 and November 19, 2009 respectively, issued by the Company, a copy of which is available for inspection at the Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by the 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 the Company and the Registrar to the Issue dated October 16, 2009.

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 the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Previous Rights and Public Issues

The Company has not made any previous rights and public 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 83, the Company has not made any previous issues of shares for consideration otherwise than for cash.

Companies under the same management

None of the Group Companies, Subsidiaries and Joint Venture of the company (within the meaning of Section 370(1)(B) of the Companies Act) has made any capital issue during the last three years.

Promise vis-à-vis objects:

The Company, Subsidiaries and Joint Venture have not made any previous rights or public issue in the last ten years.

Outstanding Debentures, Bond Issues, or Preference Shares

The Company has not issued any debentures, bonds or preference shares which are convertible into equity shares.

Stock Market Data for the Equity Shares

This being an initial public offering of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least 36 months 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.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances

The Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders 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, the Company will seek to redress these complaints as expeditiously as possible.

The Company has also appointed Mr. M. Ganapathi Joshy, Company Secretary of the 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:

Nitesh Timesquare, 7th Floor
No. 8, M.G. Road
Bengaluru 560 001
Tel: (91) (80) 4017 4119
Fax: (91) (80) 2555 0825
Email: ganapathi.joshy@niteshgroup.com

Change in Auditors

The following are the changes in the auditors of the Company during the last three years:

Name of the Auditor	Date of appointment	Date of resignation	Reason
S.V.R. & Associates	August 19, 2005	July 17, 2007	Under the terms of the agreement executed with AMIF I Limited
S.R. Batliboi & Associates	July 17, 2007	-	-

Capitalisation of Reserves or Profits

The Company has not capitalised its reserves or profits since its incorporation, except as stated in this Red Herring Prospectus.

Revaluation of Assets

The Company has not re-valued its 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.

The Company has not purchased any property in which any of its Promoters 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 the borrowings or deposits of the Company except as disclosed in this Red Herring Prospectus.

Payment or benefit to officers of the Company

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

Except as disclosed in "Related Party Transaction" on page 209, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of this Red Herring Prospectus and the Prospectus, ASBA Bid cum Application Form, ASBA Revision Form, 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 as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, 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 has been authorised by a resolution of the Board dated October 7, 2009 and by special resolution adopted pursuant to Section 81(1A) of the Act, at an EGM of the shareholders of the Company held on November 21, 2009.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of the Company including rights in respect of dividend. The Allotees 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 titled "Main Provisions of the Articles of Association" on page 448.

Mode of Payment of Dividend

The Company shall pay dividends to its 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. [•] per Equity Share and at the higher end of the Price Band is Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholder

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

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; 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 the Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association 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 448.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per existing ICDR Regulations, the trading of our Equity Shares shall only be in dematerialized 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 [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the BRLMs and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Kannada newspaper, each with wide circulation at least two days prior to the Bid/Issue Opening Date.

Joint Holders

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

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/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/ corporate office of the Company or to the Registrar and transfer agents of the 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 monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90.0% of the Issue including the devolvement of Underwriters within 60 days from the Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further if at least 50.0% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

Further in terms of Regulation 26(4) of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Bengaluru.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares 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 in reliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where these offers and sales occur.

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

Application in Issue

Equity Shares being issued through this Red Herring Prospectus can be applied in the dematerialised form only.

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. For details, see the section titled "Main Provisions of the Articles of Association" beginning on page 448.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

ISSUE STRUCTURE

The present Issue of [●] Equity Shares of Rs. 10 each, at a price of Rs. [●] for cash aggregating up to Rs. 4,050.00 million is being made through the 100.0% Book Building Process. The Issue will constitute [●] % of the fully diluted post Issue paid-up capital of the Company.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares *	At least [●] Equity Shares must be allocated to QIBs	Not less than [●] Equity Shares shall be available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares shall be available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	At least 50.0% of Issue being allocated. However, up to 5.0% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only.	Not less than 15.0% of Issue or Issue available for allocation less allocation to QIB and Retail Individual Bidders	Not less than 35.0% of Issue or Issue available for allocation less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	For the non Anchor Investor Portion Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] 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	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in the multiples of [●] Equity Shares thereafter
Maximum Bid	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 form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs and	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies,	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta).

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, 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, pension funds with minimum corpus of Rs. 250 million in accordance with applicable law, National Investment Fund and insurance funds set up and managed by army, navy or air force of the Union of India.	scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	
Terms of Payment	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member. ***	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member. #	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.#
Margin Amount	At least 10.0% of Bid Amount***##	Full Bid Amount on bidding	Full Bid Amount on bidding

\# *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.*

* *The Issue is being made through the 100.0% Book Building Process wherein at least 50.0% of the Net offer to Public will be allocated on a proportionate basis to QIBs ("QIB Portion"). Provided that our Company may allocate up to 30.0% of the QIB Portion, to Anchor Investors, on a discretionary basis ("Anchor Investor Portion"). Further 5.0% of the QIB Portion less Anchor Investor Portion 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 including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 50.0% of the Net offer to Public cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15.0% of the Net offer to Public will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.0% of the Net offer to Public 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 the Company in consultation with the BRLMs and the Designated Stock Exchange.

** *In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

*** *After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.*

\#\# *25% in case of Anchor Investors*

Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid Opening Date. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisments were published, within two days of the Bid/Issue Closing, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of date of receipt of such notification. The Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed.

Bidding/Issue Programme

BID/ISSUE OPENS ON	**April 23, 2010**
BID/ISSUE CLOSES ON	**April 27, 2010**

The Company is considering participation by Anchor Investors in terms of the ICDR Regulations. Our Company will accept Bids from Anchor Investors only on the Anchor Investor Bidding Date, i.e. one day prior to the Bid Opening Date. Bids by Anchor Investors may be submitted to the Syndicate. The number of Equity Shares allocated to each Anchor Investor and Anchor Investor Issue Price shall be made available in the public domain by the BRLMs, before the Bid Opening Date.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIBs bidding in the QIB Portion and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000; and (ii) until 5.00 p.m in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Issue Closing Date, the Bidders, are advised to submit their Bids one Working Day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Issue Closing Date, as is typically experienced in public offerings in India, 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 this Issue. If such Bids are not uploaded, our Company, the Book Running Lead Managers and the Syndicate Members shall not be responsible. Bids will only be accepted on Working Days. On the Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the Book Running Lead Managers to the Stock Exchange within half an hour of such closure.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

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 the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. 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 pubic offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the ICDR Regulations. The Cap Price shall not be more than 20.0% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 120.0% of the floor price originally disclosed in the Red Herring Prospectus and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 working 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.

Letters of Allotment or Refund Orders or instruction to SCSBs in case of ASBA Bidders

Our Company shall facilitate and shall give credit to the beneficiary account with depository participants within two working days of finalization of the basis of Allotment of Equity Shares. Our Company shall dispatch refund orders, if any, of value up to Rs. 1,500.00 under certificate of posting, and will dispatch refund orders above Rs. 1,500.00 if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid-cum-Application Forms for withdrawn, rejected or unsuccessful or partially sucessful ASBAs within 13 days of the Bid/Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters/Refund Orders

In accordance with the Act, the requirements of the Stock Exchanges and the ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid Closing Date or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions will be given to the clearing system; and
- Our Company shall pay interest at 15.0% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, 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 day time prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made through any of the modes as described in the Red Herring Prospectus and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100.0% Book Building Process wherein at least 50.0% of the Issue will be allocated on a proportionate basis to QIBs. Out of the QIB Portion (excluding Anchor Investor Portion), 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 50.0% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15.0% and 35.0% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and 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.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted and uploaded only through the BRLMs or its Affiliates or its affiliate Syndicate Members. 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 and Retail Individual Bidders, the 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. The Bid cum Application Forms which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. 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.

Please note that Mr. Darius E. Udwadia is a non-executive Independent Director on the Board of the Issuer and also a non-executive Independent Director on the Board of JM Financial. Accordingly, in compliance with proviso to regulation 21A (1) and explanation (iii) to regulation 21A (1) of the SEBI (Merchant Bankers) Regulations, 1992, read with Regulation 110 and Schedule XX of the SEBI Regulations, JM Financial would be involved only in the marketing of the Issue.

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 the 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 the 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.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders. 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 for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus and the ASBA 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 ASBA Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indian, NRIs applying on a non repatriation basis excluding Anchor Investors	White
Non-Residents, Eligible NRIs, FIIs on a repatriation basis excluding Anchor Investors	Blue
Anchor Investors	Yellow
ASBA Bidders	White

Only QIBs can participate in the Anchor Investor Portion and all Investors (except QIBs) can participate under the ASBA process.

Who can Bid?

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- 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 ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- Sub accounts of FII, registered with SEBI which are foreign corporate or foreign individuals only under Non-Institutional category
- 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;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Subject to applicable Law, 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
- National Investment Fund.

All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

Note: Non residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per existing regulations, OCBs cannot participate in the Issue.

Participation by Associates of BRLMs and Syndicate Members

The BRLMs and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members are entitled to subscribe for Equity Shares in the Issue, including in the Net QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis.

The BRLMs and any persons related to the BRLMs, the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than [●] 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.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors.

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.

No mutual fund scheme shall invest more than 10.0% of its net asset value in the equity shares or equity related instruments of any company provided that the limit of 10.0% 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 10.0% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

1. Bid cum application forms (blue in colour) have been made available for NRIs at our Registered Office, members of the Syndicate and the Registrar to the Issue.

2. Eligible NRI may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (White in colour).

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 10.0% of our post-issue issued capital (i.e. 10.0% of [●] Equity Shares). 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 10.0% of our total issued capital or 5.0% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, in accordance with the foreign investment limits applicable to us, the total foreign investment including FII investment cannot exceed 24.0% 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 100.0%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, or its sub-account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLMs and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

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 in any company by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25.0% of the corpus of the venture capital fund/ foreign venture capital investor. However, venture capital funds or foreign venture capital investors may invest not more than 33.3% of their respective investible funds in various prescribed instruments, including in initial public offers.

Pursuant to the SEBI FII Regulations, the shareholding of SEBI-registered VCF held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may 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 investment limits under laws or regulations or maximum number of Equity Shares that can be held by them under applicable laws.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of cut-off option, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off Price is an option given to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs bidding in the QIB Portion):** 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 [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing ICDR Regulations, a QIB Bidder bidding in the Net QIB Portion cannot withdraw its Bid after the Bid Closing Date and is required to pay the QIB Margin Amount upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is atleast Rs. 100 million and in multiples of [•] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period.**

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) The Red Herring Prospectus will be filed by the Company with the RoC at least three days before the Bid Opening Date.

(b) The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus.

(c) The Members of the Syndicate shall accept Bids from the Bidder during the Bidding Period in accordance with the terms of the Syndicate Agreement. Provided that the BRLMs shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date.

(d) 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.

(e) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or the Syndicate Members or their authorised agent(s) to register their Bids.

(f) 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 Opening Date, Bid Closing Date at the time of filing the Red Herring Prospectus with RoC and also publish the same in three widely circulated national newspapers (one each in English, Hindi and regional i.e. Kannada newspaper). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the ICDR Regulations.

(b) The BRLMs shall accept Bids from the Anchor Investors on the Anchor Investor Bid Date, i.e. one day prior to the Bid Opening Date. Investors, except Anchor Investors who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate or their authorised agents to register their Bids, during the Bidding Period. The Members of the Syndicate shall accept Bids from the all the other Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and Red Herring Prospectus.

(c) The Bidding Period shall be for a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in an English national newspaper and a Hindi national newspaper, both with wide circulation and one Kannada newspaper also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. The Bidding Period may be extended, if required, by an additional three days, subject to the total Bidding Period not exceeding 10 working days.

(d) 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.

(e) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see "***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 Amount, will become automatically invalid.

(f) 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 in the "***Build up of the Book and Revision of Bids***". Provided that Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids.

(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) Except in relation to the Bids received from the Anchor Investors, tThe 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.

(i) The BRLMs shall accept Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one day prior to the Bid/ Issue Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(j) 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 Account(s)***" on page 405.

Bids at Different Price Levels and Revision of Bids

(a) The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The Bidders can Bid at any price with in the Price Band, in multiples of Re. 1.

(b) The Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(c) In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in two widely circulated newspapers, one each in English and Hindi, and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the Syndicate Members.

(d) Our Company in consultation with the BRLMs can finalise the Issue Price and Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of or intimation to the Bidders.

(e) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may Bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

(f) Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders who Bid at Cut-off Price shall receive the refund of the excess amounts from the Escrow Account(s).

(g) In case of an upward revision in the Price Band announced as above, ASBA Bidders could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders bidding at the Cut-off Price, if the 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 Amount plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders bidding at the Cut-off Price 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 Cap Price 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 the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account(s). The Company, in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. [●] to Rs. [●].

(i) The Company, in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

Terms of Payment and Payment into the Escrow Account(s)

Each Bidder other than Anchor Investors, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the maximum amount of the Bid in favour of the Escrow Account(s) of the Escrow Collection Bank(s) (for details see the "***Issue Procedure-Payment Instructions***" on page 417, and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash/stock invest/money order shall not be accepted. 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 Margin Amount only to the Syndicate. The Margin Amount based on the Bid Amount has to be paid at the time of the 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(s), 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

Each category of Bidders i.e., Anchor Investors, QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the "***Issue Structure***" on page 394. Where the Margin Amount applicable to the Bidder is less than 100.0% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares transferred 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. If the payment is not made favouring the Escrow Account(s) within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100.0%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for allocation/ transfer, will be refunded to such Bidder within 15 days from the Bid Closing Date, failing which our Company shall pay interest at 15.0% 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 received , except Bids received from Anchor Investors, using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted.

(b) The Stock Exchanges 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/ Issue 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 the Stock Exchanges will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at the bidding centers and at the websites of each of the Stock Exchanges 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. Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure 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.

- Investor Category – Individual, Corporate, Eligible NRI, FII, or Mutual Fund, QIBs, etc.

- Numbers of Equity Shares Bid for.

- Bid Amount.

- 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/ Allotted 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 the case of QIB Bidders in the Net QIB Portion, 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 listed in the "***Issue Procedure-Grounds for Technical Rejections***" on page 421.

(h) The permission given by the Stock Exchanges 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 the Stock Exchanges; 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 the Stock Exchanges should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the Stock Exchanges; 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.

(j) 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 BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

(k) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of BSE and NSE.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders, except Anchor Investors, through the Members of the Syndicate shall be electronically transmitted to the Stock Exchanges 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 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 (including the price per Equity Share) 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 in the Net QIB Portion, 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 Stock Exchanges 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 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 Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss the pricing strategy with the Company.

(a) Our Company in consultation with the BRLMs, shall finalise the Anchor Investor Issue Price and Issue Price.

(b) The allocation to QIBs will be at least 50% of the Issue and 15% and 35% of the Issue will be available for allocation to Non-Institutional and Retail Individual Bidders respectively, on a proportionate basis, in a manner specified in the ICDR Regulations and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(c) Allocation to Anchor Investors shall be at the discretion of the Company in consultation with the BRLMs, subject to compliance with the ICDR Regulations. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.

(d) Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be met with spill over from any other category at the sole discretion of our Company and in consultation with the BRLMs and the Designated Stock Exchange. If at least 50% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

(e) Allocation to Non-Residents, including Eligible NRIs and FIIs, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(f) The BRLMs, in consultation with the Company shall notify the members of the Syndicate of the Issue Price and Anchor Investor Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) If the Issue Price is higher than the Anchor Investor Issue Price, the additional amount shall be paid by the Anchor Investors. However, if the Issue Price is lower than the Anchor Investor Issue Price, the difference shall not be payable to the Anchor Investors.

(h) Our Company reserves the right to cancel the Issue any time after the Bid Opening Date, but before the Allotment, without assigning any reasons whatsoever. In terms of the ICDR Regulations, QIB Bidders bidding in the Net QIB Portion shall not be allowed to withdraw their Bid after the Bid Closing Date.
Further Anchor Investors shall not be allowed to withdraw their Bid after the Anchor Investor Bidding Date.

(i) Our Company in consultation with the BRLMs, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids by QIBs bidding in the Net QIB Portion, if any will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Provided that, our Company, in consultation with BRLMs, reserves the right to reject any Bid received from Anchor Investors without assigning any reason therefore.

(j) The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(b) Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) /Allotment to the Bidders.

(c) After signing the Underwriting Agreement, the updated Red Herring Prospectus will be filed by the Company with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Anchor Investor Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

Our Company will file a copy of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Kannada newspaper with wide circulation.

Advertisement regarding Issue Price and Prospectus

The Company 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 and the Anchor Investor 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 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 in the Net QIB Portion may be done simultaneously with or prior to the approval of the basis of Allotment for the Retail and Non-Institutional Bidders. However, investors should note that our 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) For Anchor Investors, see "***Notice to Anchor Investors: Allotment/Reconciliation and Revised CANs"***

(c) The BRLMs or the Syndicate Members would 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 or Anchor Investor Issue Price, as may be applicable, for all the Equity Shares allocated to such Bidder. QIB Bidders (including Anchor Investors) who have not paid the entire Bid Amount into the Escrow

Account(s) at the time of bidding shall pay in full the amount payable into the Escrow Account(s) by the Pay-in Date specified in the CAN.

(d) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account(s) 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(s). 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.

(e) The Issuance of CAN is subject to "***Notice to QIBs: Allotment Reconciliation and Revised CANs***" as set forth below

(f) The Issuance of CAN is subject to "***Notice to Anchor Investors: Allotment Reconciliation and Revised CANs***" and "***Notice to QIBs: Allotment Reconciliation and Revised CANs***" as set forth below

Notice to Anchor Investors: Allotment Reconciliation and revised CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of the Company, BRLMs, select Anchor Investors may shall be sent athe CAN, within two working days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investor to pay the entire Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, (b) the Issue Price being finalized at a price not higher than the higher than the Anchor Investor Issue Price, and (c) allotment by the Board of Directors. Subject to the ICDR Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, among other things, and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. In such instances or in the event the Issue Price is fixed higher that the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors, price of the Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors 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 or price of Equity Shares, which shall in no event be later than two days after the Bid Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs bidding in the Net QIB Portion: Allotment/Transfer Reconciliation and Revised CAN

After the Bid Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE systems. This shall be followed by a physical book prepared by the Registrar on the basis of the Bid cum Application Form received. Based on the electronic book or the Physical book as the case may be, QIBs bidding in the Net QIB Portion may be sent a CAN, within two working days of the Bid Closing Date, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation and is subject to (a) the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar, (b) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, and (c) allotment by the Board of Directors. Subject to the ICDR Regulations, 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 bidding in the Net QIB Portion, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs bidding in the Net QIB Portion 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 shall 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. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid Closing Date. After the funds are transferred from the Escrow Account(s) to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidders depository account within two working days of the date of Allotment.

(b) In accordance with the ICDR Regulations, Equity Shares will be issued, transferred and Allotment shall be made only in the dematerialised form to the Allottees.

(c) After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, the Company will allot the Equity Shares to the Allottees.

(d) Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

General Instructions

Do's:

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) 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), or the Anchor Investor Bid cum Application Form (Yellow in colour) as the case may be;

(d) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(f) Ensure that you have been given a TRS for all your Bid options;

(g) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h) Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, each of the Bidders should mention their Permanent Account Number (PAN) allotted under the I.T. Act;

(i) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;

(j) 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 Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares Bid 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 Bid at Bid Amount exceeding Rs. 100,000 (for Retail Individual Bidders);

(i) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB;

(j) Do not submit Bids accompanied by Stockinvest or postal order or money order; and

(k) Do not mention the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

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 or the Registered Office of the Company or the Registrar to the Issue.

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 for Resident Indians and Eligible NRIs applying on a non-repatriation basis, blue colour for NRIs, FIIs applying on a repatriation basis, white for ASBA Bidders and Yellow for Anchor Investors .

(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 (including Eligible NRIs) the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of 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.

(d) For Non-Institutional Bidders and QIB Bidders bidding in the Net QIB Portion (including Eligible NRIs), Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Anchor Investors must ensure that Bids must make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 100 million. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid Date and QIBs bidding in the Net QIB Portion cannot withdraw their Bid after the Bid Closing Date.

(e) Bids by Non Residents, NRIs and FIIs

(f) registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(g) 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 Price.

(h) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(i) 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.

Bids by Anchor Investors

The Company may consider participation by Anchor Investors in the QIB Portion for up to [●] Equity Shares in accordance with the applicable ICDR Regulations. Only QIBs as defined in Regulation 2 (zd) of the ICDR Regulations and not otherwise excluded pursuant to Schedule XI (10) (k) of the ICDR Regulations are eligible to invest. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. In accordance with the ICDR Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

Anchor Investors Bid cum Application Form have been made available for Anchor Investor Portion at our Registered Office, members of the Syndicate and the Registrar to the Issue.

The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than 30.0% of the QIB Portion.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.

The Bidding for Anchor Investors shall open one day before the Bid Opening Date and shall be completed on the same day.

The Company, in consultation with the BRLMs, shall finalise Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of Allottees.

The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid Opening Date.

Anchor Investors shall pay Anchor Investor Margin Amount representing 25.0% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid Closing Date.

In case the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the higher price i.e. the Anchor Investor Issue Price.

The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment in the Issue.

None of BRLMs nor any person related to the BRLMs, Promoters, Promoter Group shall participate in the Anchor Investor Portion.

Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

The payment instruments for payment into the Escrow Account should be drawn in favour of:

In case of Resident Anchor Investors: "Escrow Account– Nitesh Estates Public Issue – Anchor Investor – R"

In case of Non-Resident Anchor Investors: "Escrow Account– Nitesh Estates Public Issue – Anchor Investor – NR"

The minimum number of Allotees in the Anchor Investor Portion shall not be less than:

two, where the allocation under Anchor Investor Portion is up to Rs. 2,500 million; and
five, where the allocation under Anchor Investor Portion is more than Rs. 2,500 million.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be taken out by the Company in a national English and Hindi newspaper and one Kannada newspaper at least two working days prior to the Bid Opening Date.

The Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the aforestated paragraphs, to the extent applicable.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum

Application Form, the Registrar to the Issue will obtain from the Depository the 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, NECS, 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 our 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 refund orders/CANs/Allocation Advice and printing of Bank particulars on the refund order or making refunds electronically and 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. Hence the Bidders are advised to update their Demographic Details as provided to the DP and ensure they are true and correct.

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 (where refunds are not being made electronically)/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 our Company, Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

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.

Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, 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 Non Residents, NRIs and FIIs registered with SEBI on a repatriation basis

Bids and revision to Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three).

3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [•] thereafter that the Bid Amount exceeds Rs. 100,000.

For further details, please refer to the "***Issue Procedure - Maximum and Minimum Bid Size***" on page 401.

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 therefor.

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 therefor.

In case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

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 therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

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, the BRLMs may deem fit.

Payment Instructions

Escrow Mechanism

Our Company and the members of the Syndicate shall open Escrow Account(s) with the Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/Allotment in the Issue.

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 and Refund Account as per the terms of the Escrow Agreement. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. 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 our Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account(s)

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under "Issue Structure" on page 394. The Bidders for whom the applicable Margin Amount is equal to 100.0%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account(s) and submit the same to the members of the Syndicate.
2. In case of QIBs (including Anchor Investors) bidding in the QIB Portion, where the margin is less than 100.0% of the Bid Amount, the balance amount shall be paid by the Bidders into the Escrow Account(s) within the period specified in the CAN. If the payment is not made in favour of the Escrow Account within the stipulated time, the Bid is liable to be rejected. For Anchor Investors, see also "*Payment Instructions for Anchor Investors*" below.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident QIB Bidders: **"**Escrow Account– Nitesh Estates Public Issue – QIB – R"
- In case of Non-Resident QIB Bidders: **"**Escrow Account– Nitesh Estates Public Issue – QIB– NR"
- In case of Resident Retail and Non- Institutional Bidders: **"**Escrow Account– Nitesh Estates Public Issue-R"
- In case of Non Resident Retail and Non-Institutional Bidders: "Escrow Account – Nitesh Estates Public Issue – NR"
- In case of Resident Anchor Investors: **"**Escrow Account– Nitesh Estates Public Issue – Anchor Investor – R"
- In case of Non-Resident Anchor Investors: **"**Escrow Account– Nitesh Estates Public Issue – Anchor Investor – NR".

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 maintained with banks authorised to deal in foreign exchange in India. 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 authorised 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.

5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

6. Where a Bidder has been allocated/ Allotted a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated will be refunded to the Bidder from the Refund Account.

7. The monies deposited in the Escrow Account(s) 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(s) 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 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.

11. Bidders are advised to mention the number of application form on the reverse of the cheque demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

12 In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment Instructions for Anchor Investors

1. Anchor Investors shall provide the Anchor Investor Margin Amount, i.e. at least 25.0% of the Bid Amount along with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the Bid Amount in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid cum Application Form is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.

2. Company in consultation with the BRLMs in their absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Equity Shares allocated to them and the details of the amounts payable for allotment of such Equity Shares in their respective names shall be notified to such QIBs.

3. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated/ Allotted and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Bidder within two days of the Bid Closing Date. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Anchor Investor is liable to be cancelled.

4. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of Resident Anchor Investors: "Escrow Account – Nitesh Estates Public Issue-Anchor Investor-R";

   - In case of Non-Resident Anchor Investor: "Escrow Account – Nitesh Estates Public Issue- Anchor Investor – NR"

Payment by Stockinvest

In terms of the RBI 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 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.
Anchor Investors can Bid under the Anchor Investor Portion and also in the QIB Portion and such Bids shall not be treated as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file, which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar will obtain, from 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.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

__Permanent Account Number or PAN__

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, each of the Bidders should mention his/her PAN allotted under the I.T. Act. Applications without this information 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.

__Unique Identification Number ("UIN")__

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

__Right to Reject Bids__

In case of QIB Bidders bidding in the QIB Portion, our 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. Provided further that, our Company in consultation with the BRLMs, reserve the right to reject any Bid received from Anchor Investors without assigning any reasons therefore. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus 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:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;

2. Age of First Bidder not given;

3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

5. PAN not stated or GIR number stated instead;

6. Bids for lower number of Equity Shares than specified for that category of investors;

7. Bids at a price less than the Floor Price;

8. Bids at a price more than the Cap Price;

9. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders whose Bid Amount exceed Rs. 100,000 and Bids for more than [●] Equity Shares at the Cut-Off price by Retail Individual Bidders only;

10. Bids for number of Equity Shares which are not in multiples of [●];

11. Category not ticked;

12. Multiple Bids as described in this Red Herring Prospectus;

13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

14. Bids accompanied by Stockinvest/money order/postal order/cash;

15. Signature of sole and/or joint Bidders missing;

16. Bid cum Application Forms does not have the stamp of the BRLMs or the Syndicate Members or SCSBs;

17. Bid cum Application Forms does not have Bidder's depository account details or the details given are incomplete;

18. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

19. 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;

20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

21. Bids by QIBs not submitted through the Syndicate or their Affiliates;

22. Bids by OCBs;

23. Bids by persons in the United States;

24. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;

25. Bids not uploaded in the Book would be rejected;

26. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 uploaded after 4.00 P.M. on the Bid Closing Date;

27. Bank account details for the refund not given;

28. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

29. Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines and approvals;

30. Bids that do not comply with the securities laws of their respective jurisdictions;

31. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws; and

32. Bids for allotment of Equity Shares in physical form.

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 our Company, the respective Depositories and the Registrar to the Issue:

a) Agreement dated November 12, 2009 with NSDL, our Company and Karvy Computershare Private Limited;

b) Agreement dated November 19, 2009 with CDSL, our Company and Karvy Computershare Private Limited.

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. The Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

i) Non-transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, 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 transferred shares in the respective beneficiary accounts, refunds, etc.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which are 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 [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] 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 [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs in the Net QIB Portion

- Bids received from the QIB Bidders bidding in the Net QIB Portion, 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 Net 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 5.0% of the Net QIB Portion shall be determined as follows:

(i) In the event that Mutual Fund Bids exceeds 5.0% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5.0% of the Net QIB Portion.

(ii) In the event that the aggregate demand from Mutual Funds is less than 5.0% of the Net 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 Net 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 95.0% of the Net 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 5.0% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate allocation to QIB Bidders shall be at least [●] Equity Shares).

D. For Anchor Investors

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the BRLMs, subject to compliance with the following requirements:

(i) not more than 30.0% of the QIB Portion will be allocated to Anchor Investors.
(ii) at least one-third of the Anchor Investor Portion shall be available for allocation to Mutual Funds only.

(iii) Allocation to a minimum number of two Anchor Investors in case the Anchor Investor Portion is for less than Rs. 2,500 million and a minimum of five Anchor Invesors in case the Anchor Investor Portion is for more than Rs. 2,500 million.

The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid Opening Date

Illustration of Allotment to QIBs and Mutual Funds ("MF") in the Net QIB Portion

Issue Details

S. No.	Particulars	Issue details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (50.0%)	100 million Equity Shares
	Of which:	
	a. Reservation to MF (5.0%)	5 million Equity Shares
	b. Balance for all QIBs including MFs	95 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 Equity Shares bid for (in millions)
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 5.00 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95.00 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97

Type of QIB bidders	Shares bid for	Allocation of 5.00 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95.00 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	**5.00**	**95.00**	**42.41**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in "***Issue Structure***" on page 394.
2. Out of 100 million equity shares allocated to QIBs, 5 million (i.e. 5.0%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category.
3. The balance 95 million equity shares (i.e. 100 - 5 (available for mutual funds)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 equity shares (including 5 mutual fund applicants who applied for 200 equity shares).
4. The figures in the fourth column titled "Allocation of balance 95.00 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 95 / 495
    - For mutual funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less equity shares allotted (i.e., column III of the table above)] X 95/495
    - The numerator and denominator for arriving at allocation of 95.00 million equity shares to the 10 QIBs are reduced by 5 million shares, which have already been allotted to mutual funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allocation in this Issue

In the event of the Issue being over-subscribed, the Company shall finalise 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 finalised 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 [•] Equity Shares per Bidder, the allotment shall be made as follows:

(a) Each successful Bidder shall be Allotted a minimum of [•] Equity Shares; and

(b) 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.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that number is 0.5 or higher. If that number is lower than 0.5*,* it would be rounded off to the lower whole number. All Bidders in such categories would be Allotted Equity Shares arrived at after such rounding off.

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 Alotment 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.

g) Subject to valid Bids being received, Allotment of Equity Shares to Anchor Investors will be at the discretion of the Company, in consultation with the BRLMs.

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 will obtain, from the Depositories, the Bidders' address, bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf. Hence Bidders are adviced 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 our Company, the Registrar, 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. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centers where such facility has been made available. 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 centers, except where the applicant, being eligible, opts to receive refund through Direct Credit, NEFT or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s) 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 our Company.

3. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank branch is NEFT enabled and has been assigned the Indian

Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR) code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR code. 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 and the past experience of the Registrars to the Issue. 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 this section.

4. RTGS – Applicants having a bank account at any of the abovementioned 15 centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the Bidder.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

Our 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 Basis of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS or NEFT, the refund instructions will be given to the clearing system within 15 days from the Bid 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.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of the Basis of Allotment of Equity Shares.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid 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 Closing Date would be ensured; and

Our Company shall pay interest at 15.0% per annum for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched 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 day time prescribed above as per the ICDR Regulations.

Letters of Allotment or Refund Orders

Our Company shall give credit to the beneficiary account with depository participants within two working days of finalization of the basis of Allotment of Equity Shares, and shall dispatch refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and will 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 Closing Date. Applicants residing at sixty eight centers where clearing houses are managed by the RBI, will get refunds through NECS subject to adequate details being available in the demographic details received from the depositories, except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS.

Interest in case of delay in dispatch of Allotment letters/refund orders

We agree that Allotment of securities offered to the public shall be made not later than 15 days from the Bid Closing Date. We further agree that we shall pay interest at 15.0% per annum if the Allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid Closing Date.

Our Company will provide adequate funds required for dispatch of refunds orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the 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.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors declares that:

- All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company 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 an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- that no further issue of Equity Shares shall be made until the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc;

- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;

- that the complaints received in respect of this Issue shall be attended to expeditiously. Our Company has authorised our Company Secretary as the Compliance Officer to redress all complaints, if any, of the investors participating in this Issue;

- that the funds required for making refunds or dispatch of Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue;

- that the certificates of the securities/ refund orders to the eligible non-resident Indians or FIIs shall be despatched within specified time;

- that the refund instruction shall be given or Allotment advice to the successful Bidders shall be dispatched within specified time;

- that where the refunds are effected through the electronic transfer of funds, suitable communication shall be sent to the applicants within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund;

- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment; and

- That we shall pay interest of 15.0% per annum (for any delay beyond 15 days) if allotment has not been made and refund orders have not been dispatched within aforesaid dates.

Withdrawal of the Issue

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of date of receipt of such notification. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company, the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Bidder (other than a QIB) shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the blocked amount of the ASBA Bidders within one day from the day of receipt of such notification.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the stamp of the Syndicate Members and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids.On submission of the ASBA Bid cum Application Form, the ASBA Bidders are deemed to have authorised (i) the SCSB to do all acts as are necessary to make the Application in the Offer, including uploading his/her Bid, blocking or unblocking of funds in the bank account maintained with the SCSB specified in the ASBA Bid cum Application Form, transfer of funds to the Public Issue Account on receipt of instruction from the Registrar to the Issue after finalisation of the basis of Allotment; and (ii) the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the ASBA Bid cum Application Form, upon finalisation of the basis of Allotment.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus 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 ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Regulations, a Bidder (other than a QIB) can submit their application through ASBA process to Bid for the equity shares of the company.

A QIB is not permitted to submit an application through the ASBA process to bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. ASBA Bidders who are Resident Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the Bidding options in the Issue, will be categorised as Retail Individual Bidders. ASBA Bidders that are neither QIBs nor Retail Individual Bidders and who have Bid for Equity Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders.

Information for the ASBA Bidders:

a. The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form and that the same are made available on the websites of the SCSBs.

b. ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

c. The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

d. ASBA Bid cum Application Forms should bear the stamp of the Syndicate Members and/or Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp will be rejected.

e. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and should ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch. In case the amount available in the bank account specified in the ASBA Bid cum Application Form is insufficient for blocking the amount equivalent the Bid Amount, the SCSB shall reject the application

f. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form. No more than five ASBA cum Bid Applications can be submitted per bank account in the Issue.

g. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

Method and Process of Bidding

a. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the ICDR Regulations and Red Herring Prospectus.

b. The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum

Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

c. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

d. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

e. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("**TRS**"). The TRS shall be furnished to the ASBA Bidder on request.

f. In case of an upward revision in the Price Band, announced as above, the ASBA Bidders who had Bid at Cut-off Price could either (i) revise their ASBA Bid or (ii) instruct to block additional amount based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the CB or DB of the SCSBs to whom the original ASBA Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional amount blocked) exceeds Rs. 100,000 for Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the ASBA Bidder does not either revise the ASBA Bid or instruct to block additional amount and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional amount would be required to be blocked from the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid**.**

Bidding

a. The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form.

b. In accordance with the ICDR Regulations, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20.0% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20.0% of the floor of the Price Band.

c. In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the members of the Syndicate.

d. 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 ASBA Bidders.

e. ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

f. In case of an upward revision in the Price Band, announced as above, the ASBA Bidders who had Bid at Cut-off Price could either (i) revise their ASBA Bid or (ii) instruct to block additional amount based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the CB or DB of the SCSBs to whom the original ASBA Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional amount blocked) exceeds Rs. 100,000 for Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the ASBA Bidder does not either revise the ASBA Bid or instruct to block additional amount and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional amount would be required to be blocked from the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the ICDR Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts from the time of the submission of the ASBA Bid cum Application Form, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

a. In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock

Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

(i) it has received the ASBA in a physical or electronic form; and

(ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

b. The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.

c. The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online at all the Designated Branches of the SCSBs and on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at all the Designated Branches of the SCSBs during the Bidding Period.

d. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- Permanent Account Number;
- Number of Equity Shares Bid for;
- Details of bid options, (a) number of equity shares for each Bid, (b) Bid rate for each Bid;
- Depository Participant identification no.; and
- Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

e. A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

g. It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.

h. It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

i. The SCSB may reject the ASBA Bid upon receipt of ASBA Bid cum Application Form, if the bank account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.

j. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, in consultation with the BRLMs, our Company and the Designated Stock Exchange, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

a. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

b. The book gets built up at various price levels. This information will be available with the BRLMs, the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis.

c. During the Bid/Issue Period, any ASBA Bidder who has registered his/ her or its interest in the Equity Shares at a particular price level is free to revise his/ her or its Bid within the Price Band using the printed ASBA Revision Form, which is a part of the ASBA Bid cum Application Form. Revisions can be made in both the desired number of Equity Shares and the Bid Amount (including the price per Equity Share) by using the ASBA Revision Form. Apart from mentioning the revised options in the revision form, the ASBA Bidder must also mention the details of all the options in his/ her or its ASBA Bid cum Application Form or earlier ASBA Revision Form. For example, if an ASBA Bidder has Bid for three options in the ASBA Bid cum Application Form and he is changing only one of the options in the ASBA Revision Form, he is required to fill in the details of the remaining two options that are not being revised, in the ASBA Revision Form. The SCSB will not accept incomplete or inaccurate Revision Forms.

d. The ASBA Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the ASBA Bidders will have to use the services of the same Designated Branch of the SCSB with whom he/she or it holds the bank account. ASBA Bidders are advised to retain copies of the ASBA Revision Form and the revised Bid must be made only in such ASBA Revision Form or copies thereof.

e. Any revision of the Bid shall be accompanied by an instruction to block the incremental amount on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be unblocked by the SCSB.

f. When an ASBA Bidder revises his/her or its Bid, he/she or it shall surrender the earlier TRS and get a revised TRS from the SCSBs. **It is the responsibility of the ASBA Bidder to**

request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

g. The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further the decision of the Registrar to the Issue in consultation with the BRLMs, our Company and the Designated Stock Exchange, in this regard shall be final and binding.

h. Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid losing Date, the BRLMs shall aggregate the demand generated under the ASBA process and which details are provided to them by the Registrar to the Issue to determine the demand generated at different price levels. For further details, refer to the "***Issue Procedure -Price Discovery and Allocation***" on page 438.

Signing of Underwriting Agreement and RoC Filing

(a) We, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we shall update and file the updated Red Herring Prospectus with the RoC, which then would be termed the 'Prospectus'. The Prospectus would contain details of the Issue Price, Anchor Investor Issue Price and Issue size.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper, a Hindi national newspaper and a Kannada newspaper of wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and Anchor Investor Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

Once the basis of allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose, within the timelines specified in the ASBA facility: (a) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in sub para(ii) above, shall be transferred to the Public Issue Account, (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn/unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. The SCSBs shall then unblock the relevant bank accounts for, (a) the transfer of the requisite money to the Public Issue Account against each valid ASBA, (b) the withdrawn/rejected/unsuccessful ASBA Bids, (c) the excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date.

(b) As per the ICDR Regulations, **Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees**. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

a. Check if you are eligible to Bid under ASBA process.
b. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
c. Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).
d. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.
e. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.
f. Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
g. Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.
h. Ensure that you have funds equal to Bid Amount Available in your bank account [ASBA Account] maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
i. Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
j. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.

k. Ensure that you have mentioned your Permanent Account Number ("**PAN**") allotted under the I.T. Act.

l. Ensure that the name(s) and PAN(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid 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 ASBA Bid cum Application Form.

j) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

a. Do not submit an ASBA Bid if you are a QIB.
b. Do not Bid for lower than the minimum Bid size.
c. Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
d. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
e. Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
f. Do not submit more than five ASBA Bid cum Application Forms per bank account for the Issue.
g. Do not submit the GIR number instead of the PAN.
h. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.
i. Do not Bid at any price within the Price Band other than at Cut-Off Price.

Bids by ASBA Bidders must be:

a. Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.
b. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.
d. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a Bid such that the Bid Amount does not exceed the maximum investment limits prescribed under law.
e. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, THE PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA 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 ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is 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.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or our Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instructions. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject such ASBA Bids.

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 ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall ensure deletion of the withdrawn ASBA Bid from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one ASBA Bid cum Application Form. 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 described in "***Issue Procedure- Multiple Bids***" on page 420.

Permanent Account Number

For details, see "***Permanent Account Number or PAN***" on page 420.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "***Grounds for Technical Rejection***" on page 421, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper or on split form;
2. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
3. Submission of more than five ASBA Bid cum Application Forms per account;
4. Age of first Bidder not given;
5. Bid made by QIBs;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
7. ASBA Bid cum Application Forms not being signed by the account holder, if the account holder is different from the Bidder;

8. PAN not stated, or GIR number furnished instead of PAN. See "***Issue Procedure - Permanent Account Number or PAN***" on page 420;
9. Bids for number of Equity Shares, which are not in multiples of [•];
10. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
11. Multiple Bids as defined in this Red Herring Prospectus;
12. In case of Bid under power of attorney, relevant documents are not submitted;
13. ASBA Bids accompanied by stockinvest/money order/postal order/cash;
14. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
15. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
16. ASBA Bid cum Application Form does not have the Bidder's depository account details;
17. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;
18. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;
19. 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 DP ID and the beneficiary account number; and
20. ASBA Bid cum Application Forms not being signed by the account holder, if the account holder is different from the Bidder.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLMs, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commissions or any acts of SCSB's including any defaults in complying with its obligations under applicable ICDR Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see "***Issue Procedure- Impersonation***" on page 424.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15.0% per annum for any delay beyond the 15 day period mentioned above, if Allotment is not made, instructions for unblocking of ASBA Bidder's Bank Account are not dispatched and/or demat credits are not made to investors within the 15 day period prescribed above.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see "***Issue Procedure- Basis of Allotment***" on page 424.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, who are Resident Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the Bidding options in the Issue will be categorized as Retail Individual Bidders. ASBA Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under "***Issue Procedure- Undertaking by our Company***", with respect to the ASBA Bidders, we undertake that adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see ***"Issue Procedure- Utilization of Issue Proceeds"*** on page 430.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such 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

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual ("**FDI Manual**"), the Foreign Exchange Management (Transfer of Issue of Security by a person Resident Outside India) Regulations, 2000 **("FEMA Regulations"),** and the relevant Press Notes issued by the **S**ecretariat for Industrial Assistance, GoI.

FDI Manual

Item No. 9 of Annexure II to the said FDI Manual outlines the sectoral caps in relation to 'Housing and Real Estate'. The said annexure, specifies the following as activities under the automatic route in which Investment are permitted only by NRI's:

a. Development of serviced plots and construction of built up residential premises
b. Investment in real estate covering construction of residential and commercial premises including business centres and offices
c. Development of townships
d. City and regional level urban infrastructure facilities, including both roads and bridges
e. Investment in manufacture of building materials, which is also open to FDI
f. Investment in participatory ventures in (a) to (e) above
g. Investment in housing finance institutions, which is also open to FDI as an NBFC.

FEMA Regulations

The FEMA Regulations, state that the investment cap in the real estate on the activities in the 'Housing and Real Estate' is permit investment to the extent of 100.0% only by NRIs in the following specified areas:

1. Development of serviced plots and construction of built up residential premises
2. Investment in real estate covering construction of residential and commercial premises including business centres and offices
3. Development of townships
4. City and regional level urban infrastructure facilities, including both roads and bridges

5. Investment in manufacture of building materials, which is also open to FDI
6. Investment in participatory ventures in (a) to (c) above
7. Investment in housing finance institutions, which is also open to FDI as an NBFC.

However, all other forms of FDI are prohibited in relation to Housing and Real Estate Business.

Press Note 2 of 2005

The law in relation to investment in the real estate sector has further been modified vide press note 2 of 2005, bearing No. 5(6)/2000-FC dated March 3, 2005. The said press note has also amended certain press notes which have been issued earlier, in the same field.

Under the said press note 2, FDI up to 100.0% under the automatic route is allowed in 'townships, housing, built up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure)', subject to the compliance with the following requirements:

a. Minimum area to be developed under each project is as under
    1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
    2. In case of construction-development projects, a minimum built up area of 50,000 sq. mts.
    3. In case of a combination project, anyone of the above two conditions would suffice
b. Minimum capitalization of US$ 10 million for wholly owned subsidiaries and US$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the Company.
c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB. At least 50.0% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots.

Therefore applicable law only permits investment by an NRI under the automatic route in the 'Housing and Real Estate' sector upto 100.0% in relation to townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) and additionally permits upto 100.0% FDI in the 'Housing and Real Estate' subject to compliance with the terms provided in press note 2 of 2005.

Note:

- **As per the existing policy of the Government of India, OCBs cannot participate in this Issue.**
- **Non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.**

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.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares 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 in reliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where these offers and sales occur.

The above information is given for the benefit of the Bidders. The Company, 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.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Table A not to apply but company to be governed by these Articles	**1.** No regulations contained in Table A, in the First Schedule to the Companies Act, 1956, shall apply to this Company, but the regulations for the management of the Company, and for the observance of the members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.
Authorised Share Capital	**CAPITAL AND INCREASE AND REDUCTION OF CAPITAL** 3. The authorised Share Capital of the Company shall be the same as stated in Clause of the Memorandum of Association of the Company.
Increase of Capital by the Company and how carried into effect	4. The Company in General Meeting may from time to time increase the Capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such Shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with the applicable provisions of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.
New capital same as existing Capital	5. Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Shares, shall be considered as part of the existing Capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Redeemable preference shares	6. Subject to the applicable provisions of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner and terms and conditions of redemption.
Provisions to apply on issue of redeemable preference shares	7. On the issue of redeemable preference shares under the provisions of Article 6 hereof the following provisions shall take effect: (a)no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption; (b)no such Shares shall be redeemed unless they are fully Paid-up; (c)the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or the Company's Securities Premium Account before the Shares are redeemed; (d)where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called the 'Capital Redemption Reserve Account', a sum equal to the nominal amount of the Shares redeemed and the applicable provisions of the Act relating to the reduction of the Capital shall, except as provided in the applicable provisions of the Act, apply, as if the Capital Redemption Reserve Account, were Paid-up Capital of the Company.
	8. The Company may (subject to the applicable provisions of the Act) from time to time by Special Resolution reduce its Capital and any Capital

Reduction of Capital	Redemption Reserve Account or Securities Premium Account in any manner for the time being authorised by law and, in particular, Capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have, if the Article were omitted.
Sub-division, consolidation and cancellation of shares	9. Subject to the applicable provisions of the Act, the Company in General Meeting may, from time to time, subdivide or consolidate its Shares, or any of them. Subject as aforesaid, the Company in General Meeting may also cancel Shares which at the date of passing of the resolution in that behalf have not been taken or agreed to be taken by any Person and diminish the amount of its Capital by the amount of the Shares so cancelled.
Modification of rights	10. 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 applicable provisions of the Act, be modified, commuted, effected or abrogated, or dealt 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 holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of Shares of that class
	SHARES AND CERTIFICATES
Register and Index of Members	11. The Company shall cause to be kept a Register and Index of Members in accordance with the applicable provisions of the Act. The Company shall be entitled to keep in any state or country outside India, a branch Register of Members resident in that state or country.
Shares to be numbered progressively and no share to be sub-divided	12. The Shares in the Capital of the Company other than the Shares held in a Depository shall be numbered progressively according to their several Share denominations, and except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
Further issue of Capital	13. (A) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, whether out of unissued Share Capital, or out of increased Share Capital, then such further shares, shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the Capital Paid-up on these Shares at that date. Such offer 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. 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 may dispose of them in such manner as they think most beneficial to the Company. (B) Notwithstanding anything contained in the preceding sub-clause, the Company may : (a) by a Special Resolution; or
	(b) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General meeting (including the casing of vote if any, of the Chairman) by Members who, being entitled to do so, vote in person or where proxies are allowed, by Proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company, offer further Shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity

shares of the Company.

(C) Notwithstanding anything contained in sub-clause (A) above, but subject, however, to the applicable provisions of the Act, the Company may increase its subscribed Capital on exercise of an option attached to the Debentures issued or loans raised by the Company to convert such Debentures or loans into Shares, or to subscribe for Shares in the Company.

Shares under control of Directors

14. Subject to the provisions of these Articles and of the Act, the Shares including any shares forming part of any increased Capital of the Company shall be under the control of Directors, who may, allot or otherwise dispose of the same or any of them to such Persons in such proportion, on such terms and conditions, and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power to give to any Person the option to call for or be allotted Shares of any class of the Company either (subject to the provisions of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in the applicable provisions of the Act.

Power also to Company in General Meeting to issue Shares

15. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may, subject to the applicable provisions of the Act, determine that any Shares (whether forming part of the original Capital or of any increased Capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to call for or to allot shares of any class of the Company either (subject to compliance with the provisions of the Act) at a premium or at par or at a discount, such option being exercisable for such time and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any Shares.

16. An application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Share therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register shall, for the purposes of these Articles, be a Member.

Acceptance of Shares

17. The money, (if any), which the Board 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 so allotted, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Deposit, Call, etc., to be a debt payable immediately

18. Every Member, or his heirs, executors, or administrators, shall pay to the Company the portion of the Capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Liability of Member

19. (a) Every Member or allottee of Shares shall be entitled within one month from the date of application for registration of transfer or three months from the date of allotment (or within such other period as the conditions of issue shall provide) without payment

(i) to receive one certificate for all his Shares; or

(ii) to receive several certificates each for market lots of shares held by any member, specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount Paid-up thereon

Share Certificate

Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of advice or acceptance or of renunciation or in case of issue of bonus Shares. Every such

	certificate shall be issued under the Seal, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney, and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it, at least one of the aforesaid two Directors shall be a person other than a Managing or Whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue. (b) Any two or more joint allottees of a Share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any Share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose. (d) Notwithstanding anything contained in these Articles, when the Shares are dealt with in a Depository, the Company shall intimate the details of allotment of Shares to the depository immediately on allotment of such Shares.
Restriction on sub-division or consolidation **Renewal of share certificate**	20. Notwithstanding anything contained in the sub-article (a) of the Article 19, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than [twenty-five] (25) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a Member to convert his holding of odd lots of Shares into transferable / marketable lots, subject, however, to verification by the Company. 21. (a) No certificate of any Share or Shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company, provided that no fee should be charged for issue of such new certificate. (b) When a new share certificate has been issued in pursuance of clause(a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No. ------subdivided / replaced / or consolidation of Shares. (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out-of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit, and on payment of a fee of Re.1/- for each of such certificate. (d) When a new share certificate has been issued in pursuance of clause(c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No.-- The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate. (e) Where a new share certificate has been issued in pursuance of clause(a) or clause (c) of this Article, particulars of every such share certificates shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the 'Remarks' column.

	(f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose, and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board. (g) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-clause (f) above. (h) All books referred to herein shall be preserved in good order permanently.
The first named of joint holders deemed sole holder.	22. If any Share stands in the names of two or more Persons, the person first named in the Register shall as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the Shares, be deemed the sole holder thereof, but the joint holders of a Share shall be severally, as well as jointly, liable for the payment of all instalments and calls due in respect of such Shares and for all incidents thereof according to the Company's regulations.
Company not bound to recognise any interest in share other than that of registered holder.	23. Except as ordered by a Court of competent jurisdiction, or as by law requires, the Company shall not be bound to recognise an 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, in the person from time to time registered as the holder thereof; or whose name appears as the Beneficial owner of Shares in the records of a Depository, but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons or the survivor or survivors of them.
Funds of the Company may not be applied in purchase of shares of the Company	24. (A) None of the funds of the Company shall be applied in the purchase of any Shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any Shares in the Company or in its holding company, except as provided by the applicable provisions of the Act.
Buy back of Shares	(B) Notwithstanding anything contained in these Articles and in pursuance to the applicable provisions of the Act, the Company may, when and if thought fit, buy back such of the Company's own Shares or other securities as it may consider appropriate subject to such limits, restrictions, terms and conditions and approvals as may be required under such applicable provisions of the Act.
	(C) The Company shall have the power to issue equity Shares with differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed by the Act or rules made thereunder,
	UNDERWRITING AND BROKERAGE
Power to issue equity Shares with Differential Voting Rights. **Commission may be paid.**	25. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or Debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any Shares or Debentures in the Company, but so that the commission shall not exceed in the case of Shares five percent of the price at which the Shares are issued, and in the case of Debentures, two and half percent of the price at which the Debentures are issued.
Brokerage	26. The Company may pay a reasonable sum for brokerage.

	INTEREST OUT OF CAPITAL
Interest may be paid out of capital	27. Where any shares are issued for the purpose of raising money to defray the expenses, of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that Capital as is for the time being paid-up, for the period, at the rate and subject to the conditions and restrictions provided by the applicable provisions of the Act and may charge the same to Capital as part of the cost of construction of the work or building, or the provision of plant.
	CALLS
Directors may make calls	28. The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively, and each Member shall pay the amount of every call so made on him to the Person or Persons and at the times and places appointed by the Board. A call may be made payable by instalments.
Notice of calls	29. Fifteen days' notice in writing at the least of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
Calls to date from resolution	30. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.
Calls may be revoked or postponed	31. A call may be revoked or postponed at the discretion of the Board.
Liability of Joint holders	32. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
Directors may extend time	33. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who by reason of residence at a distance or other cause the Board may deem are fairly entitled to such extension, but no Member shall be entitled to such extension save as a matter of grace and favour.
Calls to carry Interest	34. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest 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 but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.
Sums deemed to be calls	35. Any sum, which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purpose of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue the same, becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
Proof on trial	36. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minutes book, and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture	37. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted, by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
Payment in anticipation of calls may carry interest	38. (a)The Board may if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his respective Shares beyond the sums actually called upon and upon the moneys so paid in advance, or upon so much thereof , from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the Shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving to the member three month's notice in writing provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits. (b)No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would be but for such payment become presently payable.
	LIEN
Company to have lien on Shares	39. The Company shall have a first and paramount lien upon all the Shares (other than fully Paid-up Shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares, and no equitable interest in any Shares shall be created except upon the footing and upon the condition that Article 23 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Board may, however, at any time, declare any share to be exempt, wholly or partially from the provisions of this Article.
As to enforcing lien by sale	40. For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto in such manner as they shall think fit, and for that purpose, may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
Application of proceeds of sale	41. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to Persons entitled to the Shares at the date of the sale.
	FORFEITURE OF SHARES
If money payable on Shares not paid, notice to be given to Member	42. If any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time, thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
	43. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment

Form of notice	and such interest thereon at such rate as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the Shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.
In default of payment, Shares to be forfeited	44. If the requirements of any such notice as aforesaid shall not be complied with, every or any Share in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Share and not actually paid before the forfeiture.
Notice of forfeiture to a Member	45. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Share to be property of the Company and may be sold, etc.	46. Any Share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other Person, upon such terms and in such manner as the Board shall think fit.
Member still liable to pay money owing at the time of forfeiture and interest	47. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine, and the Board may enforce the payment thereof, as it thinks fit.
Effect of forfeiture	48. The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
Evidence of forfeiture	49. A declaration in writing that the declarant is a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
Evidence of forfeiture	50. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the register in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Validity of sale under Articles 40 and 46	51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
Cancellation of share certificates in respect of forfeited Shares.	52. The Board may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Power to annul forfeiture	
Register of Transfers **Instrument of Transfers** **Instrument of transfer to be completed and presented to the Company** **Transfer Books and Register of Members when closed** **Directors may refuse to register transfer**	**TRANSFER AND TRANSMISSION OF SHARES** 53. The Company shall keep a 'Register of Transfers', and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share. 54. The Instrument of transfer shall be in writing and all the applicable provisions of the Act shall be duly complied with in respect of all transfers of Shares and the registration thereof. 55. The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the applicable provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the Shares must be delivered to the Company. Nothing contained in this Article shall however apply to a transfer of Shares effected by the transferor and the transferee both of whom are entered as Beneficial owners in the records of a Depository. 56. The Board shall have the power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the Transfer Books, the Register of Members or Register of Debenture holders at such times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year. 57. Subject to the provisions of the Act, the Board may, at its discretion decline to register or acknowledge any transfer of Shares whether fully paid or not (notwithstanding that the proposed transferee be already a Member), but in such case it shall within one month from the date on which the instrument of transfer was lodged with the Company, send to transferee and the transferor notice of the refusal to register such transfer, giving reasons for such refusal.
Notice of application when to be given **Death of one or more joint holders of Shares**	58. Where in the case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the applicable provisions of the Act. 59. In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person. 60. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased Member (not being one or two or more joint holders) shall be the only persons recognised by the Company as

Title of Shares of deceased Member

having any title to the Shares registered in the name of such Member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 62 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member as a Member.

No transfer to infant etc.,

61. No Share shall in any circumstances be subscribed for by, or transferred to, any infant, minor, insolvent or person of unsound mind.

Registration of persons entitled to Shares otherwise than by transfer

62. Subject to the applicable provisions of the Act and Articles 59 and 60 any person becoming entitled to Shares in consequence of the death, and any person becoming entitled to Shares in consequence of lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares.

Persons entitled may receive Dividend without being registered as Member

63. A Person entitled to a Share by transmission shall, subject to the right of the Board to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the Share.

Fee on transfer or transmission

64. No fee shall be charged by the Company for the following, namely
   (a) for registration of transfers of Shares and Debentures, or for transmission of Shares and Debentures;
   (b) for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment, split, consolidation, renewal and transfer receipts into denominations corresponding to the market units of trading;
   (c) for sub-division of renounceable letters of right;
   (d) for registration of any power of attorney, probate, letters of administration or other legal representation.

Company not liable for disregard of a notice prohibiting registration of a transfer

65.(A) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to it in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Nomination	(B) (i) Every holder of Shares may at any point nominate, in the manner prescribed under the Act, a Person to whom his Shares shall vest in the event of his death. (ii) Where Shares are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a Person to whom all the rights in the Shares shall vest in the event of death of all the joint holders. (iii) Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of the Shares where a nomination made in the manner prescribed under the Act, purports to confer on any Person the right to vest the Shares, the nominee shall on the death of the Member concerned, or on the death of the joint holders become entitled to all the rights in relation to such Shares to the exclusion of all other Persons, unless the nomination is varied or cancelled in the manner prescribed under the Act. (iv) Where the nominee is a minor, the holders of the Shares concerned, can make the nomination to appoint in the manner prescribed under the Act, any Person to become entitled to the Shares concerned in the event of his death during the minority.
Transmission in case of Nomination	(C) (i) Any Person who becomes a nominee by virtue of the applicable provisions of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either:- (i) to register himself as the holder of the Share; or (ii) to make such transfer of Share, as the deceased Member could have made. (ii) If the Person being a nominee, so entitled, elects to be registered as holder of the Share himself, he shall deliver or send to the Company a notice in writing duly signed by him stating that the nominee concerned so elects and such notice shall be accompanied with the death certificate of the deceased Member. (iii) All the limitations, restrictions and provisions of the Act relating to the right to transfer and registration of transfer of Shares shall be applicable to any such notice or transfer as aforesaid as if the death of the Member had not occurred and the notice or transfer were signed by that Member. (iv) A Person being a nominee, becoming entitled to have a Share by reason of the death of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he was the registered holder of the Shares except that he shall not, before being registered as a Member in respect of his Shares, be entitled in respect of it to exercise any right(s) conferred by membership in relation to meetings. Provided that the Board may, at any time give notice requiring any such Person to elect either to register himself or to transfer the Share, and if the notice is not acted upon by the nominee within ninety (90) days, the Board may thereafter withhold payments of all Dividends or other moneys payable in respect of the Share until requirements of the notice have been complied with.
Provisions of Articles to apply to Shares held in a depository	66.(A) 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 a Depository so far as they apply to Shares held in physical form subject to the applicable provisions of the Depositories Act, 1996.
Dematerialisation of securities	(B) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its Shares including preference shares, Debentures and other securities pursuant to the Depositories Act, 1996, and to offer its Shares, Debentures and other securities for issue in dematerialised form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding Shares both in material and dematerialised form in any media as permitted by law including any form of electronic media. (C) Notwithstanding anything contained herein, in the case of transfer of Shares

Depositories Act to apply to Shares held in depositories	whether preference and / or equity or other marketable securities, where the Company has not issued any certificates and where such Shares or securities are being held in an electronic and fungible form, the provisions of Depositories Act, 1996 shall apply.
Index of Beneficial owners deemed to be index of Members	(D) A register of index of Beneficial owners maintained by a Depository under the applicable provisions of the Depositories Act, 1996 shall be deemed to be an index of Members and register of Debenture holders, as the case may be, for the purposes of these Articles.
Copies of Memorandum and Articles to be sent by the Company	**COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS** 67. Copies of the Memorandum and Articles and other documents referred to in the applicable provisions of the Act, shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of Rupee one for such copy.
Power to borrow	**BORROWING POWERS** 68. Subject to the applicable provisions of the Act, the Board may, from time to time, at its discretion by a resolution passed at a meeting of the Board accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up Capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting.
Payment or repayment of moneys borrowed	69 Subject to the provisions of Article 68 hereof, the payment or re-payment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution shall prescribe including by the issue of Debentures of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being; and Debentures and other securities may be made assignable free from any equities between the Company and the Person to whom the same may be issued.
Form of issue of Debentures	70. Any Debentures or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures loan, loan-stock with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.
Register of Mortgages etc., to be kept	71. The Board shall cause a proper register to be kept in accordance with the applicable provisions of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of the applicable provisions of the Act in that behalf to be duly complied with, so far as they are to be complied with by the Board.
Register and index of Debenture holders	72. The Company shall, if, at any time, it issues Debentures, keep a Register and Index of Debenture holders in accordance with the applicable provisions of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debenture holders resident in that state or country.
Shares may be converted	**CONVERSION OF SHARES INTO STOCK AND RECONVERSION** 73. The Company in General Meeting may convert any Paid-up Shares into stock, and when any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the

into Stock	same regulations as, and subject to which Shares from which the stock arise might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into Paid-up Shares of any denomination.
Rights of Stockholders	74. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held the Shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.
	MEETINGS OF MEMBERS
Annual General Meeting, Annual Summary	75. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year. All General Meetings other than Annual General Meeting shall be called Extra Ordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the Financial Year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each Financial Year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the applicable provisions of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the Office of the Company is situate as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every Member of the Company shall be entitled to attend either in person or by Proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' report and audited statement of accounts, Auditors report (if not already incorporated in the audited statement of accounts), the Proxy register with proxies and the Register of Directors' Shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with the applicable provisions of the Act.
Extraordinary General Meeting	76. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the Paid-up Capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.
Requisition of Members to state object of meeting	77. Any valid requisition so made by Members must state the object or objects of the Meeting proposed to be called and must be signed by the requisitionists and be deposited at the Office provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.
On receipt of requisition, Directors to call meeting and in default requisitionists may do so	78. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the Paid-up Capital held by all of them or not less than one tenth of such of the Paid-up Capital of the Company as is referred to in the applicable provisions of the Act whichever is less, may themselves call the Meeting, but in either case, any Meeting so called shall

be held within three months from the date of the delivery of the requisition as aforesaid.

Meeting called by requisitionists

79. Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which Meetings are to be called by the Board.

Twenty-one days' notice of meetings to be given.

80. Twenty-one days' notice at the least of every General Meeting, Annual or Extraordinary, and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other Meeting, with the consent of members holding not less than ninety five percent of such part of the Paid-up Capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than
   - (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors;
   - (ii) the declaration of Dividend;
   - (iii) the appointment of Directors in place of those retiring;
   - (iv) the appointment of and fixing of the remuneration of the Auditors, is to be transacted and in the case of any other Meeting, in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including, in particular, the nature of the concern or interest if any, therein of every Director, and the manager (if any). Where any such item of special business relates to, or affects any other Company, the extent of shareholding interest in other Company of every Director and the Manager, if any, of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty per cent of the Paid-up Capital of that other Company. Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement.

Omission to give notice not to invalidate a resolution passed

81. The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting.

Meeting not to transact business not mentioned in notice

82. No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

Quorum at General Meeting

83. Five members present in person shall be a quorum, for a General Meeting.

Body corporate deemed to be personally present

84. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with the applicable provisions of the Act.

If quorum not present meeting to be dissolved or adjourned

85. If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum shall not be present, the Meeting, if convened by or upon the requisition of Members, shall stand dissolved, but in any other case, the Meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place in the city or town in which the Office of the Company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum, and may transact the business for which the Meeting was called.

Chairman of

86. The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any Meeting he shall not be present within half an hour of the time appointed for holding such Meeting, or if he shall be unable or unwilling to take the Chair then the Directors present may choose one of their number to be the Chairman of the Meeting. If no Director be

General Meeting	present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their number to be the Chairman.
Business confined to election of Chairman while chair vacant **Chairman with consent may adjourn meeting** **Questions at General Meeting how decided** **Chairman's casting vote** **Poll to be taken if demanded** **Scrutineers at poll** **In what case, poll taken without adjournment** **Demand for poll not to prevent transaction of other business**	87. No business shall be discussed at any General Meeting except the election of a Chairman, while the Chair is vacant. 88. The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place in the city or town in which the Office of the Company is for the time being situate, but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. 89. At any General Meeting a resolution put to the vote of the Meeting shall, unless a poll is ordered by the Chairman of the Meeting, be decided on a show of hands. A declaration by the Chairman, that a resolution has on a show of hands has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by Proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been Paid-up. 90. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member. 91. If a poll is demanded as aforesaid the same shall, subject to Article 93, be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval of adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The demand for the poll may be withdrawn at any time by the person or persons who made the demand. 92. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an Officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause. 93. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the meeting forthwith. 94. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded. **VOTES OF MEMBERS** 95. No Member shall be entitled to vote, either personally or by Proxy, at any General Meeting of a class of shareholders, either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has and has exercised any right of lien. 96. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of Shares for the time being forming part of the Capital of the

Members in arrears not to vote

Number of votes to which Member entitled

Company, every Member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such Meeting and on a show of hands, every Member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his Share of the Paid-up Capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in the applicable provisions of the Act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

Casting of votes by a Member entitled to more than one vote

97. On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his Proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Votes of joint Members

98. If there be joint registered holders of any Shares, any one of such Persons may vote at any Meeting or may appoint another Person (whether a Member or not) as his Proxy in respect of such Shares, as if he were solely entitled thereto and, if more than one of such joint holders be present at any Meeting, that one of the said Persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such Shares, but the other or others of the joint holders shall be entitled to be present at the Meeting. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.

Voting in person or by proxy

99. Subject to the provisions of these Articles, votes may be given either personally or by Proxy. A body corporate being a Member may vote either by a Proxy or by a representative duly authorised in accordance with the applicable provisions of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

Votes in respect of Shares of deceased and insolvent Member

100. Any person entitled under Article 62 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that forty-eight hours at least before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such Shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

101. Every Proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Seal of such corporation, or be signed by an officer or any attorney or duly authorised by it, and any committee or guardian may appoint such Proxy. The Proxy so appointed shall not have any right to speak at the Meetings.

Appointment of Proxy

102. An instrument of Proxy may appoint a Proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every Meeting of the Company or of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.

103. A Member present by Proxy shall be entitled to vote only on a poll.

Proxy either for specified meeting or for a period

104. The instrument appointing a Proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office not later than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote and in default the instrument or Proxy shall not be treated as valid. No instrument appointing a Proxy shall be valid after the expiration of twelve months from the date of its execution.

Proxy to vote only on a poll

Deposit of instrument of appointment

105. Every instrument of Proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in the applicable provisions of the Act.

Form of Proxy

106. A vote given in accordance with the terms of an instrument of Proxy shall be

Validity of votes given by Proxy notwithstanding death of Member **Time for objection of votes**	valid notwithstanding the previous death or insanity of the principal, or revocation of the Proxy or of any power of attorney under which such Proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the Meeting. 107. No objection shall be made to the validity of any vote, except at any Meeting or poll at which such vote shall be tendered and every vote whether given personally or by Proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.
Chairman of Meeting to be judge of validity of any vote **Minutes of General Meeting and inspection thereof by Members** **Number of Directors**	108. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. 109. (a) The Company shall cause minutes of all proceedings of every General Meeting to be kept by and making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. (b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose. (c) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise. (d) The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat. (e) All appointments of Officers made at any Meeting as aforesaid shall be included in the Minutes of the Meeting. (f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the Meeting:- (1) is or could reasonably be regarded as, defamatory of any Person, or (2) is irrelevant or immaterial to the proceedings, or (3) is detrimental to the interest of the Company The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds. (g) Any such minutes shall be evidence of the proceedings recorded therein. (h) The book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such period not being less in the aggregate than two hours in such day as the Directors determine to the inspection by any Member without charge. **DIRECTORS** 110. Until otherwise determined by a General Meeting of the Company and subject to the applicable provisions of the Act, the number of Directors excluding alternate Directors shall not be less than three nor more than twelve. 111. (A) If it is provided by any trust deed, securing or otherwise, in connection with any issue of Debentures of the Company that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the

Debenture Director **Power to appoint ex-officio Directors**	power under which he was appointed and another Director may be appointed in his place. Subject to the applicable provisions of the Act, a Debenture Director shall not be liable to retire by rotation. (B) Whenever Directors enter into a contract with any Government (Central , State or local), any bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the applicable provisions of the Act, the power to agree that such appointer shall have 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. Such Director or Directors may, subject to the applicable provisions of the Act, not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director 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 in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.
Appointment of Alternate Director **Directors' power to add to the Board** **Directors' power to fill casual vacancies** **Qualification of Directors** **Remuneration of Directors**	112. The Board may appoint an Alternate Director who is recommended for such appointment by a Director (hereinafter called 'the Original Director') to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State any provisions in the Act or in these Articles for the automatic re-appointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director. 113. Subject to the applicable provisions of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 110. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting. 114. Subject to the applicable provisions of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him. 115. A Director shall not be required to hold any share qualification. 116. (a) Subject to the applicable provisions of the Act, a Managing Director or Director, 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 either: (1) by way of monthly, quarterly or annual payment with the approval of the Central Government; or (2) by way of commission if the Company by a Special Resolution authorised such payment.

	(c) The fee payable to a Director (including Managing or Whole-time director, if any) for attending a meeting of the Board or Committee thereof shall be such sum as may be determined by the Board from time to time within the limits prescribed in that behalf under or pursuant to the Act or any rules made thereunder or by the Central Government from time to time.
Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company's business	117. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the Meetings of the Board are ordinarily held and who shall come to such place for the purposes of attending any meeting or a General Meeting, such sum as the Board may consider fair compensation or for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting or a General Meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.
Special remuneration for extra services rendered by a Director	118. If any Director is called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertion or efforts either by a fixed sum or otherwise as may be determined by the Board and the said remuneration may be either in addition to or in substitution for the remuneration otherwise provided.
Director may act notwithstanding any vacancy	119. The continuing Directors may act notwithstanding any vacancy in their body; but if, and so long as their number is reduced below the minimum number fixed by Article 110 hereof, the continuing Directors not being less than two, may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.
When office of a Director to become vacant	120. Subject to the applicable provisions of the Act, the office of a Director shall become vacant if: (a) he is found to be of unsound mind by a court of competent jurisdiction; or (b) he applies to be adjudicated an insolvent; or (c) he is adjudged an insolvent; or (d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official gazette removed the disqualification incurred by such failure; or (e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or (f) he becomes disqualified by an order of the Court under the applicable provisions of the Act; or (g) he is removed in pursuance of the applicable provisions of the Act; or (h) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of the applicable provisions of the Act; or (i) he acts in contravention of the applicable provisions of the Act; or (j) he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or (k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or (l) he resigns his office by a notice in writing addressed to the Company. 121. (a) A Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such a firm or a private company of which the Director is a member or Director, may enter into any contract

Director may contract with Company	with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any Shares in, or Debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with the applicable provisions of the Act and no such contract shall be entered into except with the previous approval of the Central Government. (b) No sanction shall, however, be necessary for - (1) Any purchase of goods and materials from the Company or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or (2) Any contract or any contracts between the Company on one side and any such Director, relative, firm, partner or private company, on the other for sale, purchase or supply of any goods, materials, and services in which either the Company or the director, relative, firm, partner or private company, as the case may be, regularly trades or does business where the value of goods and materials or the cost of such services does not exceed Rs.5,000/- in the aggregate in any year comprised in the period of the contract or contracts. PROVIDED that in circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs.5,000/- in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract/s at a meeting within three months of the date on which the contract was entered into.
Disclosure of interest **General notice of interest** **Interested Directors not to participate or vote in Board proceedings**	122. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in the applicable provisions of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them, together holds or hold not more than two per cent of the Paid-up Capital in any such other company. 123. A general notice given to the Board by the Directors to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such General Notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof, shall be of effect unless it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. 124. No Director shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however, that nothing herein contained shall apply to:- (a) Any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being

	sureties or a surety for the Company; (b) Any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Directors consists solely; (i) in his being (A) a Director of such company, and (B) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company, or (ii) in his being a Member holding not more than two percent of its Paid up Share Capital.
Register of contracts in which Directors are interested	125. The Company shall keep a Register in accordance with the applicable provisions and shall within the time specified in therein enter therein such of the particulars as may be relevant having regard to the application thereto of the applicable provisions of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director the names of the bodies corporate and firms of which notice has been given by him under Article 123. The Register shall be kept at the Office of the Company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the applicable provisions of the Act shall apply accordingly.
Directors may be Directors of companies promoted by the Company	126. A Director may be or become a Director of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except as otherwise provided in the Act.
Retirement and rotation of Directors	127. At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
Ascertainment of Directors retiring by rotation and filling of vacancies	128. Subject to the applicable provisions of the Act, the Directors who are liable to retire by rotation and retire by rotation under Article 127 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.
Eligibility for re-election	129. A retiring Director shall be eligible for re-election.
Company to appoint successors	130. Subject to the applicable provisions of the Act the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.
Provision in default of appointment	131. (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place. (b) If, at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:- (i) at that meeting or at the previous meeting the resolution for the re-appointment of such Director has been put to the meeting and lost; (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed; (iii) he is not qualified or is disqualified for appointment; (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any applicable provisions of the Act, or (v) the relevant provisions of the Act are applicable to the case.

Company may increase or reduce the number of Directors **Notice of candidate for office of Director except in certain cases** **Register of Directors etc., and notification of change to Registrar** **Register of Shares or Debentures held by Directors**	132. Subject to the applicable provisions of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors. 133. (a) No person, not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him has, not less than fourteen days before the Meeting, left at the Office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office, as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director. (b) Every Person (other than a Director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under the applicable provisions of the Act signifying his candidature for the office of a Director) proposed as candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed. (c) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an additional or alternate Director, or a person filling a casual vacancy in the office of the Director under the applicable provisions of the Act, appointed as a Director or re-appointed as an additional or alternate Director immediately on the expiry of his term of office, shall not act as a Director, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director. 134. (a) The Company shall keep at its office a Register containing the particulars of the Directors, Managers, Secretaries, and other persons mentioned in the applicable provisions of the Act, and shall otherwise comply therewith in all respects. (b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by the applicable provisions of the Act, and shall otherwise duly comply with the same in all respects.
Disclosure by Director of appointment to any body corporate **Disclosure by a Director of his holdings of Share and Debentures of the Company etc.,** **Managing Director and Whole-time Director(s)**	135. (a) Every Director (including a person deemed to be a Director by virtue of the explanation to the applicable provisions of the Act), Managing Director, Manager, or Secretary of the Company, shall within twenty days of his appointment to any of the above offices, in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under the applicable provisions of the Act. (b) Every Director and every person deemed to be a Director of the Company by virtue of the applicable provisions of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions thereof. **MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR(S)** 136. Mr. Nitesh Shetty shall be the Managing Director of the Company so long as he is a Director and so long as he is willing to act as such. Subject as aforesaid and subject to the applicable provisions of Act and these Articles, the Board shall have the power to appoint from time to time any of its members as the Managing Director and/or Whole-time Director(s) of the Company, upon such terms and conditions as the Board may think fit and subject to the provisions of Article 137, the Board may by resolution vest in such Managing Director and/or Whole-time Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a

	Managing Director and/or Whole-time Director(s) may be by way of monthly payment, or participation in profits, or any other mode not expressly prohibited by the Act.
Restrictions on powers of Managing Director and/or Whole-time Director(s) **Certain persons not to be appointed Managing Director and/or Whole-time Director(s)** **Special position of Managing Director and Whole- time Director**	137. The Managing Director and/or Whole-time Director(s) shall not exercise the powers to: (a) make calls on shareholders in respect of money unpaid on the Shares in the Company: (b) issue of Debentures: and except to the extent mentioned in the resolution passed at the Board Meeting under the applicable provisions of the Act, shall also not exercise the power to - (c) borrow moneys otherwise than on Debentures: (d) invest the funds of the Company; and (e) make loans. 138. The Company shall not appoint or employ or continue the appointment or employment of, a person as its Managing Director and/or Whole-time Director(s), if he (a) is an undischarged insolvent, or has at any time been adjudged an insolvent; (b) suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made, a composition with them; or (c) is, or has at any time been convicted by a Court of an offence involving moral turpitude. 139. The Managing Director and the Whole-time Director of the Company shall not, while holding that office, be subject to retirement by rotation in accordance with Article 127. If either cease to hold the office of Director, he shall ipso facto and immediately cease to be Managing Director or Whole-time Director, as may be applicable.
Meetings of Directors **Notice of meeting** **Quorum**	**PROCEEDINGS OF THE BOARD OF DIRECTORS** 140. The Directors may meet together as a Board for the despatch of business from time to time, and shall so meet atleast once in every three months and atleast four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit. 141. (a) Atleast fourteen days' notice of every meeting of the Board shall be given in writing to every Director for the time being in India and at his usual address in India, to every other Director provided, however that in the case of Directors resident outside India notice of every meeting of the Board shall also be given to such Directors at their addresses outside India and to their alternates, if any, in India at their usual address in India. Such notice shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board provided however that with the consent of all the Directors present in India a meeting of the Board may be convened by a shorter notice in the case of an emergency or if special circumstances so warrant. (b) Notice of Board meetings to Directors resident outside India shall be given by E-mail to the E-mail id furnished by them. 142. Subject to the applicable provisions of the Act, the quorum for a meeting of the Board shall be, one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, provided that where, at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

Adjournment of meeting for want of quorum	143. If within half an hour of the time appointed for the meeting of the Board, a quorum is not present, then the meeting shall stand adjourned to such other date (not being later than thirty days from the date originally fixed for the meeting) and time (if any) as may be fixed by the Chairman. If at such adjourned meeting the quorum is not present, then the Directors present in person being not less than two (2) shall constitute the quorum and the business transacted at such meeting shall be deemed to be validly transacted.
When meeting to be convened **Chairman of the Board** **Questions at Board meetings, how decided** **Power of Board meeting** **Directors may appoint Committees** **Meeting of Committee, how to be governed** **Resolution by circulation**	144. A Director may, at any time, and the Secretary shall, as and when directed by any two Directors to do so, convene a meeting of the Board by giving a notice in writing to every other Director for the time being in India and at his usual address to every other Director. **CHAIRMAN** 145. Mr. Nitesh Shetty shall so long as he is a Director and is willing be the Chairman of the Board and shall be entitled to preside at all meetings of the Board or any Committee of the Board of which he is a member. If at any meeting of the Board, the Chairman is not present within half an hour of the time appointed for holding the same, the Directors present shall choose one of their number to be the Chairman of such meeting. 146. Questions arising at any meeting of the Board shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or casting vote. 147. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally. 148. Subject to the restrictions in the applicable provisions of the Act, the Board may delegate any of their powers to Committees of the Board consisting of two or more members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on by the board. All acts done by any such Committee of the board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the board. 149. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the directors under the last preceding Article. 150. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the board or committee, as the case may be), and to all other Directors or members of the Committee, at their usual address in India and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.
Acts of Board or committee valid not withstanding informal appointment	151. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the company to be invalid or to have

terminated.

Minutes of proceedings of the meetings of the Board

152. (a) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for the purpose with their pages consecutively numbered.

(b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(c) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise.

(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(f) The minutes shall also contain:

(i) the names of the Directors present at the meeting and

(ii) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in, the resolution.

(g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting:

(i) is or could reasonably be regarded as defamatory of any person;

(ii) is irrelevant or immaterial to the proceeding; or

(iii) is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

(h) Minutes of the meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Powers of Directors

153. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles 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 regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulations 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) remit, or give time for the repayment of, any debt due by a Director.

(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) 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 for any specific purpose;

Provided further that the powers specified in applicable provisions 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 (e) 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 applicable provisions of the Act during the three financial years immediately preceding, whichever is greater.
Certain powers of the Board	154. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers; that is to say, power (a) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (b) to pay and charge to the capital account of the Company any commission or interest lawfully payable therefrom under the applicable provisions of the Act; (c) subject to the applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the directors may believe or may be advised to be reasonably satisfactory. (d) at their discretion and subject to the applicable 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 Paid-up thereon as may be agreed upon; and any such bonds, Debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled Capital or not so charged; (e) to secure the fulfillment of any contracts 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 manner as they may think fit; (f) to accept from any Member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed; (g) to appoint any Person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees; (h) 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, and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon;
	(i) to act on behalf of the Company in all matters relating to bankrupts and insolvents; (j) to make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company; (k) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this company), or without security and in such manner as they think fit, and from time to

time to vary or realise such investments. Save as provided in the applicable provisions of the Act, all investments shall be made and held in the Company's own name;

(l) 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 whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;

(m) to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;

(n) to distribute by way of bonus amongst the staff of the Company share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.

(o) to provide for the welfare of Directors or ex- Directors or employees or ex-employees of the Company and their wives, widows and families of the dependents or connections of such persons, by building of houses, dwellings or chawls, or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

(p) before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay Debentures 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 purposes (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to the applicable provisions of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and vary such investments and dispose of any, apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board 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 or division of a 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 and 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 the Board at their discretion to pay or allow to the credit of such funds interest at such rate

	as the board may think proper, not exceeding nine per cent per annum.
	(q) to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration and to require security in such instances and to such amount as they may think fit. Also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause. (r) to comply with the requirements of any local law which in their opinion it shall, in the interests of the Company, be necessary or expedient to comply with. (s) subject to the applicable provisions of the Act, from time to time, and at any time, to delegate to any person any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation. (t) at any time and from time to time by power of attorney under the Seal, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the Members or in favour of any company, or the shareholders, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them. (u) subject to the applicable provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. (v) from time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants. **MANAGEMENT**
Prohibition on simultaneous appointment of different categories of managerial personnel	155. The Company shall not appoint or employ at the same time both the following categories of managerial personnel, namely - (a) Managing Director, and (b) Manager
Secretary	**SECRETARY** 156. The Board shall from time to time appoint, and, at its discretion,

	remove the Secretary. The Board may also at any time appoint some person (who need not be the secretary) to keep the Registers required to be kept by the Company.
The Seal, its custody and use	**THE SEAL** 157. (a) The Board shall provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the board or a committee of the Board previously given. (b) The Company shall also be at liberty to have an official Seal in accordance with the applicable provisions of the Act, for use in any territory, district or place outside India.
Deeds how executed	158. Every deed or other instrument, to which the Seal is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and the Secretary or some other person appointed by the Board for the purpose, provided that in respect of the share certificate, the Seal shall be affixed in accordance with Article 19(a).
Division of profits	**DIVIDENDS** 159. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of Capital Paid-up or credited as Paid-up on the Shares held by them respectively.
The Company in General Meeting may declare a Dividend	160. The Company in General Meeting may declare Dividends out of profits of any Financial Year or previous Financial Years to be paid to Members according to their respective rights, but no Dividends shall exceed the amount recommended by the board, but the Company in General Meeting may declare a smaller Dividend.
Dividends only to be paid out of profits	161. (a) No dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the applicable provisions of the Act or out of profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that; If the Company has not provided for depreciation for any previous Financial Year or Years, it shall, before declaring or paying a Dividend for any Financial Year, provide for such depreciation out of the profits of the Financial Year or out of the profits of any other previous Financial Year or years; If the Company has incurred any loss in any previous Financial Year or Years the amount of the loss or an amount which is equal to the amount provided for depreciation for that Year or those Years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or Years arrived at in both cases after providing for depreciation in accordance with the applicable provisions of the Act or against both. (b) Notwithstanding anything contained in sub-clause (1) hereof, no Dividend shall be declared or paid by the Company for any Financial Year out of the profits of the Company for that Year arrived at after providing for depreciation in accordance with the provisions of sub-clause (a) hereof except after the transfer to the reserves of the Company of such percentage of its profits for that year not exceeding

	ten per cent as may be prescribed. Provided that nothing in this clause shall be deemed to prohibit the voluntary transfer by the Company of a higher percentage of its profits to the reserves in accordance with such rules as may be made by the Central Government in this behalf. (c) Where owing to inadequacy or absence of profits in any Year, the Company proposes to declare Dividend out of the accumulated profits earned by the Company in previous Years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and where any such declaration is not in accordance with such rules such declaration shall not be made except with the previous approval of the Central Government.
Interim Dividend	162. The Board may, from time to time, pay to the Members such interim Dividend as in their judgement the position of the Company justifies.
Capital Paid-up in advance at interest not to earn Dividend	163. Where Capital is paid in advance of calls, such Capital may carry interest but shall not in respect thereof confer a right to Dividend or to participate in profits.
Dividend in proportion to amount paid-up	164. All Dividend shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share rank for Dividend accordingly.
Retention of Dividends until completion of transfer under Article 62	165. Subject to the applicable provisions of the Act, the Board may retain the Dividends payable upon Shares in respect of which any person is under Article 62 entitled to become a Member or which any person under that Article is entitled to transfer, until such person shall become a Member, in respect of such Shares or shall duly transfer the same.
Dividend etc., to joint holders	166. Any one of several persons who are registered as the joint holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or other moneys payable in respect of such Shares.
No Member to receive Dividend while indebted to the Company and the Company's right of reimbursement of the debt	167. No Member shall be entitled to receive payment of any interest or Dividends in respect of his Share or Shares, while any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise, howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or Dividend payable to any Member all sums of money so due from him to the Company.
Transfer of Shares must be registered	168. A transfer of Shares shall not pass the right to any Dividend declared thereon before the registration of the transfer. Nothing contained in this Article shall however apply to a transfer of Shares effected by the transferor and the transferee both of whom are entered as Beneficial owners in the records of a Depository.
Dividends how remitted	169. Unless otherwise directed, any Dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the Member or Person entitled or in the case of joint holders to that one of them first named in the register in respect of the joint-holdings. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the Dividend by any other means.
Unclaimed Dividend	170. No unclaimed or unpaid Dividend shall be forfeited by the Board and the Company shall comply with all the applicable provisions of the Act in respect of unclaimed or unpaid Dividend.
No interest on Dividends	171. Subject to the applicable provisions of the Act, no unpaid Dividend shall bear interest as against the Company.
	172. Any General Meeting declaring a Dividend may, on the recommendation of the Directors, make a call on the Members of such amount as the Meeting

Dividend and call together	fixes, but so that the call on each Member shall not exceed the Dividend payable to him, and so that the call be made payable at the same time as the Dividend; and the Dividend may, if so arranged between the Company and the Members, be set off against the calls.
Capitalisation	**CAPITALISATION** 173. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for Dividend (or representing premium received on the issue of Shares and standing to the credit of the Securities Premium Account) be capitalised and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of Dividend and in the same proportions on the footing that they become entitled thereto as Capital and that all or any part of such capitalised fund be applied on behalf of such shareholder in paying up in full either at par or at such premium as the resolution may provide, any unissued Shares or Debentures of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares or Debentures and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interests in the said capitalised sum, provided that a Securities Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying of any unissued shares to be issued to Members as fully paid bonus Shares. (b) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investment representing the same, or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the Members on the footing that they receive the same as Capital. (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any Members upon the footing of the value so fixed or that fraction of less value than Rs.10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with the applicable provisions of the Act, and the Board may appoint any Person to sign such contract on behalf of the Persons entitled to the Dividend or capitalised fund, and such appointment shall be effective.
Directors to keep true accounts	**ACCOUNTS** 174. (a) The Company shall keep at the Office or at such other place in India as the Board thinks fit proper books of accounts in accordance with the applicable provisions of the Act with respect to : (i) all sums of moneys received and expended by the Company and the matters in respect of which the receipts and expenditure take place. (ii) all sales and purchase of goods by the Company; and (iii) the assets and liabilities of the Company. (b) Where the Board decides to keep all or any of the books of account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

	(c) The Company shall preserve in good order the Books of accounts relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of account. (d) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transaction effected at the branch office are kept at the branch office and proper summarised return, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India at which the Company's books of accounts are kept as aforesaid. (e) The books of account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions. The books of account and other books and papers shall be open to inspection by any Directors during business hours.
As to inspection of accounts or books by Members	175. The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a director) shall have any right of inspecting any accounts or books or document of the Company except as conferred by law or authorised by the Board.
Statement of accounts to be furnished to General Meeting	176. The Directors shall from time to time, in accordance with the applicable provisions of the Act, cause to be prepared and to be laid before the company in General Meeting, such balance sheets, profit and loss accounts and reports as are required by the applicable provisions of the Act.
Copies of accounts or statement in prescribed form to be sent	177. A copy of every such profit and loss account and balance sheet (including the Auditor's report and every other document required by law to be annexed or attached to the balance sheet), which are to be laid before the Company in General Meeting shall, not less than twenty-one days before the date of the Meeting be sent to the every Member of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such Member or trustee is or is not entitled to have notices of General Meetings of the Company sent to him, and to all persons other than such Members or trustees being persons so entitled. Provided that the Company may, instead of sending copies of documents as aforesaid, keep copies of such documents available for inspection at the Office during working hours for a period of twenty one days before the date of Meeting and send a statement containing the salient features of such documents in the form prescribed by the Central Government to every Member and to every trustee for the holders of any Debentures issued by the Company not less than twenty one days before the date of the Meeting.
When accounts to be deemed finally settled	**AUDIT** 178. Every balance sheet and profit and loss account of the Company when audited and adopted by the Company at an Annual General Meeting shall be conclusive except- (a) as regards any mistake or error discovered therein. Whenever any such mistake or error is discovered, the balance sheet and profit and loss account shall be corrected by the Board at a meeting of the Board and shall thenceforth be conclusive and (b) any matters in respect of which modifications are made from time to time as are considered proper by the Board and are approved by a General Meeting.
	DOCUMENTS AND NOTICES 179. (a) A document or notice may be served or given by the Company on any Member either personally or by sending it by post to the Member to his

Service of documents or notices	registered address or (if the Member has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or it. (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member and such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.
Advertisement	180. A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.
On joint holders	181. A document or notice may be served or given by the Company on or to the joint holder of Shares by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the share.
On personal representatives etc.,	182. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
To whom documents or notices to be served or given	183. Documents or notices of every General Meeting shall be served or given in the same manner herein before authorised on or to (a) every Member, (b) every Person entitled to a Share in a consequence of the death or insolvency of a Member, and (c) the Auditor or Auditors for the time being of the Company.
Members bound by documents given to be served on or given to previous holders	184. Every Person who, by operation of law transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the Person from whom he derives his title to such Shares.
Document or notice by Company and signature thereto	185. Any document or notice to be served or given by the Company may be signed by a Director or some Person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.
Service of documents or notices by Member	186. All documents or notices to be served or given by Members on or to the Company or to any officer thereof shall be served or given by sending it to the Company or officer at the Office by post or leaving it at the Office. Provided that where the 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.
Liquidator may divide assets in specie	**WINDING-UP** 187. The liquidator on any winding up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share Capital, divide among the contributories in specie any part of the assets of the Company and may with

	the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit.
	INDEMNITY AND RESPONSIBILITY
Directors' and others'right of Indemnity	188. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under the applicable provisions of the Act in which relief is granted to him by the Court.
	SECRECY CLAUSE
Secrecy clause	189. (a) Every Director, manager, auditor, treasurer, trustee, member of the Committee, officer, servant, agent, accountant or other person employed or engaged in the business of the Company, shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained. (b) No Member shall be entitled to visit any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest 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 the 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 the Company. These Contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies, Karnataka for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of the 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 October 22, 2009 and November 19, 2009 to the BRLMs from the Company appointing them as the BRLMs.

2. Issue Agreement dated November 25, 2009 among the Company and the BRLMs and the amendment agreement dated April 16, 2010 among the Company and the BRLMs.

3. Agreement dated October 16, 2009 executed by the Company with the Registrar to the Issue.

Material Documents

1. Memorandum and Articles of Association of the Company as amended.

2. Certificate of incorporation dated February 20, 2004 and certificates for the subsequent name changes.

3. Shareholders' resolutions dated November 21, 2009 in relation to the Issue and November 24, 2009 in relation to amendment of the the main objects clause in the Memorandum and other related matters.

4. Resolution of the Board of Directors dated October 7, 2009 authorising the Issue.

5. Report of the Auditor, S.R. Batliboi & Associates, Chartered Accountants, dated March 5, 2010 prepared as per Indian GAAP and mentioned in this Red Herring Prospectus.

6. Report on statement of tax benefits dated March 5, 2010 as contained in the Red Herring Prospectus.

7. Copies of annual reports of the Company for the last five fiscals.

8. Consents of the Auditor, S.R. Batliboi & Associates, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Red Herring Prospectus.

9. Consents of Auditor, Bankers to the Company, the BRLMs, Syndicate Members, Registrar to the Issue, Banker to the Issue, Architects, the Lenders, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Directors of the Company, Company Secretary and Compliance Officer, Project Appraiser, as referred to, in their respective capacities.

10. An appraisal report by SBI Capital Makets Limited dated March 25, 2009 on The Ritz-Carlton Project by Nitesh Residency.

11. Applications dated December 7, 2009 for in-principle listing approval to the BSE and NSE, respectively.

12. In-principle listing approval dated January 5, 2010 and January 13, 2010 from the BSE and NSE respectively.

13. Agreement among NSDL, the Company and Karvy Computershare Private Limited dated November 12, 2009.

14. Agreement among CDSL, the Company and Karvy Computershare Private Limited dated November 19, 2009.

15. Due diligence certificate dated November 25, 2009 to SEBI from ICICI Securities, Kotak and Enam.

16. SEBI observation letter dated January 22, 2010.

17. IPO Grading report dated February 25, 2010 by CRISIL Limited.

18. Shareholders Agreement dated January 10, 2007 executed amongst AMIF I Limited, Ms. Pushpalatha Shetty, Mr. Nitesh Shetty, Nitesh Industries Private Limited and the Company.

19. Call Option Notice dated October 4, 2009 issued by Mr. Nitesh Shetty to AMIF I Limited.

20. Termination and Reinstatement Agreement dated October 6, 2009 executed amongst AMIF I Limited, the Company, Ms. Pushpalatha Shetty, Mr. Nitesh Shetty and Nitesh Industries Private Limited.

21. Shareholders Agreement dated December 29, 2006 executed amongst CPI India I Limited, Mr. Nitesh Shetty, the Company and Nitesh Residency.

22. Debenture Subscription and Share Purchase Agreement dated September 25, 2009 executed amongst Nitesh Housing, HDFC AMC, the Company and Mr. Nitesh Shetty as amended by way of an amendment agreement dated September 30, 2009 executed among Nitesh Housing, HDFC AMC, the Company and Mr. Nitesh Shetty.

23. Shareholders Agreement dated September 25, 2009 executed amongst Nitesh Housing, HDFC AMC, the Company and Mr. Nitesh Shetty.

24. A deed of confirmation dated September 30, 2009 executed between the Company and HDFC AMC.

25. A letter of understanding dated November 21, 2009 amongst Nitesh Housing, the Company, Mr. Nitesh Shetty and HDFC AMC.

26. Securities Subscription Agreement dated February 2, 2010 executed amongst Nitesh Land, HDFC AMC and Mr. Nitesh Shetty.

27. Share Subscribtion Agreement dated February 12, 2010 executed amongst BETL, the Company, Mr. Nitesh Shetty, Ms. Pushpalatha V. Shetty and Nitesh Industries Private Limited.

28. Memorandum of Understanding dated November 12, 2007 executed between Sir John D'monte Trust represented by its trustee, the Archdiocese of Madras and the Company.

29. Memorandum of Understanding dated October 19, 2007 executed between Mr. George Thangiah and Nitesh Indiranagar.

30. A Joint Development Agreement dated September 30, 2009 executed between NSL SEZ (Hyderabad) Private Limited (formerly known as Topnotch Infrastructure Private Limited) and Nitesh Housing.

31. A Joint Venture dated October 10, 2008 executed between Mr. Roy J. Vayalat and others and the Company.

32. Memorandum of Understanding dated March 29, 2010 executed between between Mr. George Thangiah and Nitesh Indiranagar.

33. Supplementray Memorandum of Understanding executed beween Pankaj Parikh and others, Nitesh Housing Developers Private Limited and Nitesh Estates Limited.

34. Joint Development Agreement dated March 19, 2010 executed bewteen Kailashnath patil and others, Nitesh Housing and Nitesh Estates Limited.

35. Memorandum of Understanding dated February 22, 2010 executed between B.R. Shetty and Nitesh Estates Limited.

36. Agreement dated April 6, 2010 executed between Nitesh Estates Limited and Nitesh Housing.

37. Lease deed dated January 11, 2007 between the Archdiocese of Bengaluru and NRHPL.

38. An Employment Agreement dated April 1, 2008 between Mr. Nitesh Shetty and the Company.

39. An Employment Agreement dated March 29, 2008 between Mr. L.S. Vaidyanathan and the Company.

40. The Chartered Accountant certificate dated January 5, 2010 and March 31, 2010 from Mr. P. Chandrashekhar.

41. The Chartered Accountant certificate dated March 30, 2010 from S.V.R & Associates.

42. Certificates dated March 30, 2010 from E.S.G. Gupta & Co, dutta & kannan and the management in relation to Objects of the Issue.

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, 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, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. The Company further certifies that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Directors of the Company

Mr. Nitesh Shetty	Ms. Pushpalatha V. Shetty
Mr. L.S. Vaidyanathan	Mr. G.N. Bajpai
Mr. Darius E. Udwadia	Mr. Mahesh Bhupathi
Mr. James Brent Stephen	Mr. Ashok T. Aram

Mr. Ganapathi Joshy
Company Secretary and Compliance Officer

Mr. Shiva N. Iyer
Chief Financial Officer

Date: April 16, 2010
Place: Bengaluru

ANNEXURE - GRADING RATIONALE FOR IPO GRADING

CRISIL RESEARCH

Nitesh Estates Limited
CRISIL IPO Grade 2/5 (Below Average)
February 25, 2010

IPO Grade
CRISIL IPO Grade '2/5': This grade indicates that the fundamentals of the issue are below average relative to other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate to the issue's fundamentals.

Issue Details	
Shares offered to public	Not available at the time of grading
As per cent of post issue equity	Not available at the time of grading
Object of the issue	Funding for joint development rights, construction and development plans, investment in the hospitality venture, and repayment of debt and general corporate expenses
Amount proposed to be raised	Rs 4,500 million + greenshoe option of Rs 450 million
Price band	Not available at the time of grading
Lead managers	ICICI Securities Ltd, Enam Securities Pvt Ltd, Kotak Mahindra Capital Co Ltd, JM Financial Consultants Pvt Ltd

Company Background
Nitesh Estates Ltd (NEL) is a Bengaluru-based real estate development company. The company was incorporated as Nitesh Estates Pvt Ltd on February 20, 2004, and became a public limited company on November 3, 2009. NEL primarily follows a joint development model. Since 2004, the company has developed three housing projects in the high-end luxury market, totaling 0.55 mn sq ft of saleable area. Recently, NEL has ventured into the mid-income housing, retail and commercial segments, and has invested in a hotel project.

Grading Highlights

Business prospectus

- NEL is a Bengaluru-based real estate company. The company developed two luxury residential projects in 2007, thereafter earning a major share of its revenues from the contractual work carried out for a residential project developed for ITC Ltd, and work undertaken for group companies. The contractual work has been a low-margin business. Going forward, however, real estate development is expected to comprise a larger portion of the revenues.
- The Nitesh Group, which has built a brand name in the niche high-end luxury housing market, has recently ventured into the acutely competitive mid-segment housing. With limited past experience,

and presence of large established players in the Bengaluru real estate market, CRISIL Research expects NEL to face significant challenges in their proposed foray.

- NEL has also diversified into capital-intensive hospitality, commercial and retail development, areas in which it has either no experience or limited experience.
- Till date, NEL has developed only three residential projects, totaling 0.55 mn sq ft of saleable area, whereas, over the next 5 years, the company has aggressive plans of developing residential projects of 11.74 mn sq ft of saleable area (of which NEL's share is 62 per cent) and commercial projects of 3.1 mn sq ft of saleable area (NEL's share is 65 per cent).
- NEL has a 20.7 per cent stake in a five-star hotel project at Residency Road, a prime location in Bengaluru. Till the project becomes operational, the company will earn low-margin contractual income and will earn adequate returns only when the hotel becomes profitable, post commissioning.
- Concentration of development in Bengaluru exposes NEL to the risk of downturns in the city's real estate market and the IT industry. However, over the long term, NEL plans to diversify its geographical presence, and has projects planned in Kochi, Goa and Chennai.

Financial performance

- In the past, NEL's revenues came from the sale of developed properties and contractual income from projects developed for ITC and the Ritz Carlton hotel. Its 2008-09 revenues of Rs 0.88 billion comprised Rs 0.55 billion (63 per cent of revenue) from contractual activities, Rs 0.27 billion (31 per cent of revenue) from the sale of land development rights and Rs 0.06 billion (6 per cent of revenue) from the sale of developed properties. In the first half of 2009-10, NEL earned revenues of Rs 0.26 billion.
- The company's operating (OPBDIT) and net margins in 2008-09 were low at 7.6 per cent and 3.2 per cent, respectively, due to the low-margin contractual business and high corporate expenses. In the first half of 2009-10, operating margins were negative 19.1 per cent. However, net margin was positive at 11.7 per cent, due to profit from one-time sale of investments of Rs 174 million.
- NEL has incurred operating cash losses for the last 3 years. The cash losses have been funded through the raising of debt, which has led to deterioration in gearing from nil as on March 31, 2007 to 2.4 times as on March 31, 2009.
- The company had defaulted on its debt and interest payments in 2008-09, which has been later restructured/repaid in consultation with the lenders.
- Future revenues and projected growth depend critically on the successful implementation of projects in the pipeline.

Management Capabilities

- The promoter, Mr Shetty, and his team were able to successfully attract private equity (PE) investments into the company as reflected in the tie-ups established with AMIF I Ltd for investment in NEL, and with HDFC AMC for investment in a subsidiary company.
- NEL has also tied up with the Ritz Carlton for a hotel project, with Citigroup picking up a 74 per cent equity stake in the project.
- The management's ability to successfully implement a strategy for the mid-income housing segment, and profitably diversifying into the capital-intensive hospitality or retail space is as yet untested.
- There appears to be high degree of dependence on Mr Shetty and the executive director, as assessed from their levels of involvement in the overall strategy, land acquisition, operations, and marketing within NEL. In CRISIL Research's opinion, such high level of concentration may be a limiting factor in the context of the company's plans to grow aggressively in new segments and markets.
- While NEL's second-line management has recently been ramped up, experience of some of the

personnel in the real estate field is limited.

Corporate governance

- NEL has relatively experienced independent directors on the board and their ability to exercise management oversight is adequate.
- The promoters have a number of group companies, some of which are in the same line of business. The company has stated to CRISIL Research that a formal non-compete agreement will be entered into between NEL and its promoter to remove the potential conflict of interest.
- The promoter has also floated several companies in diverse fields like pharmacy, warehousing healthcare, airways etc. Some of them are currently reporting losses and some of the companies are currently not operational. The rationale and strategy for the existence of these companies is unclear and presents no fit or synergy with the company and group's current area of business.
- There have been significant related-party transactions in the past, mainly pertaining to undertaking contractual work for group companies, which has affected the company's profitability.

Detailed Grading Rationale

Overall grading summary (CRISIL IPO Grade 2/5)

To arrive at the overall grade, CRISIL has considered the following parameters:

- Business prospects and financial performance.
- Management capability
- Corporate governance

CRISIL has assigned a CRISIL IPO Grade '2/5' (pronounced 'two on five') to the proposed initial public offering (IPO) of Nitesh Estates Ltd. This grade indicates that the fundamentals of the issue are below average relative to other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue's fundamentals. The offer price for the issue may be higher or lower than the level justified by its fundamentals. The grade is not a recommendation to buy/sell or hold the graded instrument, its future market price or suitability for a particular investor.

The IPO grade for NEL reflects the company's entry into the highly competitive mid-income housing segment, and development of retail, commercial and hospitality projects, in which the company has a limited track record. These plans also present significant funding and execution risk. Further, in the past, the management's strategies have not been very successful, with NEL registering very low margins. The company had also defaulted on its debt and interest payments in 2008-09, which has been subsequently restructured/repaid. In addition, the second-rung management is fairly new and highly dependent on the promoter, Mr. Shetty, and the executive director, Mr L.S. Vaidyanathan. Our grading also takes into account that NEL's second line of management has limited experience in the real estate sector, a limitation in the context of the company's large development plans over the next few years.

The grading, however, gets its support from the group's strong brand name in the high-end luxury housing segment and the presence of experienced independent directors on the board of the company. The promoters have a number of group companies, some of which are in the same line of business. However, the company has stated to CRISIL Research that a formal non-compete agreement will be entered into between NEL and its promoter in order to remove the potential conflict of interest

Key Fact

Project details

Ongoing and planned projects

Project	Salable area (mn sq ft)	Company's share of salable area (mn sq ft)
Residential		
Ongoing projects	3.0	1.5
Forthcoming projects	2.3	1.6
Planned projects	6.5	4.2
Commercial/retail	3.1	2.0

Source : Company

- ***Past experience in luxury housing: future plans in min-income housing, commerical and hospitality projects***

Till date, the Nitesh Group has developed small but high-end luxury housing projects. The group has recently ventured into the competitive mid-income housing segment, with plans to develop the bulk of its projects in this segment. In this segment, the company faces strong competition from Bengaluru-based local players such as Prestige, Sobha Developers, Brigade and Puravankara, amongst others. Further, it has ventured into the development of retail, commercial and hospitality projects, which are areas where the company has a limited track record. These plans also present significant funding and execution risks.

- ***Ambious development plans would require strengthening management at execution level***

The management's ability to successfully implement a strategy for the mid-income home buyer segment and diversify into the capital-intensive hospitality or retail space is as yet untested.

Further, NEL's second-line management has recently been ramped up. The management is not only new but some of the personnel (the COO & CFO) have no experience in the real estate field. Also, three of the management personnel, i.e. Mr Ashwini Kumar (COO), Mr Shiva N Iyer (CFO) and Mr NG Srinivasan (head of the corporate finance), have joined the company in the last 6 months. Also, the majority of the other management personnel have been with the company only for the last 1-2 years.

- ***Promoter group companies in the same line of business; significant inter-group transactions***

The promoter has a number of group companies, some of which are in the same line of business. Nitesh Infrastructure Ltd has built two commercial projects, and Nitesh Estates Projects Pvt Ltd has developed two residential projects with one under construction. Mr Shetty also owns NISCO Ventures Pvt Ltd, which is in the contractual construction business. . However, the company has confirmed to CRISIL Research that there will be a board resolution to execute a formal non-compete agreement to avoid any issues of conflict of interest.

Mr Shetty has also floated a number of companies in diverse lines of businesses such as pharmacy, warehousing, healthcare, airways etc. Some of them are currently reporting losses, while some are currently not operational. The rationale and strategy for the existence of these companies is unclear and presents no fit or synergy with the company and group's current area of business.

- ***High level of dependence & concentration risk on a few individuals***

The promoter, Mr. Shetty, is a young, first generation entrepreneur. He, along with L.S. Vaidyanathan (executive director), closely monitors the operations, and provides expertise and direction with respect to overall strategy and vision. They are also actively involved in the brand building, sales & marketing initiatives of NEL. Such concentrated dependence on a few individuals presents a management concentration risk and potential management bandwidth risk for the company in the context of its ambitious growth plans.

- ***Strong brand in the luxury segment and demonstrated ability to attract partner***

The Nitesh Group has a strong brand in the high-end luxury residential market. Most of the group's past projects have been small-sized but in prime locations in Bengaluru. Mr Shetty ventured into the real estate business with the development of two commercial projects on MG Road in Bengaluru, and subsequently diversified into the residential, retail and hospitality segments. The promoter, Mr Shetty, and his team have been able to successfully attract various partners into the company which is evidenced by the tie-ups established with AMIF I Ltd for investment in NEL, with HDFC AMC for investment in a subsidiary company and with Ritz Carlton for their first project in India, in which Citigroup has acquired a majority stake.

Financial Profile

- In the past, NEL earned revenues from the sale of developed properties and contractual income on account of the project developed for ITC and the Ritz Carlton hotel. Of NEL's 2008-09 revenues of Rs 0.88 billion, Rs 0.55 billion (63 per cent of revenue) was from contractual activities, Rs 0.27 billion (31 per cent of revenue) from the sale of land development rights and Rs 0.06 billion (6 per cent of revenue) from the sale of developed properties. In the first half of 2009-10, NEL earned revenues of Rs 0.26 billion.
- The company's operating (OPBDIT) and net margins in 2008-09 were low at 7.6 per cent and 3.2 percent, respectively, due to low-margin contractual income and high corporate expenses. In first half of 2009-10, operating margins were negative 19.1 per cent. However, net margins were positive at 11.7 per cent, due to income from one-time sale of investments of Rs 174 million.
- NEL has incurred operating cash losses for the last 3 years. Operating cash loss was at Rs 0.15 billion in 2006-07, Rs 0.36 billion in 2007-08 and Rs 0.12 billion in 2008-09.
- The cash losses have been funded through raising debt, leading to a deterioration in gearing from nil as on March 31, 2007 to at 2.4 times as on March 31, 2009.
- The company had defaulted on its debt and interest payments in 2008-09, which has been later restructured/repaid in consultation with the lenders
- Future revenues and projected growth depend critically on the successful implementation of projects in the pipeline.

Financial performance snapshot- NEL (Consolidated)

		2008-09 Actual (12 months)	H1 2009-10 Actual (6 months)
Operating income	Rs Mn	877.0	257.7
Operating margins	Per cent	7.6	-19.1
Net Profit	Rs. Mn	22.7	30.2
Net Margins	Per cent	3.2	11.7
RoCE	Per cent	6.6	6.1
RoNW	Per cent	3.3	4.7
Basic EPS	Rs	4.1	4.3

Diluted EPS	Rs	4.1	4.3
Net Worth	Rs Mn	552.0	743.0
Greeting	Times	2.4	2.0

* Note: Number have been reclassified as per CRISIL standards

Business Profile

NEL is a Bengaluru-based real estate development company that conducts business primarily under the joint development model. Hence, it does not own any land bank. Since 2004, NEL has developed three premium housing projects, totaling 0.55 mn sq ft of saleable area.

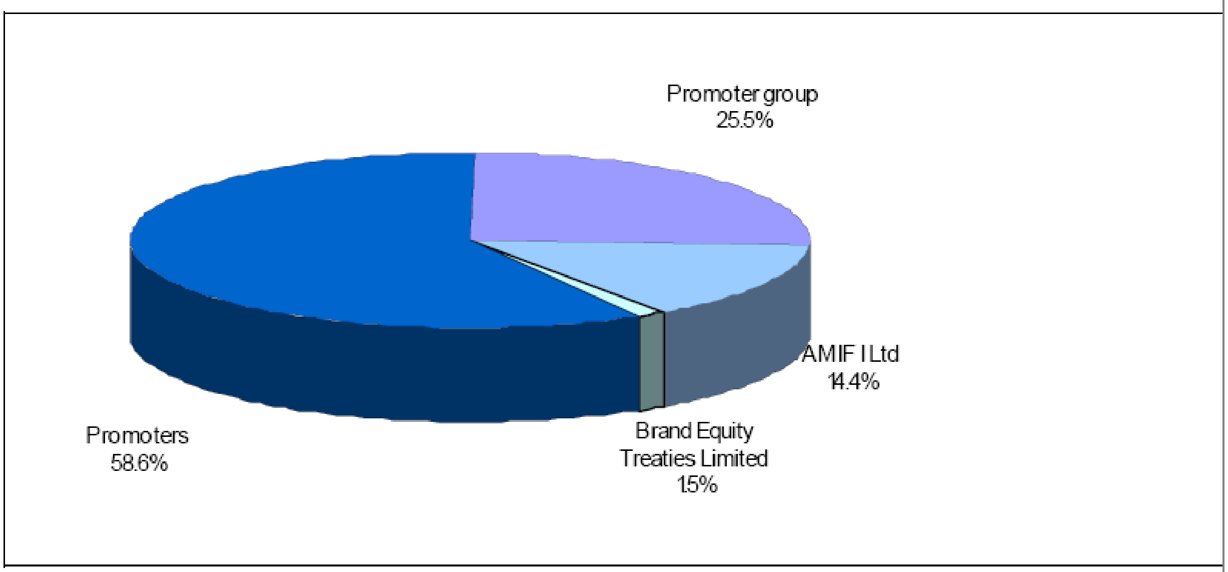
The promoters, Mr Shetty and Ms Pushpalatha V Shetty, and their group company currently own 84.1 per cent of NEL. AMIF I Ltd, a PE fund of Och-Ziff Capital Management Group, holds the remaining 14.4 per cent stake in the company.

The company has four ongoing projects, having a total saleable area of 3.0 mn sq ft (NEL's share is 49 per cent), five forthcoming projects of 2.3 mn sq ft (NEL's share is 71 per cent) and five planned projects of 6.5 mn sq ft (NEL's share is 65 per cent). On the commercial and retail fronts, the company has four planned projects of total developable area of 3.0 mn sq ft (NEL's share is 65 per cent).

The company holds a 20.7 per cent stake in Nitesh Residency Hotels Pvt Ltd, which is developing a premium hotel at Residency Road, a prime location in Bengaluru. The promoter, Mr Shetty, holds a further 5.3 per cent, while the remaining 74.0 per cent is held by Citi Property Investors. The five-star hotel will be managed by Marriott Hotels India Pvt Ltd under the 'Ritz Carlton' brand.

The company also plans to diversify its geographical reach, and has projects planned in Bengaluru, Kochi, Goa and Chennai.

Pre-IPO Shareholding Pattern



Note: The company plans to raise Rs 4,500 million (+ Rs 450 million greenshoe option). Since the number

of shares to be offered is not determined, we have not shown the post-IPO shareholding.
Source: Company

Profile of Management and Board

Mr Shetty, aged 32 years, is the company's chairman and managing director. He holds a Bachelor of Commerce degree. Mr Shetty began his career 12 years ago with Out-of-Home, an advertising business. He founded NEL in 2004, and is also the promoter of a number of companies in diverse businesses, ranging from real estate, outdoor media, construction, infrastructure and agriculture. Mr L.S. Vaidyanathan is a chartered accountant, and the executive director in charge of financial matters, business planning, land acquisitions and acquiring necessary approvals.

Although, the key management team has more than 20 years of work experience, a number on them have been appointed in the past 6 months. Also, some of them have had limited exposure to the real estate sector.

The board consists of two executive directors, two non-executive directors and four independent directors. The independent directors are highly experienced with diverse skill-sets. The independent directors are:

- Mr GN Bajpai was the former chairman of SEBI and LIC
- Mr Darius E Udwadia is an advocate and solicitor of the High Court of Bombay, and also a solicitor of the Supreme Court of England, UK
- Mr James Brent Stephen has worked as the global head of real estate investment banking at Citigroup from 2005 to 2007
- Mr Ashok T Aram was the head of global banking at Deutsche Bank, and is currently the managing director of Abraaj Capital, a leading private equity firm

Annexure: Profile of the Directors

Board of directors

Name of Directors	Designation	Age	Qualification	Exp (Yrs)	Previous Employment Business	Directorships in / partnership in other entities
Mr. Nitesh Shetty	Chairman and Managing Director	32	Bachelor of commerce	12	Out-of-Home advertising business	**Indian Companies** **Private Limited Companies** v) Nitesh Industries Pvt Ltd w) Nitesh Estates Projects Pvt Ltd x) Nitesh Residency Hotels Pvt Ltd y) Nitesh Mylapore Developers Pvt Ltd z) Nitesh Housing Developers Pvt Ltd aa) Nitesh Land Holdings Pvt Ltd bb) NISCO Ventures Pvt Ltd cc) Nitesh Infrastructure Pvt Ltd dd) Nitesh Agrico Pvt Ltd ee) Serve & Volley Signages Pvt Ltd ff) Nitesh Warehousing Pvt Ltd gg) Nitesh Pharmacy Pvt Ltd hh) Lob Media Pvt Ltd ii) Nitesh Media Pvt Ltd jj) Serve & Volley Holdings Pvt Ltd kk) Nitesh Healthcare Pvt Ltd ll) Nitesh Hospitals Pvt Ltd mm) Nitesh Energy Pvt Ltd nn) Nitesh Indiranagar Retail Pvt Ltd oo) Globosport India Pvt Ltd **Partnerships** c) Nitesh Infrastructure and Construction d) Richmond Trading Enterprises **Sole Propreitorship** Nitesh Healthcare
Ms. Pushpalatha V. Shetty	Promoter Director	58	Bachelor of Science degree from Bangalore university	-	Na	**Indian Companies** **Private Limited Companies** z) Nitesh Industries Pvt Ltd aa) Nitesh Estates Projects Pvt Ltd bb) Nitesh Mylapore Developers Pvt Ltd

						cc) Nitesh Housing Developers Pvt Ltd dd) Nitesh Devanahalli Township Pvt Ltd ee) Nitesh Boat Club Development Pvt Ltd ff) Nitesh Land Holdings Pvt Ltd gg) NISCO Ventures Pvt Ltd hh) Nitesh Infrastructure Pvt Ltd ii) Nitesh Agrico Pvt Ltd jj) Grass Outdoor Media Pvt Ltd kk) Serve & Volley Outdoor Advertising Pvt Ltd ll) Serve & Volley Signages Pvt Ltd mm) Nitesh Warehousing Pvt Ltd nn) Nitesh Pharmacy Pvt Ltd oo) Lob Media Pvt Ltd pp) Nitesh Media Pvt Ltd qq) Serve & Volley Holdings Pvt Ltd rr) Nitesh Healthcare Pvt Ltd ss) Nitesh Hospitals Pvt Ltd tt) Nitesh Telecom Pvt Ltd uu) Nitesh Airways Pvt Ltd vv) Nitesh Publishers Pvt Ltd ww) Nitesh Energy Pvt Ltd xx) Nitesh Indiranagar Retail Pvt Ltd **Partnerships** Nitesh Infrastructure and Construction
Mr. L.S. Vaidyanathan	Executive Director	48	Bachelor of Science degree from Madras University * Chartered accountant	26	He was partner with Janardhan & Associates, K S Sanghavi & Company Chartered accountants, Bangaluru. He has been associated with the real estate industry for the last 22 years in	**Indian Companies** **rivate Limited Companies** j) Nitesh Estates Projects Pvt Ltd k) Nitesh Kochi Projects and Developers Pvt Ltd l) Madison Developers Pvt Ltd m) Nitesh Housing Developers Pvt Ltd n) Nitesh Devanahalli Township Pvt Ltd o) Nitesh Boat Club Development Pvt Ltd p) NISCO Ventures Pvt Ltd

					various capacities.	q) Nitesh Warehousing Pvt Ltd r) Nitesh Indiranagar Retail Pvt Ltd **Partnerships** b) Richmond Trading Enterprises
Mr. Mahesh Bhupathi	Non-Execuitve Director	35	Alumnus of the University of Mississippi USA	-	Professional tennis player	**Indian Companies** **Pvt Ltd Companies** h) Globosport India Pvt Ltd i) Matchpoint Sports International Pvt Ltd j) Mahesh Bhupathi Team Tennis Pvt Ltd k) Big Daddy Production Pvt Ltd l) Globosport Digital Pvt Ltd m) Play Sports Surfaces and Recreational Solutions Pvt Ltd n) Bhupathi Tennis Academy Pvt Ltd
Mr. Subir Raha (Passed away onFeb 1, 2010)	Independent Director	61	Bachelor of Engineering in electronics and telecommunications engineering Masters in Business Administration from university of Leeds and alumnus of the Administrative Staff College Henley in 1995	Na	Chairman and Managing Director of Oil and Natural gas Corporation Ltd (ONGC) for a period of 5 years from May 2001, Chairman of ONGC Videsh Ltd Director in charge of business development and corporate communication at Indian Oil Corporation Ltd., from 1998 to 2001	**Indian Companies** **Public Companies** a) KLG Systel Ltd b) Areva T&D India Ltd **Private Limited Companies** a) Team Raha Ideation Pvt Ltd b) Tridea Training & Technology Pvt Ltd c) RP Infosystems Pvt Ltd d) Invent Assets Secur. & Recons. Pvt Ltd e) Geo Global Resources Inc. U.S.A.
Mr. G N Bajpai	Independent Director	67	Master in Commerce degree from the University of Agra and a Bachelors in Law Degree from the University of	Na	Has been the Chairman of SEBI Life Insurance Corporation of India and the Corporate Governance Task force of	**Indian Companies** **Public Limited Companies** n) Future Generali India Life Insurance Company Ltd o) Future Generali India Insurance Company Ltd p) Emaar MGF Land Ltd q) Future Capital Holdings Ltd

			Indore		International Organization of Securities Commission and the chairperson of the Insurance Institute of India, a counterpart of Chartered Insurance Institute UK. He was also the non-executive chairman of the National Stock Exchange, Stock Exchange, Stock Corporation of India, LIC Housing Finance Ltd., LIC International EC Bahrain and LIC Nepal Ltd.	r) The Dhanalakshmi Bank Ltd s) Mandhana Industries Ltd t) Kshitij Investment Advisory Company Ltd u) Future Capital Investment Advisors Ltd v) Future Ventures India Ltd w) Dalmiya Cement (Bharat) Ltd x) Kingfisher Airlines Ltd y) New Horizons India Ltd **Private Limited Companies** g) Invent Asset Securitization & Reconstruction Co. Pvt Ltd h) Intuit Consulting Pvt Ltd i) Infomerics Valuation & Rating Pvt Ltd j) Apnapaisa Pvt Ltd k) Invent ARC Pvt Ltd l) IDE India (Section 25 Company-Non-profit-poverty allevation)
Mr. Darius E Udwadia	Independent Director	70	Master in Arts Degree from the University of Bombay and a Bachelors in Law Degree from the University of Bombay	45	He is an Advocate and Solicitor of the High Court of Bombay and also an Solicitor of the Supreme Court of England UK	**Indian Companies** **Public Limited Companies** m) ABB Ltd n) ADF Foods Ltd o) Astra Zeneca Pharma India Ltd p) The Bombay Burmah Trading Corporation Ltd q) Development Credit Bank Ltd r) Eureka Forbes Ltd s) ITD Cementation India Ltd t) JM Financial Ltd u) MPS Ltd v) Mechanalysis (India) Ltd w) Wyeth Ltd x) WABCO-TVS (India) Ltd **Private Limited Companies**

						i) Habasit Lakoka Pvt Ltd j) JM Financial & Investment Consultancy Services Pvt Ltd k) JM Financial Trustee Company Pvt Ltd l) JM Financial Consultants Limited m) Quantum Advisors Pvt Ltd n) Rossi Gearmotors (India) Pvt Ltd o) Conservation Corporation of India Pvt Ltd **Partnerships** c) Udwadia & Udeshi d) Udwadia Udeshi & Co.
Mr. James Brent Stepen (British)	Independent Director	43	Chartered Secretary	26	Currently, he is the Chair of the Plymount Development Co., Prior to this he was the Global Head of Real Estate and Lodging of Citigroup	**Indian Companies** **Public Limited Companies** d) Plymouth City Development Company Ltd. e) Akkeron Hotels Ltd. **Partnerships** d) Akkeron Group LLP e) J & N Brent
Mr. Ashot T			Post Graduate degree in international business and comparative culture from Sophia University Tokyo		He is the Managing Director of Abraaj Capital, the largest private equity company in the Middle East, North Africa and South Asia (Menasa region). Prior to joining with Abraaj he worked with Dectsche Bank for 15 years. He	**Indian Companies** **Public Limited Company** b) Soliton Technologies Limited **Foreign Companies** a) Abraaj Capital Holdings Limited, U.A.E. b) Tyfone Inc., U.S.

	was the Head of Global Banking at Dectsche Bank	

Disclaimer

A CRISIL IPO grading is a one-time assessment and reflects CRISIL's current opinion on the fundamentals of the graded equity issue in relation to other listed equity securities in India. A CRISIL IPO grading is neither an audit of the issuer by CRISIL nor is it a credit rating. Every CRISIL IPO grading is based on the information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the grading is based. A CRISIL IPO grading is not a recommendation to buy / sell or hold the graded instrument; it does not comment on the issue price, future market price or suitability for a particular investor.

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