

(Comprising Letter of Offer for The Rights Issue Component and Red Herring Prospectus for The Public Issue Component to be updated upon filing with the ROC) Please read Section 60B of the Companies Act, 1956 (Public Issue through 100% Book Built Route)



अपना घरपण देखनी माणस

D. S. KULKARNI DEVELOPERS LIMITED

(Incorporated on September 20, 1991 under the Companies Act, 1956)

Registered & Head Office: DSK House, 1187/60, J. M. Road, Shivajinagar, Pune - 411 005

Tel: (020) 5604 7100, **Fax:** (020) 2553 5772; **Contact Person:** Shri Ashish Boradkar (Compliance Officer)

E-mail: compositeissue@dskd.com; **Website:** www.dskdl.com

Composite Issue of 1,10,00,000 Equity Shares of Rs. 10/- each aggregating Rs. [●] (the "Issue") comprising:

- Rights Issue of 55,00,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 100 per Equity Share (i.e., at a price of Rs. 110 per share) aggregating Rs. 60,50,00,000 (Rupees Sixty crores and Fifty lacs only) to the existing Equity Shareholders of the Company in the ratio of One (1) Equity Share for every Two (2) Equity Shares held as on March 21, 2006 (Record Date).**
- Public Issue of 55,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●]. The Issue comprises Promoters Contribution of 6,40,155 Equity Shares, a reservation for Employees of 1,10,000 Equity Shares of Rs. 10/- each and a net offer to the public of 47,49,845 Equity Shares of Rs. 10/- each (the "Net Offer").
PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE RS. 10/-**

The Issue will constitute 50% of the fully diluted post-Issue paid up capital of the Company.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- PER EQUITY SHARE AND THE RIGHTS ISSUE PRICE OF RS. 110 IS 11 TIMES OF THE FACE VALUE AND THE PUBLIC ISSUE PRICE OF RS. [●] AT LOWER BAND AND RS. [●] AT HIGHER BAND PER EQUITY SHARE IS [●] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [●] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band of Public Issue, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to The Bombay Stock Exchange Ltd. ("BSE") and the National Stock Exchange of India Ltd. ("NSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the Syndicate.

The Public Issue is made through the 100% Book Building Process wherein upto 50% of the Net Issue to the public shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, at least 15% of the Net Issue to the public shall be available for allocation on proportionate basis to Non-Institutional Bidders and at least 35% of the Net Issue to the public shall be available for allocation on a proportionate basis to Retail Institutional Bidders, subject to valid Bids being received at or above the Issue Price. Further, upto 1,10,000 Equity Shares shall be available for allocation to the Employees, subject to valid Bids being received at or above the Issue Price.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer 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 offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risk involved. The securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. **The attention of the investors is drawn to the statement of Risk Factors beginning on page no. x of this Offer Document.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document 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 Offer Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE ISSUE

 <p>A. K. Capital Services Ltd. 135-136, Free Press House, 13th Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400 021 Tel: (022) 5634 9300; Fax: (022) 5636 0977 E-mail: dskissue@akgrouponline.com Website: www.akcapindia.com</p>	 <p>Indian Overseas Bank Merchant Banking Division 763, Anna Salai, Chennai - 600 002 Tel: (044) 2851 9448; 2851 9548 Fax: (044) 2852 2747 E-mail: ksk@iobnet.co.in Website: www.iob.com</p>	 <p>Sharepro Services (India) Pvt. Ltd. Satam Estate, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099 Tel: (022) 2821 5168; Fax: (022) 2837 5646 Email: subodh@shareproservices.com Website: www.shareproservices.com</p>
--	--	---

BID / ISSUE SCHEDULE

RIGHTS ISSUE		PUBLIC ISSUE	
OFFER OPENS ON:	March 30, 2006	BID / ISSUE OPENS ON:	April 25, 2006
LAST DATE FOR RECEIVING REQUEST FOR SPLIT FORMS:	April 15, 2006		
OFFER CLOSES ON:	April 29, 2006	BID / ISSUE CLOSES ON:	May 3, 2006

LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. ("BSE") and the National Stock Exchange of India Ltd. ("NSE"). The Equity Shares to be issued through this Issue would also be listed on the Stock Exchanges mentioned above. The Company has received in-principle approval for the listing of the Equity Shares pursuant to letters dated February 15, 2006 for the Public Issue and February 17, 2006 for the Rights Issue from BSE and letter dated February 22, 2006 for the Composite Issue from NSE. BSE shall be the Designated Stock Exchange.

TABLE OF CONTENTS

TITLE	Page No.
SECTION I: DEFINITIONS & ABBREVIATIONS	ii
SECTION II: RISK FACTORS	x
1. FORWARD-LOOKING STATEMENTS	x
2. RISK FACTORS	x
SECTION III: INTRODUCTION	1
1. SUMMARY	1
2. GENERAL INFORMATION	5
3. CAPITAL STRUCTURE	12
4. OBJECTS OF THE OFFERING	20
5. BASIC TERMS OF THE ISSUE	32
6. BASIS FOR ISSUE PRICE	33
7. STATEMENT OF TAX BENEFITS	35
SECTION IV: ABOUT D. S. KULKARNI DEVELOPERS LIMITED	38
1. INDUSTRY OVERVIEW	38
2. BUSINESS OVERVIEW	45
3. REGULATIONS AND POLICIES	51
4. HISTORY OF THE COMPANY	54
5. MANAGEMENT OF THE COMPANY	56
6. PROMOTERS OF THE COMPANY	66
7. RELATED PARTY TRANSACTIONS	71
8. CURRENCY OF PRESENTATION	74
9. DIVIDEND POLICY OF THE COMPANY	75
SECTION V: FINANCIAL STATEMENTS	76
1. FINANCIAL INFORMATION OF THE COMPANY	76
2. FINANCIAL INFORMATION OF THE GROUP COMPANIES	97
3. CHANGE IN ACCOUNTING POLICIES IN THE LAST 3 YEARS	118
4. MANAGEMENT DISCUSSIONS AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	119
SECTION VI: LEGAL AND OTHER INFORMATION	127
1. OUTSTANDING LITIGATIONS/DEFAULTS AND MATERIAL DEVELOPMENTS	127
2. GOVERNMENT APPROVALS	130
SECTION VII: REGULATORY AND STATUTORY DISCLOSURES	132
SECTION VIII: OFFERING INFORMATION	140
1. TERMS OF THE ISSUE	140
2. ISSUE PROCEDURE	143
SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF DSKDL	177
SECTION X:	183
1. MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTIONS	183
2. DECLARATION	185

SECTION I: DEFINITIONS & ABBREVIATIONS

GENERAL TERMS AND ABBREVIATIONS

AK Caps	A. K. Capital Services Ltd.
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
BIFR	Board for Industrial & Financial Reconstruction
BSE	Bombay Stock Exchange Limited
CAF	Composite Application Form
CAGR	Compounded Annual Growth Rate
Capex	Capital Expenditure
CDSL	Central Depository Services (India) Ltd.
CEO	Chief Executive Officer
CIT	Commissioner of Income Tax
Companies Act	The Companies Act, 1956 as amended from time to time for the time being in force
Depositories Act	The Depositories Act, 1996, as amended from time to time for the time being in force
Depository Participant	A depository participant as defined under the Depositories Act
D/E Ratio	Debt Equity Ratio
DSKDL	D. S. Kulkarni Developers Ltd.
DD	Demand Draft
EBDITA	Earnings Before Depreciation, Interest, Tax and Amortization
EBIDT	Earnings Before Interest, Deprecation and Tax
EGM	Extraordinary General Meeting
EPCG	Export Promotion Capital Goods Scheme
EPS	Earnings Per Equity Share i.e. profit after tax divided by outstanding number of Equity Shares at the year end
ESOS	Employee Stock Option scheme
ESPS	Employee Stock Purchase Scheme
EXIM	Export and Import
FCNR	Foreign Currency Non-Resident
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under for the time being in force
Financial Year / FY / Fiscal	Period of twelve months ended March 31st of that particular year
FIs	Financial Institution(s)

FII / Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India)
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
GAAP	Generally Accepted Accounting Principles
GIR Number	General Index Registry Number
GDP	Gross Domestic Product
GoI	Government of India
HR	Human Resources
HUF	Hindu Undivided Family
HFC(s)	Housing Finance Company(ies)
Indian GAAP	Generally Accepted Accounting Principles in India
IOB	Indian Overseas Bank
IT Act	Income Tax Act, 1961, as amended from time to time for the time being in force
ITAT	Income Tax Appellate Tribunal
IT / ITES	Information Technology / Information Technology Enabled Services
JV	Joint Venture
Kms	Kilometers
KV	Kilo Volt
LC	Letter of Credit
LIC	Life Insurance Corporation of India
MD	Managing Director
Memorandum / Memorandum of Association / MoA	The Memorandum of Association of the Company
MNC	Multi National Company
MoU	Memorandum of Understanding
MP	Management Perception
MT	Metric Ton
MW	Mega Watt
N. A. / n. a.	Not Applicable
NAV	Net Asset Value being paid-up Equity Share Capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit & Loss account, divided by number of issued Equity Shares
NRI / Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under FEMA (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000
NRE / NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Ltd.

NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBDIT	Profit Before Depreciation, Interest and Tax
PBT	Profit Before Tax
PMC	Pune Municipal Corporation
PSU	Public Sector Undertaking
PWD	Public Works Department
QIB	Qualified Institutional Buyer
R&D	Research and Development
RBI	The Reserve Bank of India
ROC	The Registrar of Companies, ROC Pune, PMT Commercial Building, 3rd Floor, Deccan Gymkhana, Pune 411 004, Maharashtra.
RoNW	Return on Net Worth
SCRR	Securities Contracts (Regulations) Rules, 1957 as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time and for the time being in force
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (SAST)	The SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as amended from time to time and for the time being in force
SPV	Special Purpose Vehicle
Sq. ft. / sq. feet	Square feet
Sec.	Section
SSI	Small Scale Industry
TDR	Transfer of Development Rights
TDS	Tax Deducted at Source
UTI	Unit Trust of India
Vol	Volume
VCF(s)	Venture Capital Fund(s)
w.e.f.	with effect from
WPI	Wholesale Price Index
yoy	year on year

ISSUE RELATED TERMS AND ABBREVIATIONS

Allotment	Unless the context otherwise requires, issue of Equity Shares pursuant to this Issue
Allottee	The successful applicant to whom the Equity Shares are being / or have been issued or transferred
Applicant	Any prospective investor who makes an application pursuant to the terms of this Offer Document
Application Forms	The Form in terms of which the investors shall apply for the Equity Shares of the Company
Banker(s) to the Issue	For Rights Issue: UTI Bank Limited and Bank of Maharashtra For Public Issue: Indian Overseas Bank, HDFC Bank Limited and Hongkong and Shanghai Banking Corporation Limited
Bid	An indication to make an offer during the Bidding/Issue period by a Bidder to subscribe to our Equity Shares at a price within the Price Band included all revisions and modifications thereto.
Bid Amount	The amount equivalent to the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder pursuant to the Bid in the Issue.
Bid/Issue Closing Date	The date after which the Syndicate Members will not accept any Bids for the Issue, which date shall be notified in a widely circulated English national newspaper, a Hindi national newspaper of wide circulation and a Pune based Regional newspaper with wide circulation.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to/purchase the Equity Shares offered for subscription pursuant to this Issue and which will be considered as the application for allotment in terms of Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Book Building Process	The book-building route as provided in Chapter - XI of the SEBI Guidelines, in terms of which the Issue is being made.
Book-Running Lead Managers / Lead Managers (BRLMs)	Book-Running Lead Managers / Lead Managers to the Issue, in this case being A. K. Capital Services Ltd. and Indian Overseas Bank
CAN / Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band in case of Public Issue, as may be revised
Cut-off Price	Any price within the Price Band finalised by the Company in consultation with the BRLMs for the Public Issue
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Designated Date	The date on which funds are transferred from the Escrow Account of the Company to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful allottees
Designated Stock Exchange	BSE (Bombay Stock Exchange Limited)
Offer Document	The Offer Document dated January 15, 2006 comprising Final Letter of Offer for the Rights Issue Component and Red Herring Prospectus (which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue) for the Public Issue Component to be updated upon filing with the RoC issued in accordance with Section 60B of the Companies Act

Red Herring Prospectus	This Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which Equity Shares are offered and size of the Issue.
Equity Shares	Equity Shares of face value of Rs. 10/- each of the Company unless otherwise specified in the context thereof.
Escrow Account	Account to be opened with an Escrow Collection Bank(s) and whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting the Bid.
Escrow Agreement	Agreement to be entered into amongst the Company, the Registrar, the Escrow Collection Bank(s), the BRLM and the Syndicate Members for collection of the Bid Amounts and for remitting refunds , if any, of the amounts collected to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as banker to the issue with which the Escrow Account will be opened.
Face Value	Face Value of Equity Shares of the Company being Rs. 10/- each
First Applicant	The applicant whose name appears first in the Application Form
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Fresh Issue / Net Offer / Offer / Public Issue	Public Issue of 55,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●]. The Issue comprises Promoters' Contribution of 6,40,155 Equity Shares brought in by Promoters, a reservation for Employees of 1,10,000 Equity Shares of Rs. 10/- each and a net offer to the public of 47,49,845 Equity Shares of Rs. 10/- each (the "Net Offer")
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Issuer	D. S. Kulkarni Developers Limited, a Company incorporated under the Companies Act, 1956 having its Registered Office at DSK House, 1187/60, J. M. Road, Shivajinagar, Pune - 411 005
Issue Size	Composite Issue of 1,10,00,000 Equity Shares of Rs. 10/- each comprising: <ol style="list-style-type: none"> 1. Rights Issue of 55,00,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 100/- per Equity Share (i.e., at a price of Rs.110/- per share) aggregating Rs. 60.5 crores to the existing Equity Shareholders of the Company in the ratio of One (1) Equity Share for every Two (2) Equity Shares held as on March 21, 2006 (Record Date). 2. Public Issue of 55,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●]. The Issue comprises Promoters' Contribution of 6,40,155 Equity Shares brought in by Promoters, a reservation for Employees of 1,10,000 Equity Shares of Rs. 10/- each and a net offer to the public of 47,49,845 Equity Shares of Rs. 10/- each (the "Net Offer")
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of this Offer Document
Bid/Issue Opening Date	The date on which the Bid/Issue opens for subscription
Bid/Issue Closing Date	The date on which the Bid/Issue closes for subscription
Bid/Issue Period	The period between which the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective applicants can submit their application forms

Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may be 10% to 100% of the Bid Amount depending on the category of the Bidder or such additional margin, not exceeding 100% of the Bid Amount, that may be called for by the Company, in consultation with the BRLM.
Mutual Funds	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations , 1966.
Mutual Funds Portion	5% of the QIB Portion or 118746 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion.
Non-Institutional Bidders	All Bidders that are not qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than Rs. 100,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being minimum of 7,12,477 Equity Shares available for allocation to Non-Institutional Bidders.
Non-Resident	Eligible NRIs, FIIs, FVCIs and multilateral and bilateral development financial institutions, who are eligible to Bid in the Issue.
Non-Retail Applicants	All applicants that are not Retail Individual applicants.
Pay-in Date	The date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.
Pay-in Period	i) With respect to Bidders whose margin amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date, and extending until the Bid/Issue closing date and ii) With respect to Bidders whose margin amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date, and upto the date specified in the CAN.
Price Band	The price band of Rs. [●] to Rs. [●] including revisions thereof.
Pricing Date	The date on which we will finalise the Issue Price in consultation with the BRLM.
Promoters	Mr. D. S. Kulkarni, Ms. Jyoti D. Kulkarni, Ms. Ashwini Deshpande, Mr. Makrand S. Kulkarni, Ms. Hemanti N. Phadke, Mr. Amit D. Kulkarni, Mr. Sanjay M. Deshpande
Permanent Employees	The Permanent Employees on the rolls of the Company as on and as of February 28, 2006
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with IRDA, provident funds and pension funds with a minimum corpus of Rs. 250 mn.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount.
Refund Account	Account opened with an Escrow Collection Bank from which refunds of the whole or part of the Bid Amount, if any, shall be made.
Rights Issue	Rights Issue of 55,00,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 100/- per Equity Share (i.e., at a price of Rs. 110/- per share) aggregating Rs. 60.50 crore to the existing Equity Shareholders of the Company in the ratio of One (1) Equity Share for every Two (2) Equity Shares held as on March 21, 2006 (Record Date)
Rights Entitlement	The number of Equity Shares that an Equity Shareholder is entitled to, under this Offer Document in proportion to his/her/their/its existing shareholding in the Company as on the Record Date

Record Date	March 21, 2006
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being Sharepro Service (I) Pvt. Ltd., having its registered office as indicated on the cover page of this Offer Document
Retail Applicants / Retail Individual Applicants	Retail Individual Applicants (including HUFs and NRIs) who have not applied for an amount more than or equal to Rs. 1,00,000/- in the Issue
Retail Portion	The portion of the Issue being minimum of 16,62,445 Equity Shares of Rs. 10/- each available for allocation to Retail Applicant(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid Cum Application Forms or any previous Revision Form(s).
Stock Exchanges	BSE and NSE
Syndicate	The BRLM and the Syndicate Members.
Syndicate Member	Alliaz Securities Limited
Syndicate Agreement	The agreement to be entered into among the Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Members to the Bidder as proof of registration of the Bid.
Underwriters	A. K. Capital Services Limited
Underwriting Agreement	The Agreement among the Underwriters and the Company in respect of the Rights Issue (to the extent of 40% of the Rights Issue size) and the Public Issue of Equity Shares (to the extent of Net Offer) proposed to be made under this Offer Document

COMPANY / INDUSTRY RELATED TERMS AND ABBREVIATIONS

AGM	Annual General Meeting
Articles / Articles of Association / AoA	Articles of Association of the Company
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
Auditors	The statutory auditors of the Company- M/s. Gokhale, Tanksale & Ghatpande.
BDA	Bangalore Development Authority
BHK	Bed room, Hall, Kitchen
D. S. Kulkarni Developers Limited / DSKDL / the Company / We / Us / the issuer	Unless the context otherwise indicates or implies/refers to D. S. Kulkarni Developers Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at DSK House, 1187/60, J. M. Road, Shivajinagar, Pune - 411 005.
Board of Directors / Board	The Board of Directors of D. S. Kulkarni Developers Limited or a committee thereof
Compliance Officer	Compliance Officer of the Company in this case being, Mr. Ashish Boradkar, Company Secretary
Director(s)	Director(s) of the Company unless otherwise stated
ETP	Effluent Treatment Plant
Equity Shares	Equity Shares of face value of Rs. 10/- each of the Company unless otherwise specified in the context thereof
Equity Shareholders	Persons holding Equity Shares of the Company unless otherwise specified in the context thereof

Face Value	Value of paid-up Equity Capital per Equity Share, in this case Rs. 10/- each
FVCI	Foreign Venture Capital Investor registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
HIG	High Income Group
LIG	Low Income Group
MCGM	Municipal Corporation of Greater Mumbai
MIG	Middle Income Group
NICMAR	National Institute of Construction Management and Research
Registered Office of the Company	DSK House, 1187/60, J. M. Road, Shivajinagar, Pune - 411 005.
RED	Real Estate Development
TDR	Transferable Development Rights

In this Offer Document, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. All references to "Rs./INR" are to Rupees, the legal currency of India, "\$/USD" refer to US Dollar. References to the singular also refer to the plural and one gender also refers to any other gender wherever applicable.

In the section entitled "Main Provisions of Articles of Association" of DSKDL, defined terms have the meaning given to such terms in the Articles of Association of the Company.

SECTION II: RISK FACTORS

1. FORWARD LOOKING STATEMENTS AND MARKET DATA

Forward-looking Statements:

All statements contained in this Offer Document that are not statements of historical facts constitute "forward-looking statements" and can be identified by words or phrases such as "aim", "anticipate", "aspire", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe the objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company 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 the expectations include, among others:

- General economic and business conditions in India and other countries;
- The company's ability to successfully implement its strategy, the growth, new projects and expansion plans;
- The size, timing and profitability of significant projects and product sales;
- Changes in the pricing policies or those of the competitors;
- Cancellations, contract terminations or deferrals of projects;
- Changes in laws and regulations that apply to the industry under which the Company is operating; and
- Changes in the political and social conditions in India.

For further discussion of factors that could cause the actual results to differ, see "Risk Factors" beginning on the page no.x of this Offer Document. 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 the Company nor the lead merchant bankers, 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 Company and lead merchant bankers 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.

Unless stated otherwise, the financial data in this Offer Document is derived from the company's unconsolidated financial statements prepared in accordance with the Indian GAAP included on page no. 76 in this Offer Document. Unless stated otherwise, references to consolidated financial information are to the consolidated financial information under Indian GAAP. At present the company's financial year commences on April 1 and ends on March 31. In this Offer Document, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Market Data:

Market data used throughout this Offer Document was obtained from industry publications and internal Company reports. 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 the Company believes that market data used in this Offer Document is reliable, it has not been independently verified. Similarly, data provided by the Company, while believed by the Company to be reliable, has not been verified by any independent sources.

2. RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Offer Document including the risks described below, in addition to the other information contained in this Offer Document, before making any investment decision relating to the Equity Shares. If any of

the following risks actually occur, the Company's business, results of operations and financial condition could suffer, the trading price of the Company's Equity Shares could decline, and the investor may lose all or part of his investment.

Note: Unless specified or quantified in the relevant risk factors below, the Company is not in a position to quantify the financial or other implication of any risks mentioned herein below:

Materiality:

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

- a) Some events may not be material individually, but may be found material collectively.
- b) Some events may have material impact qualitatively instead of quantitatively.
- c) Some events may not be material at present but may be having material impacts in future.

The risk factors are as envisaged by the management along with the proposals to address the risk, if any. Wherever possible, the financial impact of the risk factors has been quantified.

A. RISK FACTORS SPECIFIC TO THE PROJECT AND INTERNAL TO THE COMPANY:

- 1. There are litigations outstanding against the Company.

Filed Against The Company:

- Pertaining to Criminal Laws: NIL
- Pertaining to Civil Laws: Details as on March 13, 2006

S. NO.	PARTIES	COURT	CHARGES / ALLEGATIONS	DATE OF FILLING	PRESENT STATUS	FINANCIAL IMPLICATIONS ON THE ISSUER	AMOUNT INVOLVED
1.	Arjun Rama Galiyal / DSKDL	RCS/59/04 Civil Court -Pune	Arjun Rama Galiyal was tenant in respect of premises of F-07-adm. 50.13 Sq. Mtr., situated in a portion of property belonging to Manirabad Trust, who entered into agreement of sale with the Company. The plaintiff is claiming relations with the said tenant, for compensation amount, and for restraining Company to raise new construction. Court has already disallowed this application	4/02/2004	Court disallowed injunction	NIL	NIL
2.	Arjun Rama Galiyal / DSKDL	123/05 District Court - Pune	This being an appeal by Arjun Rama Galiyal against lower court order, in matter of 59 /04	30/04/2005	Hearing	NIL	NIL
3.	Biharilal Motwani / DSKDL	Consumer Forum -Pune	Motwani purchased a shop in DSK Chintamani Project for consideration of Rs. 7,39,000/- Plus Rs. 10,000/- for one time maintenance. Paid Rs. 7,40,000/- but not willing to pay balance maintenance charges of Rs. 9000/-. But, instead, filed complaint against the Company for non-issuing receipt of Rs. 10,000/- only	20/04/2005	Written . Statement	NIL	Rs. 50,000

D. S. KULKARNI DEVELOPERS LIMITED



S. NO.	PARTIES	COURT	CHARGES / ALLEGATIONS	DATE OF FILLING	PRESENT STATUS	FINANCIAL IMPLICATIONS ON THE ISSUER	AMOUNT INVOLVED
4.	Smita Enterprises/ DSKDL	RCS/62/04 Civil Court -Pune	The plaintiff was entrusted work of painting at Company's project at DSK Vishwa - Ph. I, Rohini - Cluster, J-wing. Since the work was not satisfactory as per the contract agreement and found to be defective payment of Rs. 91,680/- was with held by the Company. The plaintiff is claiming the recovery of the same through this suit	24/03/2004	On Issues	NIL	Rs. 91,500

- Pertaining to Securities Laws: NIL
- Pertaining to Statutory Laws: NIL
- Pertaining to Labour Laws: NIL
- Arbitration Matters: NIL

Filed By The Company:

- Pertaining to Criminal Laws: NIL
- Pertaining to Civil Laws: Details as on March 13, 2006

S. NO.	PARTIES	COURT	CHARGES / ALLEGATIONS	DATE OF FILLING	PRESENT STATUS	FINANCIAL IMPLICATIONS ON THE ISSUER	AMOUNT INVOLVED
1.	DSKDL / Uday Panse & Others	Sp.C.S. 920/2001 Civil Court - Pune	One of the defendants, Mr. Dagade, is having sale deed with the company for sale of land admeasuring 50 R , at S.No. 314 Bavdhan (B). The sale deed was registered on 06.03.2000. However, another sale deed dt. 22.02.1989 was revealed. Company filed this suit for setting aside sale deed dt. 22.02.1989	15/10/2001	On Issues	NIL	Rs. 15,00,000
2.	DSKDL / Balu Hagawane	Sp.C.S. 1103/96 Civil Court - Pune	The company entered into an agreement with Balu Hagawane for purchase of land adm. 80 R, at S. No. 188, Kirkatwadi. During execution of said agreement on 15.06.1995, Rs. 50,000/- was paid by the company. Later on, the defendant did not comply all the terms & conditions of the agreement. Hence this suit for specific performance of sale	21/10/1996	Hearing	NIL	Rs. 1,00,000
3.	DSKSL / Tukaram and D.G. Hagawane	Sp.C.S. 1104/96 Civil Court - Pune	The company entered into an agreement with Tukaram Hagawane for purchase of land adm. 63 R, at S. No. 187, Kirkatwadi. During execution of said agreement on 15.06.1995 Rs. 39,375/- were paid by the company. Later on, the defendant did not comply all the terms & conditions of the Agreement. Hence this suit for specific performance of sale	21/10/1996	Hearing	NIL	Rs. 1,00,000

S. NO.	PARTIES	COURT	CHARGES / ALLEGATIONS	DATE OF FILLING	PRESENT STATUS	FINANCIAL IMPLICATIONS ON THE ISSUER	AMOUNT INVOLVED
4.	DSKDL / Shivram Jivaba Hagawane	Sp.C.S. 2203/96 Civil Court - Pune	The company entered into an agreement with Shivram Hagwane for purchase of land adm. 1 Hect. 54 R, at S. No. 196, Kirkatwadi. During execution of said agreement on 15.06.1995 Rs. 96,250/- was paid by the company. Later on, the defendant did not comply all the terms & conditions of the agreement. Hence this suit for specific performance of sale	21/10/1996	Hearing	NIL	Rs. 1,00,000
5.	DSKDL/ Raghunath Chavan	Sp.C.S. 53/04 Civil Court - Pune	Company entered into an agreement with Mr. Raghunath Chavan, for purchase of land adjacent to DSK Vishwa Project. Company paid Rs. 61.00 Lacs to Mr. Chavan towards advance and as part payment towards consideration. As Mr. Chavan did not comply as per agreement and declined to perform his part, hence Company filed this suit for Specific Performance of Contract	04/01/2006	Ex-Parte order is passed. Notices issued to defendants	NIL	Rs. 61,00,000

- Pertaining to Securities Laws: NIL
- Pertaining to Statutory Laws: NIL
- Pertaining to Labour Laws: NIL
- Arbitration Matters: NIL

2. The company does not own plot of lands for the projects mentioned in the Object clause.

The company has entered into Development agreements and MOU with the respective land owners', and has obtained irrevocable Power of Attorney for development, construction, Sales, formation of Society/Apartments Deed, etc. from the land owners. The company has successfully completed and handed over several projects under this mechanism and is confident of completion of ongoing projects under the same mechanism. For details please refer to Object clause beginning on page no. 20 of this Offer Document.

3. The Company has not obtained certain approvals for the proposed projects:

The Company requires approval from local authorities for constructing the residential and commercial projects. The company has obtained initial approvals for commencement and has applied for further permissions for executing constructions at sites. In the normal course of business such approvals can be obtained at appropriate stage of construction. While, the company believes that it will be able to obtain such approvals in the requisite time frame, however, there may be some delays on account of obtaining such permissions.

4. DSKDL is subject to Risks associated with the Domestic and Regional Real Estate Market.

The overall demand for Houses and Commercial premises is dependent upon the availability and affordability of the target customers. Economic growth and buying power of the people decides the general trend in the property market. The demand of Houses and/or Commercial spaces being constructed by the company may be unfavourably affected by factors such as change in domestic and regional economic situation in the place where company's projects are located, surplus construction, reduction in local demand, etc.

5. The Promoters Group Companies have interest in some of the Projects mentioned in Object Clause.

DSKDL has obtained development rights from the Group companies, who own the land for three projects i.e. Vishwa I.T.Park, DSK Sayantara and DSK Saptasur.

6. Bangalore Project is at Conceptualisation stage.

In respect of Bangalore project, agreement for Sale has been executed. However, Sale deed for the same is yet to be executed. The development and construction work for the project is yet to commence.

7. All the Promoters do not have experience in Construction Industry.

The Company has total seven promoters all being individuals. Out of total seven individual promoters, only four promoters i.e., Mr. D. S. Kulkarni, Mr. S. M. Deshpande, Mr. M. S. Kulkarni and Ms. H. N. Phadke have experience in the line of business of the Company. Rest three individual promoters have experience in other form of business, not specifically in the line of business of the Company. The Company is dependent upon availability of above-mentioned four individual promoters and key management personnel.

8. DSKDL may face stiff competition for procuring raw materials.

The Company is in construction activities since 1991 and has established relationship with the suppliers of raw materials. The Company has Purchase department, which monitors the prices and the raw materials requirements of the company.

9. Improper handling of materials and machines used in the business of the Company can result into accidents; and the Company could face significant liabilities that would lower its profits.

The Company has been executing a variety of projects using modern techniques and state-of-the-art plant & equipment, which have minimized the loss of men, material and machines. The Company makes it compulsory for all the site engineers and laborers to wear safety gadgets. Moreover, no incident resulting into fatal accident has occurred since the inception of the Company.

10. The Company's revenues would largely depend upon demand for residential properties. The majority of them are in Pune, Mumbai and Bangalore.

All the three cities, i.e. Pune, Mumbai and Bangalore where majority of the projects are coming up, are witnessing steep rise in demand because of high migration to these cities for good employment and business opportunities.

11. The business of the Company depends upon various approvals and sanctions from the local authorities and inability to obtain the same may hamper the development of certain projects.

The Company has till date executed twenty-three projects at different locations. The Company ensures that the legal title of the land, it acquires is clear from all encumbrances and the Company has its own legal department, which ensures compliance with all the byelaws and regulations of the local authorities.

12. Any failure to accurately estimate the overall risks, revenues or costs in respect of a project, may affect the company's profits.

The Company has experience in budgeting & planning since its incorporation. Company is also following ISO-9001-2000 Quality Standards. The chances of mismatch in its estimates are rare.

13. Any failure in the Company's IT systems could adversely impact the Company's business.

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

However, the Company has independent IT Department with qualified staff and also modern infrastructure facilities in software and hardware. The company has not faced any operational difficulty so far.

14. Failure to adhere to agreed timelines could adversely affect the company's reputation and/or exposes the company to financial liability.

The Company has periodic check on implementation schedule of the projects. In the circumstances of any delay due to heavy rains in monsoon the Engineering staff and Contractors are capable of handling the situation so that the projects will be completed as per the commitment. The Company has completed all its 23 Projects as per the commitments. The company always considers contingencies of 3-4 months, while announcing the possession date of the project.

15. The company's insurance coverage may not adequately protect it against certain operating hazards and this may have a material adverse effect on the company's business.

The company generally takes insurance policies to cover Fire in respect of its ongoing projects. While the company believes that the insurance coverage that it maintains would be reasonably adequate to cover the risks, there can be no assurance that any claim under the insurance policies maintained by the company will be honoured fully, in part or on time. To the extent that the company suffers loss or damage that is not covered by insurance or which exceeds the insurance coverage, the results of operations or cash flows may be affected.

The Company is working on minimum inventory system and undertakes adequate fire and earthquake insurance policy in respect of various projects.

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

The company operates in a labour-intensive industry and hire casual labour in relation to specific projects. If the company is unable to negotiate with the labour unions on acceptable terms, it could result in strikes, work stoppages or increased operating costs. In addition, the company may not be able to procure required casual labour for its existing or future projects. These factors could adversely affect the business, financial position, results of operations and cash flows of the company.

However, the Company obtains approvals and permissions at appropriate time. The Company has good relationship with its labour contractors and gets labourers as and when required at site. The Company also keeps minimum level of own labourers at sites for contingency.

17. Proposed Projects and the Objects of the Issue have not been appraised by any Bank/Financial Institutions.

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

The Company is carrying out its projects as per the conventional method of budget and estimates. While making the budgets at least 400 items of the construction material are considered, the Company estimates the minimum gross profits while estimating the sales price. The Company is enjoying project wise credit facilities and escrow accounts are opened for respective projects and these accounts are continuously monitored by the respective bankers. In addition, Syndicate Bank has been appointed as the Monitoring agency to monitor the use of Issue proceeds.

18. Any inability to manage the Company's rapid growth could disrupt its business.

The Company has an experienced Board and qualified staff to match with its pace of growth. The Company has registered a CAGR of 25.21% in its turnover for the period FY2000 to FY2005.

19. Other Construction companies engaged in similar activities create competition for the Company.

The Construction industry comprises both small and big developers. However, overall demand for residential accommodation is very high as against the present supply. The Company can capitalize on this market situation. Already there are various mega projects with the Company presently going-on. The Company fixes a basic minimum margin based on land, construction and other costs as per prevailing market conditions from time to time.

20. DSKDL is subject to restrictive covenants under our credit facilities from Financial Institutions that could limit our flexibility in managing the business.

There are restrictive covenants in the agreements for short term and long-term borrowings from banks, among other things, which require the Company to obtain prior approval of these banks or provide restrictions, namely for, issuing new securities (debt or equity), any changes in management constitution/take over / mergers etc. Any expansion /new projects / investments / acquiring assets under lease should be done with prior consent of the Bank. The Banks have right to recall the loan at any time during the currency of the loan.

The Company informs the banks about happening in the management, submits monthly and quarterly financial statements to the banks. Though, there are restrictive covenants in the banks documents, as the company is particular in repaying the debts and interest its functions are not affected till date. The Company informs and obtains necessary permissions from the banks as and when required.

21. Any significant change in the key managerial personnel of the Company may affect the performance of the Company.

The top management of the Company has wide experience in the field of construction and can cope with sudden change in the key managerial personnel.

22. DSKDL was not able to achieve the targeted performance as projected in the last Public Issue

The Company had incorporated certain financial projections in its Prospectus for the Initial Public Offer made in April 1993. The shortfall in promise v/s. performance of the Company is given below:

(Rs. in lacs)

Year ending March 31,	1992-93			1993-94			1994-95		
	Promised A	Actual B	Variations (B - A)	Promised A	Actual B	Variations (B - A)	Promised A	Actual B	Variations (B - A)
Sales & Increase in Stocks	1335.12	417.67	-917.45	2298.67	1094.54	-1204.13	2696.41	1444.63	-1251.78
Other Income	0	0.72	0.72	0	3.55	3.55	0	16.56	16.56
Gross Profit	330.17	19.33	-310.84	424.5	96.13	-328.37	397.76	99.23	-298.53
Interest	72.79	17.44	-55.35	22.92	91.52	68.6	0	73.26	73.26
Depreciation	0	1.66	1.66	0	2.65	2.65	0	3.16	3.16
Profit Before Tax	244.82	0.23	-244.59	388.63	1.96	-386.67	383.91	22.81	-361.1
Taxation	137.1	0.12	-136.98	217.63	0.8	-216.83	214.99	4.25	-210.74
Profit After Tax	107.72	0.11	-107.61	171	1.16	-169.84	168.92	18.56	-150.36
Paid up Equity	600	240	-360	600	579.99	-20.01	600	998.81	398.81
Reserves & Surplus	5.4	0.13	-5.27	8.55	0	-8.55	8.45	14.87	6.42
EPS (Rs.)	1.70	0.00	-1.70	2.70	0.02	-2.68	2.67	0.19	-2.48
Book Value(Rs.)	10.62	--	--	13.45	--	--	16.24	--	--
Dividend	--	--	--	--	--	--	--	--	--

Reasons for Variation in Promises V/s. Performance:

- There was an unfortunate bomb blast in Mumbai in the month of March 1993; the whole economy was in shattered condition.
- Real Estate Market crashed and that affected the demand for the Company's tenements, which had a cascading effect.
- Automobile industries in Pune had shifted their operations to Southern States in view of Government policies, resulting in depression of economy in this region. Hence, real estate market was in depressed condition during that period.

23. The Company has a High Gearing ratio, which may hamper its financial flexibility.

The Company's total debt as at 30/09/2005 is Rs. 6489 Lacs as against its owned funds of Rs. 2917 Lacs, signifying a Debt/Equity ratio of 2.22:1. However, almost all the debts are project-specific and shall be repaid out of the Sales proceeds of the respective projects. The debt/equity ratio for a particular project varies as per the stages of construction. The peak requirement is during commencement of the project to completion of the RCC structure. Thereafter, Sales proceed increases and repayment of debt starts and accordingly, debt/equity ratio is improved. The Company has commenced several projects simultaneously and the same are in the initial stages of development, hence there is high gearing ratio as on 30.9.2005.

24. The Company may face increase in prices of raw materials like steel, cement, bricks, etc. Any adverse price impact would have impact on the profitability of the company.

There may be hike in raw material prices of construction material. However, the company considers contingencies while budgeting the cost of construction and also the company takes periodic review of Sales prices of the flats/ properties so as to maintain estimated profit margin.

25. There are conflict of business interests among Promoters group companies

The individual Promoters of the Company are having interest in the following ventures, which are authorized by its main object clauses to carry on the similar line of activities and can result in the possible conflict of business interest among these ventures and the Company:

S. No.	Name of the Company/Firm	Name of Promoter	Nature of Interest (Shareholding %)
1.	Ambiance Ventures Estates & Developments Pvt. Ltd.	Mr. Deepak S. Kulkarni Ms. Hemanti N. Phadke D. S. Kulkarni Construction Pvt. Ltd. Ms. Jyoti D. Kulkarni	0.54 7.19 82.22 0.06
2.	Ascent Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	80.00
3.	Crystal Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke Ms. Jyoti D. Kulkarni	80.00 6.00
4.	Vastusankalp Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke Mr. Amit D. Kulkarni	86.00 14.00
5.	Vastuvisharad Promoters & Developers Pvt. Ltd	Ms. Hemanti N. Phadke	80.00
6.	Fairyland Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke Mr. Amit D. Kulkarni	80.00 6.00
7.	Oyster Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke Ms. Ashwini Deshpande	98.00 1.00
8.	Sapphire Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	80.00
9.	Shubhastu Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke Ms. Ashwini Deshpande	80.00 14.00
10.	Sanjeevani Developers	Mr. Sanjay M. Deshpande Ms. Ashwini Deshpande	50.00 50.00
11.	Chandra Deep Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke Ms. Ashwini Deshpande	98.80 0.20
12.	D. S. Kulkarni & Company	Ms. Hemanti N. Phadke	70.00
13.	D. S. Kulkarni & Associates	Ms. Hemanti N. Phadke	50.00
14.	Saptashrunji Developers	Mr. D. S. Kulkarni	100.00

S. No.	Name of the Company/Firm	Name of Promoter	Nature of Interest (Shareholding %)
15.	D. S. Kulkarni Construction Pvt. Ltd.	Mr. D. S. Kulkarni Ms. Hemanti N. Phadke Ms. Jyoti D. Kulkarni	4.00 94.00 2.00

The DSK Group includes above-mentioned fifteen entities, whose main object is similar to the business of DSKDL. Notwithstanding, the stated object of these fifteen companies, except Ambiance Ventures Estates and Developments P. Ltd.; D. S. Kulkarni & Co.; and D. S. Kulkarni & Associates, others are not engaged in the business of real estate development and civil construction as builders and promoters. These companies are engaged in identifying lands, acquiring suitable plot of land for future development by negotiating with the sellers and completing the legal formalities preceding the acquisition of clean and marketable title to the land.

Ambiance Ventures Estates and Developments P. Ltd. is constructing one project in Mumbai.

Similarly, D. S. Kulkarni & Company and D.S. Kulkarni & Associates are executing few projects since 1981, prior to incorporation of DSKDL.

26. The following companies of Promoters/Group companies have reported losses or have accumulated losses:

1. AMBIANCE VENTURES ESTATES & DEVELOPERS PVT. LTD. (Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	*	*	7,98,641
Closing Debit Balance of P&L A/c.	#	257,415	206,322

2. DSK CHEMICALS PVT. LTD. (Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	58813	15810	20952
Closing Debit Balance of P&L A/c.	2,526,986	2,468,173	2,452,363

3. HAMLET TECH. VALVES & FITTING PVT. LTD. (Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	101720	124262	48314
Closing Debit Balance of P&L A/c.	2,632,502	2,530,782	2,406,520

4. VASTUSANKALP PROMOTERS & DEVELOPERS PVT. LTD. (Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	*	2596	75428
Closing Debit Balance of P&L A/c.	611,378	613,772	611,175

5. VASTUVISHARAD PROMOTERS & DEVELOPERS PVT. LTD. (Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	*	13322	5247
Closing Debit Balance of P&L A/c.	54,122	56,786	43,465

6. ASCENT PROMOTERS & DEVELOPERS PVT. LTD. (Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	3086	4293	4033
Closing Debit Balance of P&L A/c.	37,317	34,231	29,938

7. CHANDRADEEP PROMOTERS & DEVELOPERS PVT. LTD. (Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	10668	8699	21653
Closing Debit Balance of P&L A/c.	372,804	362,135	353,436

8. CHANDRASHA TOURS & TRAVELS PVT. LTD. (Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	10114	4042	7825
Closing Debit Balance of P&L A/c.	210,076	199,962	195,920

9. CRYSTAL PROMOTERS & DEVELOPERS PVT. LTD. (Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	4478	5956	8032
Closing Debit Balance of P&L A/c.	419,429	414,950	408,994

10. FAIRYLAND PROMOTERS & DEVELOPERS PVT. LTD. (Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	494	4365	6732
Closing Debit Balance of P&L A/c.	49,052	48,558	44,193

11. GROWRICH AGROFORESTY PVT. LTD.**(Amount in Rs.)**

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	9346	6364	10159
Closing Debit Balance of P&L A/c.	58,737	49,391	43,027

12. HOLYLAND AGROFORESTY PVT. LTD.**(Amount in Rs.)**

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	10137	7683	10977
Closing Debit Balance of P&L A/c.	62,421	52,284	44,601

13. MULAVALLEY AGROFORESTY PVT. LTD.**(Amount in Rs.)**

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	13744	13829	11449
Closing Debit Balance of P&L A/c.	79,182	65,438	51,609

14. OYSTER PROMOTERS & DEVELOPERS PVT. LTD.**(Amount in Rs.)**

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	52618	49769	49841
Closing Debit Balance of P&L A/c.	259,278	206,656	156,890

15. SAPPHIRE PROMOTERS & DEVELOPERS PVT. LTD.**(Amount in Rs.)**

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	5419	5913	5081
Closing Debit Balance of P&L A/c.	41,728	36,308	30,395

16. SHUBHASTU PROMOTERS & DEVELOPERS PVT. LTD.**(Amount in Rs.)**

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	16880	7803	3903
Closing Debit Balance of P&L A/c.	59,037	42,157	34,354

17. D. M. EXPORTS

(Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	10450	*	*
Closing Debit Balance of P&L A/c.	10,450	#	#

18. DSK & ASSOCIATES

(Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	*	228286	*
Closing Debit Balance of P&L A/c.	553,656	553,656	579,513

19. GHARKUL

(Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	196299		
Closing Debit Balance of P&L A/c.	196,299		

20. D. S. KULKARNI CONSTRUCTION PVT. LTD.

(Amount in Rs.)

Particulars	For the Financial Year ended March 31st		
	2005	2004	2003
Net Loss	*	12,481	100,586
Closing Debit Balance of P&L A/c.	855,810	856,779	844,298

*Indicates no loss during that year.

#Indicates no debit balance in P&L A/c. as on particular date.

Losses/Accumulated Losses made by above entities will not have any impact on the financial position of DSKDL.

27. Due to non-compliance of clause 15/16 of the Listing agreement of BSE, Trading of the company's shares was suspended for four working days i.e. from 14.9.1999 to 19.9.1999.

Notice of closure of register of members and transfer books was inadvertently not sent to BSE as per the requirement of Listing agreement, i.e. 42 days' notice in advance, as required under clause 15/16 of the Listing agreement, entered into with BSE. The explanation for the same was submitted to BSE in response to notice of BSE and subsequently, trading resumed on 20.9.1999.

28. Transactions by the Promoters in the past Six Months.

The Promoters have made following transactions in the equity shares of the company in the pas six months:

Name	Date of Transaction	Buy / Sell	Number of Shares	Price per share (Rs.)
Ms. Ashwini S. Deshpande	17.06.2005	Sell	4,48,700	89.66
Ms. Ashwini S. Deshpande	06.07.2005	Sell	1,08,000	89.54
Ms. Ashwini S. Deshpande	22.07.2005	Sell	75,000	109.01
Ms. Ashwini S. Deshpande	11.08.2005	Sell	3,00,000	137.48
Ms. Ashwini S. Deshpande	12.08.2005	Sell	1,25,000	136.49
Ms. Hemanti N. Phadke	12.08.2005	Sell	75,000	136.49
Ms. Hemanti N. Phadke	16.08.2005	Sell	1,00,000	133.99
Ms. Hemanti N. Phadke	30.08.2005	Sell	2,00,000	153.63
Ms. Hemanti N. Phadke	27.09.2005	Sell	50,000	162.14

B. RISK FACTORS EXTERNAL TO AND BEYOND THE CONTROL OF THE COMPANY:

The following factors that are beyond the control of the Company, which could have a negative impact on its performance.

1. There could be project delays due to unfavorable climatic conditions or transportation delays, which may affect the overheads and increase the financing cost, on account of material, machinery and workforce that is employed at the construction site.
2. Terrorist attacks or acts of war may seriously harm the business of the company. Terrorist attacks may cause damage or disruption to the company, its employees, its facilities, its projects, and its customers, which could impact the results from operations. Any future terrorist attacks, the national and international responses to terrorist attacks, or other acts of war or hostility may cause greater uncertainty and cause the business to suffer in ways that the company currently cannot predict.
3. Inadequate supply of raw materials can adversely affect the implementation schedule envisaged by the company.
4. Adverse changes, if any, in the Government policies relating to real estate sectors like Income Tax Concession, Interest rate on housing loans, etc. could affect business prospects of the company.
5. Political, economic, social developments, natural calamity, acts of violence or war could adversely affect the industrial and commercial operations in the Country thereby affecting the business of the Company.
6. Global, economic and political factors that are beyond the Company's controls influence the forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, natural disasters, consumer credit availability, consumer debt levels, tax rates and policy, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence and spending. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude. Increases in interest rates may increase the Company's financing costs. The taxation system within the country still remains complex. Any change in the regulatory environment may have an impact on the business of the Company.
7. Any changes in the tax laws in India particularly in Income Tax might lead to increased tax liability of the Company thereby putting pressures on profitability.
8. The price of the Company's equity shares in Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:
 - a) Volatility in the Indian and Global securities market;
 - b) The results of operations and performance;

- c) Change in perceptions about the Company's future performance or the performance of other Indian companies in the same industry;
 - d) Performance of the Company's competitors in the industry and market perception of investors in the sector;
 - e) Adverse media reports on the performance of the Company or on the industry prospects and future outlook;
 - f) Changes in the estimates of the Company's performance or recommendation by financial analysts;
 - g) Significant development in India's economic liberalisation and deregulation policies; and
 - h) Significant development in India's fiscal and environmental regulations.
9. There can be no assurance that an active trading market for the equity shares will develop or be sustained after this Issue, or that prices at which the Company's equity shares are initially offered will correspond to the prices at which the Company's equity shares will trade in the market subsequent to this issue. The Company's share price could be volatile and may also decline.

NOTES TO RISK FACTORS

1. The Net worth of the Company as of March 31, 2005 was Rs. 2188 lacs and as of December 31, 2005 was Rs. 3349 lacs based on financial statements of the Company.
2. The Company has entered into following related party transactions.

S. No.	Nature of Transaction	2005-06 (9 months)	2004-05	2003-04	2002-03
1	Advances received / recovered	351.07	343.00	9.25	9.00
2	Advances given / repaid	822.75	149.46	300.01	76.00
3	Balance payable at end	182.02	143.39	41.03	44.40
4	Balance receivable at end	707.77	31.34	5.39	4.87
5	Services rendered	3.23	10.32	9.64	13.25
6	Services availed	4.17	110.41	3.21	10.49
7	Purchase of materials	180.57	102.30	-	107.88
8	Purchase of fixed assets	31.63	11.50	-	25.40
9	Salary	9.90	13.99	13.99	13.89
10	Sitting fees	1.17	0.52	0.40	0.27

For details, see the section titled "Related Party Transactions" beginning on page no. 71 of this Offer Document.

3. The company has entered into following transactions with the group companies:

S. No.	Name of the Company	Name of the Project	Date	Total Cost (Rs.)	Nature of Document
1	D. S. Kulkarni & Company	Sayantara	20/10/2004	72,500,000	Development Agreement
2	D. S. Kulkarni & Company	Saptasur	16/09/2005	50,182,000	Development Agreement
3	DSK Motors Ltd	IT Park	25/09/2005	41,064,800	MOU & Dev. Ag.
4	D. S. Kulkarni & Company	IT Park	25/09/2005	48,976,200	MOU Dev. Ag.
5	D. S. Kulkarni & Company	IT Park	25/09/2005	9,795,100	MOU & Dev. Ag.
6	D. S. Kulkarni & Company	DSK Vishwa Phase V, VI, VII	25/09/2005	47,25,00,000	MOU between Owner, D. S. Kulkarni & Co. and DSKDL

4. The book value per Equity Share of the Company as on March 31, 2005 was Rs. 19.89.
5. Investors may contact BRLMs or Compliance Officer for any complaints, information or clarifications pertaining to the Issue.
6. Investors are advised to see the section titled "Basis for Issue Price" beginning on page no. 33 of this Offer Document.
7. The average cost of acquisition of Equity Shares by the Promoters is Rs.10/- per Equity Share. For details please see the section titled "Capital Structure" beginning on page no. 12 of this Offer Document.
8. Size of the Present Issue - Composite Issue of 1,10,00,000 Equity Shares of Rs. 10/- each aggregating Rs. [●] (the "Issue") comprising:
 - Rights Issue of 55,00,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 100/- per Equity Share (i.e., at a price of Rs. 110/- per share) aggregating Rs. 60.50 (Rupees Sixty Crores Fifty Lacs Only) to the existing Equity Shareholders of the Company in the ratio of One (1) Equity Share for every Two (2) Equity Shares held as on March 21, 2006 (Record Date).
 - Public Issue of 55,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●]. The Issue comprises Promoters' Contribution of 6,40,155 Equity Shares brought in by Promoters, a reservation for Employees of 1,10,000 Equity Shares of Rs. 10/- each and a net offer to the public of 47,49,845 Equity Shares of Rs. 10/- each (the "Net Offer").
 - The Issue will constitute 50% of the fully diluted post-Issue capital of the Company.
9. In the event of oversubscription, the allocation shall be made on proportionate basis to QIB Bidders, Retail Individual Bidders and Non-Institutional Bidders. For details, see the section titled "Basis of Allotment" beginning on page no. 151 of this Offer Document.
10. The BRLMs and the Company shall make all required information available to the public and investors at large and no selective or additional information would be available for selective investors in any manner whatsoever.

SECTION III: INTRODUCTION

1. SUMMARY

(i) Summary of the Industry and Business of the Company:

Investors should read the following summary with the Risk Factors appearing on page number x-xxiv of this Offer Document and detailed information about the Company and its financial statements included in this Offer Document.

INDUSTRY:

The Construction industry is a very important segment in the economy of a nation. It generates substantial employment and has a spillover effect on the growth of other sections through multiple linkages.

In India construction activities account for 6% of the GDP. The construction sector is the third largest employer in the country after agriculture and retail trade/business. It has also recorded the highest growth rate in generation of jobs in the last two decades doubling if its share in total employment.

There is all-round growth in constructions throughout India particularly metros and mini metros.

The construction industry can be classified broadly into 3 segments viz. housing industrial and infrastructure. The growth in housing sector is driven by increasing population, soft interest rate regime, rising disposable incomes, fiscal incentives etc. Rapid expansion in retail, IT / ITES and manufacturing sectors is pushing up the construction demand.

In cities where there is migrant population the demand for rental / own housing needs grow.

HISTORY & BUSINESS OVERVIEW

The DSK group has been in the business of residential construction since 1970. DSKDL was incorporated on 20.09.1991 under the companies Act 1956. In April 93 the company came out with a public issue and issued 36,00,000 equity shares of Rs. 10/- each for cash at par.

The company has completed twenty-three residential projects; 21 in Pune and 2 in Mumbai, where it has made a name for itself. The company has recently forayed into Bangalore.

The revenues have grown from Rs.3716 Lacs in 2000-01 to Rs. 4560 Lacs in 2004-05 representing average annual growth rate of 4.77% over the period. The company's net profit before taxes have grown from Rs. 255 Lacs in 2000-01 to Rs. 392 lacs in 2004-05 representing average annual growth rate of 10.74 % over the period. The figures as of 31.12.2005 (nine months period) are Rs. 6647 lacs and Rs. 1190 lacs respectively.

COMPANY'S COMPETITIVE STRENGTHS

1. Proven performance within stipulated time limits provided in contracts

The company has so far been able to meet the time limits set for handing over the residential properties. This has been possible due to efficient, motivated, qualified professional team, which has been built over the years.

2. Revenue source primarily derived from business emanating from individual residential buyer

No difficulty is faced by the company in collecting dues (sale proceeds) from the buyers of the property during various stages of construction. Further, dispute settlements, if any are usually mutually settled.

3. Experience promoters with proven track record

Shri. D. S. Kulkarni the main promoter is in the residential construction activity since 1971. The company's management team led by promoter directors has substantial experience and expertise in various aspects of residential construction activity.

4. Experienced, skilled, qualified motivated team with low attrition rates

The company's key management personnel have good experience in various aspects of the industry. The attrition levels of key managerial personal personnel have been low because of company's ability to motivate and retain the employees.

5. High standards of integrity and efficiency

The company's management believes in maintaining high standards in integrity and honesty, which has reflected in the company's projects, getting sold very quickly. The company is highly quality conscious and has been able to deliver what has been promised.



BUSINESS / GROWTH STRATEGY

The company mainly focuses on construction of residential complexes. The Company would emphasise on the following factors as a business and growth strategy.

1. Take up activities in cities other than Pune, Mumbai and Bangalore.
2. Quality and timely delivery in execution of projects in various geographical locations in India.
3. Building residential structures having cutting edge design and structure specialties.

PROJECTS CURRENTLY UNDER CONSTRUCTION

DSK Vishwa IT Park: The project is situated at DSK Vishwa, Pune near Mumbai-Bangalore bypass highway. Because of locational advantages and easy connectivity the area is under fast development..

DSK Garden Enclave: The Company has commenced a project at Kondhwa, near NIBM, located in Southern part of Pune City and is extension of Pune Camp area.

DSK Madhuban The Company has started DSK Madhuban project at Andheri Kurla Road, Mumbai, one of the fastest growing Western sub-urban area of Mumbai City. The site is close to International airport and is easily accessible by Western Express Highway and Andheri railway station.

DSK Vishwa Ph. IV - Saptasur The Company is setting up this project at Pune Sinhgad Road, near Khadakwasla Dam.

DSK Sayantara: The site of the project is adjoining DSK Vishwa project at Pune- Sinhgad Road..

DSK Sundarban: This project is towards Eastern part of the Pune city. This area is coming up as IT hub.

DSK Rohan: The project is located at Model Colony at prime location in Shivajinagar area.

DSK Frangipani: This is a high style project of 3 & 4 BHK apartments and penthouses having various amenities like Swimming Pool, Jacuzzi, Sauna, Gymnasium, Clubhouse etc., at Sadhu Vaswani Chowk, near Camp, Pune.

Offering Information:

COMPOSITE ISSUE OF 1,10,00,000 EQUITY SHARES OF RS. 10/- EACH COMPRISING:	
Part A: Rights Issue Component	55,00,000 Equity Shares of face value of Rs. 10/- each
Rights Entitlement	One (1) Equity Share for every Two (2) Equity Shares held on the Record Date
Record Date	March 21, 2006
Issue Price per Equity Share	Rs. 110/-
Part B: Public Issue Component	55,00,000 Equity Shares of face value of Rs. 10/- each
Of which:	
Promoters' Contribution	6,40,155 Equity Shares of face value of Rs. 10/- each
Reservation for Employees	1,10,000 Equity Shares of face value of Rs. 10/- each
Net Offer to the Public	47,49,845 Equity Shares of face value of Rs. 10/- each
Of which:	
Qualified Institutional Buyer Portion	Upto 23,74,923 Equity Shares (allocation on proportionate basis), out of which 5% of the QIB Portion or 1,18,746 Equity Shares (assuming the QIB Portion is 50% of the Net Offer) shall be available for allocation on a proportionate basis to Mutual Funds only (Mutual Funds Portion), and 22,56,177 Equity Shares (assuming the QIB Portion is 50% of the Net Offer) shall be available for allocation to all QIBs, including Mutual Funds.
Non-Institutional Portion	At least 7,12,477 Equity Shares (allocation on proportionate basis)
Retail Portion	At least 16,62,445 Equity Shares (allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	1,10,00,000 Equity Shares of face value of Rs. 10/- each
Equity Shares outstanding after the Issue	2,20,00,000 Equity Shares of face value of Rs. 10/- each
Use of Issue proceeds	For details, see the section titled "Objects of the Issue" beginning on page no. 20 of this Offer Document for additional information

(ii) Financial, Operating and Other Data:

Statement of Profit and Loss for the Nine months ending 31st December 2005 and for the Financial Years ending 31st March 2005, 2004, 2003, 2002 & 2001.

(Rs. in lacs)

Particulars	For the Nine-month ended 31-12-05	For the financial years ended 31st March				
		2005	2004	2003	2002	2001
INCOME						
Sales of Tenements	1,422	3,506	2,965	5,721	5,119	2,800
Increase in Inventories of Complete Tenements / Work in progress	5,205	1,833	2,144	(799)	(2,139)	892
Other Income	20	22	16	38	44	24
Total Income	6,647	5,360	5,125	4,959	3,023	3,716
EXPENDITURE						
Development Expenses	4,776	4,429	4,232	3,267	1,851	2,455
Administrative Expenses	130	77	72	33	76	105
Staff Expenses	100	56	55	23	67	91
Selling Expenses	206	109	134	109	32	23
Expenses Allocable to Projects Written Off		-	275	1,147	833	743
Misc. Expenses Written off	-	-	-	3	3	3
Total Expenditure before Interest	5,212	4,671	4,768	4,583	2,863	3,420
Depreciation & Tax						
EBIDTA	1,435	689	357	376	161	296
Interest & Finance Charges	107	275	180	202	14	14
Depreciation	23	22	24	23	28	27
Total	130	297	204	225	42	41
Net Profit before Tax	1,305	392	153	151	118	255
Taxation (Previous Year)						
Taxation (Current Year)	(115)	(32)	(12)	(11)	(9)	(23)
Deferred Tax provision/(Tax Credit)		7	8	3	178	-
Net Profit after Tax	1,190	368	148	143	287	232
Prior Period Items	0	3	7	2	-	1
Exceptional Items		-	-	-	-	-
Profit After Tax	1,190	365	141	141	287	231
APPROPRIATIONS						
Proposed Dividend	-	77	77	77	-	-
Dividend Tax	-	11	10	10	-	-
General Reserve	-	-	-	-	271	-
Profit / (Loss) carried forward to Balance Sheets	1,190	277	54	54	16	231

Statement of Assets & Liabilities as on

(Rs. in lacs)

Particulars	31st Dec 2005	31st March				
		2005	2004	2003	2002	2001
A Fixed Assets:						
Gross Block	342	294	258	201	221	209
Less: Depreciation	175	153	136	122	115	93
Net Block	166	141	122	80	106	117
TOTAL A	166	141	122	80	106	117
B Investments	2	2	2	625	1	1
C Deferred Tax Assets	-	-	-	-	-	-
D Current Assets, Loans & Advances :						
Inventories	15,947	10,595	8,774	6,881	8,381	10,590
Sundry Debtors	357	430	324	817	592	182
Cash & Bank Balances	902	200	318	220	120	144
Loans & Advances	1,128	150	738	516	498	189
	18,334	11,375	10,154	8,434	9,591	11,105
E Miscellaneous Expenditure	28			3	6	
Total Assets (A+B+C+D+E)	18,530	11,518	10,278	9,138	9,700	11,229
F Liabilities & Provisions:						
Loans Funds						
Secured Loans	6,642	5,807	3,210	1,655	1,648	2,439
Unsecured Loans	368	471	514	507	458	501
TOTAL	7,010	6,278	3,724	2,161	2,106	2,940
G Deferred Tax Liability	75	75	82	90	92	0
H Current Liabilities and Provisions						
Current Liabilities	7,921	2,858	4,451	4,858	5,624	6,436
Provisions	147	119	110	172	74	65
TOTAL	8,068	2,977	4,561	5,030	5,698	6,501
I Networth						
Represented by						
J 1. Share Capital	1,100	1,100	1,100	1,100	1,100	1,100
2. Reserves	2,277	1,088	811	757	704	687
TOTAL	3,377	2,188	1,911	1,857	1,804	1,787
Total Liabilities	18,530	11,518	10,278	9,138	9,700	11,229
Less						
K Miscellaneous Expenditure (to the extent not written off or adjusted)	28				3	6
L Networth	3,349	2,188	1,911	1,857	1,801	1,781

2. GENERAL INFORMATION**Registered Office of the Company:****D. S. Kulkarni Developers Limited**

Registered Office: 'DSK House',
1187/60, J. M. Road, Shivajinagar,
Pune - 411 005
Tel: 91-20-56047000 Fax: 91-20-25535772
E-mail: compositeissue@dskdl.com
Website: www.dskdl.com
Registration No.: 11-63340

Address of the Registrar of Companies (RoC):

ROC Pune, PMT Commercial Building,
3rd Floor, Deccan Gymkhana,
Pune 411 004

DETAILS OF BOARD OF DIRECTORS

The details of the Board of Directors of the Company are given in the following table (as on January 10, 2006)

S. No.	Name & Designation (Shri)	Age	Address
1.	Mr. Deepak. S. Kulkarni Chairman & Managing Director	55	161/A, Plot No. 8, Modi Baug, Ganeshkhind Road, Shivajinagar, Pune - 411 005
2.	Mr. Sanjay M. Deshpande Joint Managing Director	36	Jui-501, Sushilanagari, Patwardhan Baug, Karvenagar, Pune - 411 052
3.	Mr. Vasant C. Joshi Director	73	Flat No. 1, Saraswati Vinayak, Paud Road, Pune - 411 029
4.	Dr. P. S. Palande Director	68	1210/B. K. P. Kulkarni Road, Shivajinagar, Pune - 411 004
5.	Mr. M. K. P. Setty Director	72	14-Bull Temple Road, Basavangudi, Bangalore - 560 004
6.	Mr. T. K. K. Bhagavat Director	71	4072, "Padma"30th Cross, BSK, 2nd Stage, Bangalore - 560 070
7.	Mr. Vijay Dixit Director	69	281, Narayanpeth, Kunthekar Road, Dixit Paramdham, Pune - 411 030

For more details regarding the Directors please refer to section titled "Management" on page no. 56 of this Offer Document.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ashish M. Boradkar,
Company Secretary
D. S. Kulkarni Developers Ltd.
DSK House, 1187/60, J. M. Road,
Shivajinagar, Pune 41 005, India
Tel: 91-20-56047000, Fax: 91-20-25535772
Email: ashish@dskdl.com

Investors may contact the Compliance Officer for any pre-Issue/post-Issue related problems such as non-receipt of Letters of allotment advice and credit of allotted shares in the respective beneficiary account or refund orders.

LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. ("BSE") and the National Stock Exchange of India Ltd. ("NSE"). The Equity Shares to be issued through this Issue would also be listed on the Stock Exchanges mentioned above. BSE shall be the Designated Stock Exchange.

ISSUE MANAGEMENT TEAM

Book Running Lead Managers to the Issue	Book Running Lead Managers to the Issue
 <p>A. K. Capital Services Ltd. 135-136, Free Press House, 13th Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400 021 Tel: 022 - 5634 9300; Fax: 022 - 5636 0977 E-mail: dskissue@akgrouponline.com Contact Person: Mr. Sumit Arora</p>	 <p>Indian Overseas Bank Merchant Banking Division 763, Anna Salai, Central Office, Chennai - 600 002 Tel: 044 - 2851 9448; 2851 9548; Fax: 044 - 2852 2747 E-mail: ksk@iobnet.co.in Contact Person: Mr. K. S. Krishnamurthy</p>
<p>Auditors to the Company Gokhale, Tanksale & Ghatpande. Chartered Accountants Madhukosh, H. A. E. Co-operative Society, Karve Road, Pune - 411 038. Tel: 020 - 2538 3004; Fax: 020 -2538 3004 E-mail: suneel@pn2.vsnl.net.in</p>	<p>Legal Advisors to the Issue Kanj & Associates Company Secretaries 3-4, 'Aishwarya Sankul', Survey No. 17, G.A. Kulkarni Path, Opp. Joshi Railway Museum, Kothrud, Pune - 411 038 Tel: 020 - 5620 4591; Fax: 020 - 2546 1561 E-mail: athavalem@eth.net</p>
<p>Bankers to the Company Indian Overseas Bank Pune Main Branch, Mahalaxmi Chambers, 23, Budhwar Peth, Appa Balwant Chowk, Pune - 411 002 Tel: 020 - 2445 3396; 2445 5726; Telefax: 020 - 24453 649 E-mail: Punebr@mumreoinet.co.in</p>	<p>Bankers to the Company Syndicate Bank Shivajinagar Branch, 1182/2, F. C. Road, Pune - 411 041 Tel: 020 - 2553 1419; 2553 1806; Fax: 020- 2553 1419 E-mail: syndropune@satyam.net.in</p>
<p>Bankers to the Company Bank of Maharashtra Bajirao Road Pune - 411 002 Tel: 020 - 2445 3341 to 44; Fax: 020 - 2448 2999 E-mail: bombaji@vsnl.com E-mail: bmmum@andhrabank.co.in</p>	<p>Bankers to the Company Andhra Bank Maa Kaika Chambers Plot No.206, Pimpri Station Road, Pimpri Pune - 411 018 Tel: 020 - 2411 4954; 2748 2456; Fax: 020 - 2742 1840</p>
<p>Bankers to the Company Indian Bank Deccan Gymkhana Prabhat Road Pune - 411 002 Tel: 020 - 2543 3304 Fax: 020 - 2546 4383 E-mail: ibdeccan@vsnl.net.in</p>	<p>Bankers to the Company State Bank of India Industrial Finance Branch The Avenue, World Trade Centre Cuffe Parade, Mumbai Tel: 022 - 2216 0926 Fax: 022 - 2216 0918</p>
<p>Registrar to the Issue Sharepro Services (I) Pvt. Ltd. Satam Estate, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099 Tel: 022 - 2821 5168; Fax: 022 - 2837 5646 E-mail: Subodh@shareproservices.com Contact Person: Mr. Subodh Adarkar</p>	<p>Syndicate Member Allianz Securities Ltd. 33, Vaswani Mansion, 6th floor, Dinsha Wachha Road, Opp. K. C. College, Churchgate, Mumbai - 400 020 Tel : 022-570580; Fax : 022-22870581 E-mail : dskal.po@asfinancial.com Contact Person : Mr. S.N. Tare</p>

<p>Bankers to the Rights Issue Bank of Maharashtra 46/47, Janmangal Building Mumbai Samachar Marg Fort, Mumbai - 400 001 Tel: 022 - 2266 3947 / 2267 7752 Fax: 022 - 2266 1295 Email: bom2@mahabank.co.in Contact Person: Mr. Y. K. Sharma</p>	<p>Bankers to the Rights Issue UTI Bank Limited Sir P.M. Road, Fort, Mumbai 400 001 Tel: 022 - 22874663 Fax : 022-22835785 Email: siddharth.jadhav@utibank.co.in Contact Person: Mr. Siddharth Jadhav</p>
<p>Bankers to the Public Issue and Escrow Collection Banks Indian Overseas Bank Plot 4/4, Sector 5, Near ESI Hospital Vashi, Navi Mumbai - 400 703 Cell No. - 9819145109 Tel: 022 - 2782 1115, 2782 0293 Fax: 022 - 2782 3937 Email: vashibr@mumnsco.ioibnet.co.in Contact Person: Mr. S. V. Joshi</p>	<p>Bankers to the Public Issue and Escrow Collection Banks Hongkong and Shanghai Banking Corporation Limited 52/60, M G Road, Fort Mumbai - 400 001 Tel: 022 - 2268 1673 Fax: 022 - 2273 4388 Email: roshanmathias@utibanks.co.in Contact Person: Mr. Roshan Mathias</p>
<p>Bankers to the Public Issue and Escrow Collection Banks HDFC Bank Limited 2nd Floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai - 400 023 Tel: 022 - 2269 3329 / 2267 9961 Fax: 022 - 2267 1661 Email: sunil.kolenchery@hdfcbank.com Contact Person: Mr. Sunil Kolenchery</p>	

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES FOR THE ISSUE

Inter-se allocation of responsibilities between A. K. Capital Services Limited ("AK Caps") and Indian Overseas Bank ("IOB") for the Composite Issue of D. S. Kulkarni Developers Limited

No.	Activities	Responsibility	Coordinator
1	Capital structuring with the relative components and formalities such as type of instruments, etc.	AK Caps IOB	AK Caps
2	Due diligence of the Company's operations / management / business plans / legal etc. Drafting and Design of the offer document and of advertisement, publicity material including newspaper advertisements and brochure and memorandum containing salient features of the offer document. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchanges, Registrar of Companies and SEBI including finalisation of the offer document and prospectus and filing the same with the Stock Exchanges/ROC.	AK Caps IOB	AK Caps
3	Marketing of the Issue, which will cover, inter alia, formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centres for holding conferences of brokers, investors etc. (iii) bankers to the issue, (iv) collection centres (v) brokers to the issue and (vi) underwriters and the underwriting arrangement, distribution of publicity and issue material including application form, prospectus and brochure, and deciding on the quantum of issue material.	AK Caps IOB	AK Caps
4	Selection of various agencies connected with the issue, namely Registrars to the Issue, Printers and Advertisement agency.	AK Caps IOB	IOB
5	Follow-up with Bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.	AK Caps IOB	IOB

No.	Activities	Responsibility	Coordinator
6	The post-issue activities will involve essential follow-up steps, which would include management of Escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders, finalisation of allotment / weeding out of multiple applications, listing of instruments etc. The post issue activities will involve essential follow up steps, including finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrars to the Issue, Banker to the Issue and the bank handling refund business. The BRLMs shall be responsible for ensuring that these agencies carry out their functions and enable them to discharge this responsibility through suitable agreements with the Company.	AK Caps IOB	IOB

CREDIT RATING

As the Issue is of Equity Shares, a credit rating is not required

TRUSTEES

This being an Issue of Equity Shares, appointment of Trustees is not required.

IMPERSONATION

As a matter of abundant caution, attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who

- i. *makes in a fictitious name an application to a company for acquiring or subscribing for any shares thereon; or*
- ii. *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."*

BOOK BUILDING PROCESS

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

The principal parties involved in the Book Building Process are:

- The company;
- Book Running Lead Managers;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and are eligible to act as Underwriters. Syndicate Members are appointed by the BRLMs;
- Escrow Collection Bank; and
- Registrar to the Issue.

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

QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details please see the section titled "Terms of the Issue" beginning on page no. 140.

The Company shall comply with guidelines issued by SEBI for this Issue. Hence, the Company has appointed A. K. Capital Services Ltd and Indian Overseas Bank as the BRLMs to manage the Issue and to procure subscription to the Issue.

The process of Book Building under SEBI Guidelines though not new, 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 may note that this illustration is solely for the purpose of easy understanding and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 40 to Rs. 48 per share, issue size of 6,000 equity shares and receipt of nine bids from bidders details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com). The illustrative book as shown below, shows the demand for the shares of the company at various prices and is collated from bids from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e., Rs. 42 in the above example. The issuer, in consultation with the BRLMs will finalise the issue price at or below such cut off price i.e., at or below Rs. 42. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

Steps to be taken for bidding:

1. Check eligibility for making a Bid (see section titled "Issue Procedure - Who Can Bid" beginning on page no. 157);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid cum Application Form (see section titled "Issue Procedure - 'PAN' or 'GIR' Number" beginning on page no. 169);
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Offer Document and in the Bid cum Application Form.

Withdrawal of the Issue

The company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment, without assigning any reasons therefor.

Bid/Issue Programme

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

The Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.



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

UNDERWRITING AGREEMENT

A. RIGHTS ISSUE

The Company has decided to have the Rights Issue partially underwritten. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name and Address of Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Lacs)
A. K. Capital Services Ltd. SEBI Reg. No. INU000001140 Flat No. "N", Sagar Apartments, 6, Tilak Marg, New Delhi - 110 001 Tel: (022) 5634 9300; Fax: (022) 5636 0977 Email: dskissue@akgrouponline.com	22,00,000	2,420.00

The above Underwriting Agreement is dated February 20, 2006

In the opinion of the Board of Directors (based on certificates given to them by the Underwriters), the resources of the Underwriter is sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors and the Company has issued letters of acceptance to the Underwriters.

Notwithstanding the above table, the Underwriter shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default, the Underwriter, in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/ subscribe to the extent of the defaulted amount.

B. PUBLIC ISSUE

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

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

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

S. No.	Name and Address of Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Lacs)
1.	A. K. Capital Services Ltd. SEBI Reg. No. INU000001140 Flat No. "N", Sagar Apartments, 6, Tilak Marg, New Delhi - 110 001 Tel: (022) 5634 9300; Fax: (022) 5636 0977; Email: dskissue@akgrouponline.com	43,67,845	[●]
2.	Allianz Securities Ltd. SEBI Reg. No. INU 00001090 33, Vaswani Mansion, 6th Floor, Dinsha Vachha Road, Opp. K. C. College, Churchgate, Mumbai 400 020. Tel.: (022) 2287 0580 Fax: (022) 2287 0581 Email : askdl.po@aslfinancial.com	3,82,000	[●]

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

In the opinion of the BRLMs and the Board of Directors (based on certificates given to them by the BRLMs and the Syndicate member), the resources of the Underwriters are sufficient to enable them to discharge their underwriting obligations in full. The above-mentioned Underwriter are registered with SEBI under Section 12(1) of the SEBI Act. The above Underwriting Agreement has been accepted by the Board of Directors and the Company has issued letter of acceptance to the Underwriters.

Allocation amount Underwriters may note necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter, in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/ subscribe to the extent of the defaulted amount.

3. CAPITAL STRUCTURE

(As on December 31, 2005 in Rs.)

	Face Value	Aggregate Value
A. Authorised Capital 5,00,00,000 Equity Shares of Rs. 10/- each	50,00,00,000/-	
B. Issued, Subscribed and Paid-up Capital 1,10,00,000 Equity Shares of Rs. 10/- each	11,00,00,000/-	
C. Present Issue in terms of this Offer Document 1,10,00,000 Equity Shares of Rs. 10/- each	11,00,00,000/-	11,00,00,000/-
Comprising:		
D. Rights Issue of 55,00,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 100 per share (i.e., at a price of Rs. 110 per share) in the ratio of 1:2 held as on March 21, 2006 (Record Date)	5,50,00,000/-	[●]
E. Public Issue of 55,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share Out of which:	5,50,00,000/-	[●]
F. Promoters' Contribution of 6,40,155 Equity Shares of Rs. 10/- each	64,01,550/-	[●]
G. Reservation for Employees of 1,10,000 Equity Shares of Rs. 10/- each	11,00,000/-	[●]
H. Net Offer to the Public of 47,49,845 Equity Shares of Rs. 10/- each	4,74,98,450/-	[●]
I. Paid-up capital after the issue 2,20,00,000 Equity Shares of Rs. 10/- each	22,00,00,000/-	
J. Share premium account Before the issue		Nil
After the issue		[●]

NOTES TO THE CAPITAL STRUCTURE:

a. Details of Increase in Authorised Capital:

S. No.	Particulars of Increase	Date of Meeting	AGM / EGM
1.	Rs. 10 lacs	Subscription to Memorandum of Association	--
2.	Rs. 10 lacs to Rs. 100 lacs	October 1, 1991	EGM
3.	Rs. 100 lacs to Rs. 650 lacs	September 28, 1992	AGM
4.	Rs. 650 lacs to Rs. 1000 lacs	September 19, 1994	AGM
5.	Rs. 1000 lacs to Rs. 1100 lacs	September 28, 1998	AGM
6.	Rs. 1100 lacs to Rs. 5000 lacs	September 5, 2005	AGM

b. Equity Share Capital History of the Company:

Date of Allotment	Number of Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Paid-up Capital (Rs.)	Consideration	Nature of Allotment
02/09/1991	70	10	NA	700	Cash	Subscription to Memorandum
10/03/1992	2,02,100	10	10	20,21,700	Cash	Preferential Allotment
01/06/1992	78,990	10	10	28,11,600	Cash	Preferential Allotment
10/06/1992	39,870	10	10	32,10,300	Cash	Preferential Allotment
27/07/1992	10,000	10	10	33,10,300	Cash	Preferential Allotment
03/08/1992	40,000	10	10	37,10,300	Cash	Preferential Allotment
07/11/1992	5,000	10	10	37,60,300	Cash	Preferential Allotment
10/01/1993	20,23,970	10	10	2,40,00,000	Cash	Preferential Allotment
20/07/1993	33,31,050	10	10	5,73,10,500	Cash	Allotment (Public issue)
31/08/1993	68,900	10	10	5,79,99,500	Cash	Allotment (Public issue)
17/12/1994	40,00,000	10	10	9,79,99,500	Cash	Preferential Allotment*
02/01/1995	2,00,050	10	10	10,00,00,000	Cash	Residual Allotment (Public issue)
26/12/1998	10,00,000	10	10	11,00,00,000	Cash	Preferential Allotment*

*Shares were allotted post listing under preferential basis duly observing the provisions of The Companies Act, 1956.

c. Promoters' Contribution and Lock-in Period:

This being a Composite Issue, provisions of clause 4.4 of Chapter IV of SEBI (DIP) Guidelines are applicable. As per the provisions of clause 4.4.1 of SEBI (DIP) Guidelines 2000, in case of a Composite Issue of a listed Company the Promoters' contribution shall at the option of the promoters be either 20% of the proposed Public Issue or 20% of the post-Issue capital. The Promoters have opted for 20% of the post-Issue capital i.e., the Promoters have opted to hold a minimum of 33,00,000 Equity Shares post-Issue (exclusive of Rights Issue component) out of total number of Equity Shares post-Issue (exclusive of Rights Issue component) being 1,65,00,000 Equity Shares. Promoters are holding presently 26,59,845 Equity Shares and they shall subscribe to additional 6,40,155 Equity Shares of Rs. 10/- each being 11.64% of 55,00,000 Equity Shares offered to public to satisfy the requirement of clause 4.4 of Chapter IV of SEBI (DIP) Guidelines. As per clause 4.11.1 of the Guidelines the said minimum Promoters' contribution is to be locked-in for a period of 3 years.

S. No.	Name of Promoter/ Person in Promoter Group	Date of allotment and made fully paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Present Public Issue	Lock-in period* in years
1.	Mr. D. S. Kulkarni	Proposed Public Issue	Cash	3,20,155	10	[●]	5.82	3 years
2.	Ms. Hemanti N. Phadke	Proposed Public Issue	Cash	3,20,000	10	[●]	5.82	3 years

*The lock-in period shall commence from the date of allotment of shares in the Issue and the last date of the lock-in shall be 3 years from the date of allotment. Accordingly, the shares that are subject to lock-in shall carry inscription "non-transferable". The Promoters have given their specific consent to include the above-mentioned securities as minimum Promoters' contribution subject to lock-in as per SEBI (DIP) Guidelines.

d. The shareholding pattern of the Promoters Group as on December 31, 2005 is as under:

S. No.	Name of the Shareholder	Number of Shares	% of the Paid-up Capital
1.	Mr. D. S. Kulkarni	4,23,880	3.85
2.	Ms. Jyoti D. Kulkarni	7,32,310	6.65
3.	Ms. Ashwini Deshpande	2,010	0.01
4.	Mr. Makrand S. Kulkarni	2,50,030	2.27
5.	Ms. Hemanti N. Phadke	7,02,070	6.38
6.	Mr. Amit D. Kulkarni	4,61,325	4.19
7.	Mr. Sanjay M. Deshpande	88,220	0.80
	TOTAL	26,59,845	24.18

e. Promoters' contribution and Lock-in in respect of Promoters whose names figure in the Offer Document as Promoters in the paragraph on "Promoters and their Background" is as under:

S. No.	Name of Promoter/ Person in Promoter Group	Date of allotment and made fully paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue Sale Price (Rs.)	% of Present Issue Paid-up capital^	Lock-in period* in years
1.	Mr. D. S. Kulkarni	02/09/1991	Cash	10	10	10		
		10/06/1992	Cash	300	10	10		
		10/01/1993	Cash	173970	10	10		
		20/07/1993	Cash	99600	10	10		
		26/12/1998	Cash	150000	10	10		
		Present Issue	Rights Entitlement	211940	10	110		N. A.
		Present Issue	Public Issue	320155	10	●		
		Total number of shares excluding present Rights Issue	--	744035	10	--	4.50	3 years
2.	Ms. Jyoti D. Kulkarni	02/09/1991	Cash	10	10	10		
		10/01/1993	Cash	620000	10	10		
		20/07/1993	Cash	12300	10	10		
		26/12/1998	Cash	100000	10	10		
		Present Issue	Rights Entitlement	366155	10	110		N. A.
		Present Issue	Public Issue	NIL	10	--		
		Total number of shares excluding present Rights Issue	--	732310	10	--	4.43	3 years

D. S. KULKARNI DEVELOPERS LIMITED



S. No.	Name of Promoter/ Person in Promoter Group	Date of allotment and made fully paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue Sale Price (Rs.)	% of Present Issue Paid-up capital ^A	Lock-in period* in years
3.	Ms. Ashwini Deshpande	02/09/1991	Cash	10	10	10		
		10/01/1993	Cash	610000	10	10		
		20/07/1993	Cash	148700	10	10		
		26/12/1998	Cash	300000	10	10		
		17/06/2005	Cash	- 448700	10	89.66		
		06/07/2005	Cash	- 108700	10	89.54		
		22/07/2005	Cash	- 75000	10	109.01		
		11/08/2005	Cash	- 300000	10	137.48		
		12/08/2005	Cash	- 125000	10	136.49		
		Present Issue	Rights Entitlement	1005	10	110	N. A.	
		Present Issue	Public Issue	NIL	10	--		
	Total number of shares excluding present Rights Issue	--	2010	10	--	0.01	3 years	
4.	Mr. Makrand S. Kulkarni	02/09/1991	Cash	10	10	10		
		20/09/1991	Cash	20	10	10		
		20/07/1993	Cash	250000	10	10		
		Present Issue	Rights Entitlement	125015	10	110	N. A.	
		Present Issue	Public Issue	NIL	10	--		
			Total number of shares excluding present Rights Issue	--	250030	10	--	1.51
5.	Ms. Hemanti N. Phadke	02/09/1991	Cash	10	10	10		
		10/03/1992	Cash	100	10	10		
		10/06/1992	Cash	10	10	10		
		10/01/1993	Cash	620000	10	10		
		20/07/1993	Cash	106900	10	10		
		17/12/1994	Cash	50000	10	10		
		02/01/1995	Cash	200050	10	10		
		26/12/1998	Cash	150000	10	10		
		12/08/2005	Cash	- 75000	10	136.49		
		16/08/2005	Cash	- 100000	10	133.99		
		30/08/2005	Cash	- 200000	10	153.63		
		27/09/2005	Cash	- 50000	10	162.14		
		Present Issue	Rights Entitlement	351035	10	110	N. A.	
		Present Issue	Public Issue	320000	10	[●]		
	Total number of shares excluding present Rights Issue	--	1022070	10	--	6.19	3 years	

S. No.	Name of Promoter/ Person in Promoter Group	Date of allotment and made fully paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue Sale Price (Rs.)	% of Present Issue Paid-up capital [^]	Lock-in period* in years
6.	Mr. Amit D. Kulkarni	02/09/1991	Cash	10	10	10		
		20/07/1993	Cash	161315	10	10		
		26/12/1998	Cash	300000	10	10		
		Present Issue	Rights Entitlement	230663	10	110	N. A.	
		Present Issue	Public Issue	NIL	10	--		
		Total number of shares excluding present Rights Issue	--	461325	10	--	2.79	3 years
7.	Mr. Sanjay M. Deshpande	02/09/1991	Cash	10	10	10		
		01/06/1992	Cash	10	10	10		
		20/07/1993	Cash	1300	10	10		
		30/09/1994	Cash	5300	10	10		
		25/09/1996	Cash	81600	10	10		
		Present Issue	Rights Entitlement	44110	10	110	N. A.	
		Present Issue	Public Issue	NIL	10	--		
		Total number of shares excluding present Rights Issue	--	88220	10	--	0.53	3 years

[^]Percentage of Post-Issue capital is including present Public Issue portion only and does not include Rights Issue portion.

*The lock-in period shall be 3 years and shall commence from the date of allotment of shares in the Issue.

- f. The Promoters' contribution has been brought in as per the SEBI guidelines in not less than the specified minimum lot of Rs. 25,000/- per application from each individual and Rs. 1,00,000/- from companies.
- g. The Equity Shares to be held by the Promoters/Promoter group under lock-in period shall not be sold/hypothecated/transferred during the lock-in period. However, the Equity Shares held by the Promoters/Promoter group, which are locked-in, may be transferred to and among Promoter/Promoter group or to a new promoter or persons in control of the Company, subject to the continuation of lock-in with the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable. However, the Promoters/Promoter group may pledge their Equity Shares with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided pledge of shares is one of the terms of sanction of loan.
- h. As on 31.12.2005 the Promoter group is holding 26,59,845 Equity Shares of Rs. 10/- each forming 24.18% of the Pre-Issue Equity Capital of the Company. The persons in Promoter group have confirmed that they intend to subscribe to the full extent of their entitlement in the Rights Issue component. The Promoter group intends to apply for additional shares in the Rights Issue so that at least 90% of the Rights Issue is subscribed in case of under-subscription in the Rights Issue. In case the promoters subscribe to the entire Rights Issue, and additional participation in the Public Issue as mentioned at Note no. (d), their holding may go up to approx. 37.50% of the post-Issue capital. Thus public shareholding will not fall below the minimum permissible level and hence the provisions of clause 17 of SEBI (Delisting of Securities) Guidelines, 2003 will not be applicable.

i. The pre-Issue and post-Issue shareholding pattern of the Company as on December 31, 2005 is as under:

Particulars	Pre-Issue		Rights Issue*		Public Issue		Post-Issue*	
	No. Shares	% of holding	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Promoters & Promoters' Group	26,59,845	24.18	13,29,922	24.18	6,40,155	11.82	46,29,922	21.05
FII's	14,80,306	13.46	7,40,153	13.46	[●]	[●]	[●]	[●]
NRIs	39,84,554	36.22	19,92,277	36.22	[●]	[●]	[●]	[●]
Mutual Funds and UTI	83,795	0.76	41,898	0.76	[●]	[●]	[●]	[●]
Banks, Insurance Companies & Financial Institutions	5,400	0.05	2,700	0.05	[●]	[●]	[●]	[●]
Private Corporate Bodies	9,24,609	8.41	4,62,304	8.41	[●]	[●]	[●]	[●]
Indian Public	18,61,491	16.92	9,30,746	16.92	[●]	[●]	[●]	[●]
Others	0	0.00	0	0.00	[●]	[●]	[●]	[●]
TOTAL	1,10,00,000	100.00	55,00,000	100.00	55,00,000	100.00	2,20,00,000	100.00

* Assuming all the shareholders apply for and are allotted Equity Shares.

- j. The Company/Promoters/Directors/BRLMs have not entered in to buyback/standby or similar arrangements for purchase of securities issued by the Company through this Offer Document.
- k. An over-subscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot while finalising the basis of allotment.
- l. In the case of over-subscription in all categories, up to 50% of the Net Offer to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB Portion would be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, atleast 35% of the Net Offer to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and atleast 15% of the Net Offer to the Public shall be available for allocation on a proportionate basis to Retail Institutional Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be met with spill over from other categories at the sole discretion of the Company in consultation with the BRLMs.
- m. Under-subscription, if any, in the Employees Reservation Portion will be added back to the Net Offer to the Public, and the ratio amongst the investor categories will be at the discretion of the Company and BRLMs. In case of under-subscription in the Net Offer to the Public, spillover to the extent of under-subscription shall be permitted from the Employees Reservation Portion.
- n. Particulars of top ten shareholders (2 years prior to the date of filing of the Offer Document)

S. No.	Name of the Shareholder	Number of Shares	% of the Paid-up Capital
1.	CHANDER TRILOKCHAND BHATIA	20,00,000	18.18%
2.	ASHA CHANDER BHATIA	19,50,000	17.73%
3.	HEMANTI NILKANTH PHADKE	11,27,070	10.25%
4.	ASHWINI SANJAY DESHPANDE	10,58,710	9.62%
5.	JYOTI DEEPAK KULKARNI	7,32,310	6.66%
6.	AMIT DEEPAK KULKARNI	4,61,325	4.19%
7.	DEEPAK SAKHARAM KULKARNI	4,23,880	3.85%
8.	BANK OF MAHARASHTRA	2,58,200	2.35%
9.	HITESH RAMJI JAVERI	2,57,325	2.34%
10.	MAKRAND KULKARNI	2,50,030	2.27%

o. Particulars of top ten shareholders (10 days prior to the date of filing of the Offer Document)

S. No.	Name of the Shareholder	Number of Shares	% of the Paid-up Capital
1.	CHANDER TRILOKCHAND BHATIA	20,00,000	18.18%
2.	ASHA CHANDER BHATIA	19,50,000	17.73%
3.	BSMA LIMITED	9,03,774	8.22%
4.	JYOTI DEEPAK KULKARNI	7,32,310	6.66%
5.	HEMANTI NILKANTH PHADKE	7,02,070	6.38%
6.	MAGNA UMBRELLA DUND PLC.	6,54,830	5.95%
7.	CITIGROUPGLOBAL MARKETS MAURITIUS P. LTD.	6,07,074	5.52%
8.	AMIT DEEPAK KULKARNI	4,61,325	4.19%
9.	DEEPAK SAKHARAM KULKARNI	4,23,880	3.85%
10.	MAKRAND KULKARNI	2,50,030	2.27%

p. Particulars of top ten shareholders (as on the date of filing of the Offer Document)

S. No.	Name of the Shareholder	Number of Shares	% of the Paid-up Capital
1.	CHANDER TRILOKCHAND BHATIA	20,00,000	18.18%
2.	ASHA CHANDER BHATIA	19,50,000	17.73%
3.	BSMA LIMITED	9,03,774	8.22%
4.	MAGNA UMBRELLA DUND PLC.	8,46,865	7.70%
5.	JYOTI DEEPAK KULKARNI	7,32,310	6.66%
6.	HEMANTI NILKANTH PHADKE	7,02,070	6.38%
7.	AMIT DEEPAK KULKARNI	4,61,325	4.19%
8.	CITIGROUPGLOBAL MARKETS MAURITIUS P. LTD.	4,42,192	4.02%
9.	DEEPAK SAKHARAM KULKARNI	4,23,880	3.85%
10.	MAKRAND KULKARNI	2,50,030	2.27%

q. The details of sale/purchase/financing of shares by the Promoters/Directors:

The Promoters Group/Directors have not purchased and or sold/financed any shares of the Company during the past six months except as shown below:

Name	Date of Transaction	Buy / Sell	Number of Shares	Price per share (Rs.)
Ms. Ashwini S. Deshpande	17.06.2005	Sell	4,48,700	89.66
Ms. Ashwini S. Deshpande	06.07.2005	Sell	1,08,000	89.54
Ms. Ashwini S. Deshpande	22.07.2005	Sell	75,000	109.01
Ms. Ashwini S. Deshpande	11.08.2005	Sell	3,00,000	137.48
Ms. Ashwini S. Deshpande	12.08.2005	Sell	1,25,000	136.49
Ms. Hemanti N. Phadke	12.08.2005	Sell	75,000	136.49
Ms. Hemanti N. Phadke	16.08.2005	Sell	1,00,000	133.99
Ms. Hemanti N. Phadke	30.08.2005	Sell	2,00,000	153.63
Ms. Hemanti N. Phadke	27.09.2005	Sell	50,000	162.14

D. S. KULKARNI DEVELOPERS LIMITED



- r. The Company has not revalued its assets since inception.
- s. The Company has not issued any Equity Shares out of the revaluation reserves or for consideration other than cash.
- t. The shareholders of the Company do not hold any warrant, options, convertible loan or any debenture, which would entitle them to acquire further shares of the Company.
- u. There are no "bridge loans" from any bank taken by the Company against the proceeds of the Issue.
- v. No single applicant can make an application for number of shares, which exceeds the total number of shares offered through this Offer Document. Further for Public Issue, 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.
- w. Since the entire money per share is being called on application, all the successful applicants will be issued fully paid-up shares.
- x. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Offer Document with SEBI until the Equity Shares offered through this Offer Document have been listed or application money is refunded on account of the failure of the Issue.
- y. The Company does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions, joint ventures or other property arrangements, the company 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 venture.
- z. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- aa. The Company had 6182 shareholders in its book as on March 10, 2005.

4. OBJECTS OF THE OFFERING

The objects of the Issue are to raise capital to finance the company's ongoing and new residential and commercial real estate development projects; and for general corporate purposes of the company. As on the date of filing of this Offer Document, the Company has crystallized plans to develop nine projects at various sites in Pune, Mumbai and Bangalore. For details of the Company's existing and proposed projects and the business strategy please see the section titled "Business Overview" beginning on page no. 45.

The net proceeds of the Issue after deducting Issue expenses payable by the Company are estimated at approximately Rs. [●]. The company intends to utilize the net proceeds of the Issue for meeting the objects of the Issue mentioned above.

The main object clause of the Company's Memorandum of Association and the objects incidental and ancillary to the main objects enable the company to undertake the existing activities as well as activities for which the funds are being raised by the Company in the Issue. The details of the utilization of proceeds of the Fresh Issue, along with the year wise break-up of utilization of proceeds from the Fresh Issue are summarized in the table below:

Funds Required and Deployed to Meet the Objects of the Issue

The total funds required and funds already deployed to meet the Objectives of the Issue are as follows:

(Rs. in lacs)

Proposed Head of Expenditure	Total Estimated Cost	Already deployed upto February 28, 2006	March 1, 2006 to March 31, 2006	April 1 2006 to March 31, 2007	April 1 2007 to March 31, 2008	April 1 2008 to March 31, 2009
Development of Residential/ Commercial Projects	55,523.21	11579.41	4171.51	20964.72	14182.51	4625.05
General Corporate purposes	[●]	Nil	[●]	[●]	[●]	[●]
Issue Expenses	[●]	Nil	[●]	[●]	[●]	[●]
Total	[●]	----#	[●]	[●]	[●]	[●]

Of the total amount of Rs. 11579.41 lacs deployed till February 28, 2006, Rs. 6141.10 lacs has been deployed towards land & TDR, Rs. 3223.06 lacs towards construction, Rs. 1522.72 lacs towards development work at sites, Rs. 273.22 lacs towards administration cost, and Rs. 419.31 lacs towards interest on the term loan, which has been certified by M/s. Gokhale, Tanksale and Ghatpande, Chartered Accountants, by their certificate dated March 10, 2006.

The fund requirements stated above are based on the current business plan of the Company. The Company operates in a highly competitive and dynamic environment, and may have to revise its business plan from time to time on account of new projects that it may pursue including any industry consolidation initiatives. The Company may also switch capital expenditure to newer and early completion date projects in case of operational delays in implementation of the projects. Consequently, the fund requirements may also change accordingly. This change in business plan may include rescheduling of capital expenditure programs, starting projects that are not currently envisaged, discontinuing projects currently planned and increase or decrease in the capital expenditure for a particular project vis-à-vis current plans at the discretion of the Company.

In case of any shortfall/cost overrun, the Company shall meet its estimated expenditure from the cash flow from operations and fresh debt.

Setting up New Projects:

The company is in the process of developing various residential/commercial real estate projects at Pune, Mumbai and Bangalore. As on the date of filing of this Offer Document, the Company has crystallized plans to develop following projects:

Sr. No.	Name of the Project	Survey No. & Extent	Owners of the Land	Understanding between the owner and DSKDL
1	Vishwa I.T. Park	124/12 - 1.30 Hectare 124/13 - 0.21 Hectare Village Dhairy, Taluka - Haveli, Dist. Pune	Ganpat K. Chavan and Family Members Ganpat K Chavan Through D.S. Kulkarni & Co. & DSK Motors	1) Power of Attorney favouring DSKDL . 2) Development agreement between owner & DSKDL both dated 13.01.06
2	DSK Garden Enclave	37/24, 37/25 - 1.12 Hec. Kondhwa Khurda Pune City	Shri Laxman Shripati Parge and Others	1) Power of Attorney favouring DSKDL . 2) Development agreement between owner and DSKDL both dt. 21.10.04
3	DSK Madhuban	19/2 part S.No. 52/21 - 11.48 Hec. Mobilli Sakinaka, Andheri (East) Mumbai	Subhash Silk Mills Ltd., Mumbai Through Bank of India	Auction Purchase & Sale deed Executed between owner & DSKDL on 21.04.05
4	DSK Vishwa Saptasur	122/1 - 2.53 Hectare Village Dhairy, Taluka - Haveli, Dist. Pune	Shri Babya Govinda Pokale as Karta and Manager of HUF Through D.S. Kulkarni & Co.	1) Power of Attorney favouring DSKDL . 2) Development agreement . Among owner and DSKDL & D. S. Kulkarni & Co. both dated 16.09.2005
5	DSK Sayantara (i) DSK Vishwa Villas (ii) Designer Bungalows (iii) Sayantara Plots	83B - 17500 sq. mtr. - 1.75 Hec., Village Kirkatwadi, Taluka Haveli, Dist. Pune	Shashikant Ramchandra Dedge And 20 others Through DS Kulkarni & Co.	1) Power of Attorney favouring DSKDL . 2) Development agreement With DSKDL both dt. 20.10.04
6	DSK Sundarban	S.No.173/5, S.No.174/1A, S.No.173/10, S.No.173/1B, S.No.173/8B, S.No.174/1B, S.No.174/2B, S.No.174/2C, S.No.173/5, S.No.173/8A, S.No.175/2/2, S.No.174/3A, S.No.173/9, S.No.174/2A, S.No.174/3B & 175/2/1 situated at Village Hadapsar, Dist. Pune	Shri Ganpat H. Tupe, Shri Dnyandev G. Tupe, Shri Vilas G. Tupe, Shri Baban G. Tupe & Others.	1. Power of Attorney favouring DSKDL. 2. Development Agreement between owner and DSKDL. Both dated 19.03.2004
7	DSK Rohan	Plot No 880/17, CTS No 1098/11 841.74 sq. mtr. Bhambuda Taluka, Dist. Pune	Shri Rajendra Krishnaji Patwardhan & Smt. Vijaya Krishnaji Patwardhan	1) Power of Attorney favouring DSKDL . 2) Development agreement between owner and DSKDL both dt. 13.04.05
8	DSK Bangalore Project	S.No. 82/1 - 16 Guntas S.No. 82/2 - 16 Guntas S.No. 82/3 - 17 Guntas Doddakannahalli village, Bangalore East, Taluk	G. Vasudeva And J. Nageshwar Rao	Agreement to sale dt. 29.07.05 between the owners & DSKDL Sale to be completed after 90 days of title Clearance Sale not yet Completed.
9	DSK Vishwa V, VI, VII	Gut No.87, 88 & 89 Kirkatwadi, Pune	Saptshrungi Co- operative Society	MOU between Saptshrungi Co-Op Society, DS Kulkarni & Co. & DSKDL Ltd. 25.09.2005

Notes:

- 1) The owners of land have issued irrevocable Power of Attorney to DSKDL to develop, mortgage and sell the property.
- 2) The owners also entered into a separate Development agreement with DSKDL authorising construction of flats and receive periodic payments as consideration.

D. S. KULKARNI DEVELOPERS LIMITED



DSKDL has acquired land for DSK Madhuban project at Mumbai, which is free from all encumbrances. All other projects are being developed on the basis of Development agreements and Power of Attorneys executed with respective landowners.

Total Project Cost and Schedule of Yearly Expenditure is as under: (Rs. in lacs)

S. No.	Particulars	F.Y. 2005-2006		F.Y. 2006-07	F.Y. 2007-08	F.Y. 2008-09	Total
		Up to 28.02.2006	March 31, 2006				
1.	Land & TDR Cost	6141.10	1,432.74	4,725.00	-		12,298.84
2.	Construction cost	3223.06	2,286.68	12,171.10	10,456.88	2,551.80	30,689.53
3	Development Cost	1522.72	-	1096.74	643.49	412.81	3,675.76
4	Administrative Cost	273.22	69.88	963.07	934.19	432.68	2,673.04
5	Cost of finance	419.31	382.21	2,008.79	2,147.95	1,227.77	6,186.04
	Total	11579.41	4,171.51	20964.72	14182.51	4625.05	55523.21

Detailed cost of each project is as under:

(Rs. in lacs)

Project		1	2	3	4	5		
S. No.	Particulars	DSK Vishwa IT Park	DSK Garden Enclave	DSK Madhuban	DSK Vishwa Ph IV Saptasur	DSK SAYANTARA		
						Plots	Bungalows	Villas
1	Land & TDR Cost	1,264.00	415.00	2081.00	1,133.34	638.07	12.78	74.15
2	Construction Cost	6,177.71	2,441.76	3,090.24	3,566.22		156.89	796.43
3	Development Cost	348.00	195.34	309.02	380.40	543.98	10.90	63.21
4	Admin. Cost	292.24	271.64	556.24	324.34	123.95	2.48	14.40
5	Finance Cost	964.00	351.45	1,304.88	638.75	233.78	4.68	27.17
	Total Project Cost	9,045.95	3,675.19	7,341.38	6,043.05	1,539.78	187.72	975.36

(Rs. in lacs)

Project		6	7	8	9
S. No.	Particulars	DSK Sundarban	DSK Rohan	DSK Project Bangalore	DSK Vishwa Ph V, VI & VII
2	Construction Cost	4,695.12	112.48	1,212.68	8,440.00
3	Development Cost	469.51	20.46	121.70	1,213.25
4	Admin. Cost	396.70	18.45	200.16	472.44
5	Finance Cost	445.04	44.41	346.88	1,825.00
	Total Project Cost	7,081.87	355.80	2,601.42	16,675.69

Basis of Estimation of Cost:

- I **Land & TDR Cost:** Land & TDR cost is considered at actual as per the development agreements/sale deeds/MOU executed between the company and the landowners.

II Construction Cost, Development cost and Administrative cost have been assumed as under:

Name of Project	Construction Cost Per SQFT. (Rs.)	Development Cost Per SQFT. (Rs.)	Administrative Cost % (compared to construction cost)	Basis
DSK Vishwa I T Park	1100.00	62.00	4.75	As per the estimates of the company
DSK Garden Enclave	1000.00	80.00	11.00	As per the estimates of the company
DSK Madhuban	1000.00	100.00	18.00	As per the estimates of the company
DSK Vishwa Saptasur	750.00	80.00	9.09	As per the estimates of the company
DSK Sayantara - Designer bungalow	1800.00	125.00	14.77	As per the estimates of the company
DSK Sayantara - Villas	1575.00	125.00	8.45	As per the estimates of the company
DSK Sundarban	750.00	125.00	16.40	As per the estimates of the company
DSK Rohan	750.00	75.00	16.50	As per the estimates of the company
DSK Project, Bangalore	1033.00	150.00	5.60	As per the estimates of the company
DSK Vishwa Ph. V, VI, VII	800.00	104.00		As per the estimates of the company

III Administrative Cost: Administrative expenses inclusive of printing & Stationary, advertisement, and selling expenses have been considered as per the company's average administrative cost for the project completed till date. We have also considered salaries and supervision costs for the each project as per the prevailing market costs for the same.

IV Finance Cost: Finance cost is considered as per the terms of the sanction letters received from the Banks for respective projects.

Project Implementation Team:

The company has in-house project management team. Besides it has appointed following consultants for various projects:

Name of Project	Architect	Legal Advisor
DSK Vishwa I T Park	Edifice	Mr. I. C. Shetty
DSK Garden Enclave	Ar T. Khareghat	Mr. I. C. Shetty
DSK Madhuban	Mandwiwala Qutub & Associates	Vima Dalal & Co.
DSK Vishwa Saptasur	I. Chaney & Associates	Mrs. Bhavana Disa
DSK Sayantara (Plots)	Ar Shashank Vaidya & Associates	Mrs. Lalita Kulkarni
DSK Sayantara - Designer bungalows	Ar Pagadiwala	Mrs. Latika Kulkarni
DSK Sayantara - Villas	Ar Pagadiwala	Mrs. Latika Kulkarni
DSK Sundarban	Ar Shashank Vaidya & Associates	Mrs. Sheela Datar
DSK Rohan	Chandra Shekhar Architects Pvt. Ltd.	Mr. A. R. Shaikh
DSK Project, Bangalore	Team 3 Singapore	To be appointed
DSK Vishwa Ph. V, VI, VII	Ar Prakash Sharma	To be appointed

Status of various statutory approvals for the projects is as under:

Name of Project	Sanctioning Authority	Status
DSK Vishwa I T Park	Collectorate, Pune	Received on 12/1/2005 Ref No.:PMH/NASR/243/2005
DSK Garden Enclave	Pune Municipal Council	In Process
DSK Madhuban	Municipal Council of Greater Mumbai	Received on 30/8/2005 Ref No.: CE/4027/BPES/AL
DSK Vishwa Saptasur	Collectorate, Pune	Received on 12/1/2005 Ref No.:PMH/NASR/243/2005
DSK Sayantara (Designer bungalows & Villas)	Collectorate, Pune	Received on 12/1/2005 Ref No.:PMH/NASR/243/2005
DSK Sayantara (Plots)	Collectorate, Pune	Received on 22/9/2004 Ref No.: PMH/NASR/108/2004
DSK Sundarban	Collectorate, Pune	In Process
DSK Rohan	Pune Municipal Council	Received on 4/8/2005 Ref No.: CC/1701/105
DSK Project, Bangalore	Bangalore Development Authority	Will be applied in due course
DSK Vishwa Ph. V, VI, VII	Collectorate, Pune	Received on 12/1/2005 Ref No.:PMH/NASR/243/2005

The Company does not require any other permission for execution of construction activity. Other No Objection Certificates from Fire Dept., Drainage, Water, Garden, Road, etc. would be obtained prior to handover of possession to the society. As per the Certificate provided by Mr. Prakash R. Deshpande, Advocate, out of the above mentioned projects, the company will have to obtain permission from Pollution Control Board for it DSK Garden Enclave project, for which an application has already been submitted. The company will also need permission from Pollution Control Board for its Bangalore project and application for the same would be made at appropriate time.

BRIEF DETAILS OF EACH PROJECT

1. DSK Vishwa IT Park:

This project is situated at DSK Vishwa, Pune near Mumbai-Bangalore bypass highway. Because of locational advantages and easy connectivity the area is under fast development. All civic amenities are already in existence at the site. Broad details of the project are as under:

- i) Total built-up Area : 5,61,610 sq. ft.
- ii) No. of Buildings : 5 Nos.
- iii) Project Implementation Schedule:

S. No.	Particulars	Completion date
1	Land acquisition	Completed
2	Site development (roads, etc)	Under Progress
3	Foundation	April 2006
4	Plinth	September 2006
5	Superstructure	April 2007
6	Bricks work	June 2007
7	Flooring	September 2007
8	Finishing	November 2007
9	Ready for Possession	December 2007

2. DSK Garden Enclave:

The Company has commenced a project at Kondhwa, near NIBM, located in Southern part of Pune City and is extension of Pune Camp area. All essential amenities like school, shopping malls, hospitals, etc. are within the 5 minutes reach from the site. The details of construction of the project are as under:

- i) Total built-up Area : 2,44,176 sq. ft.
- ii) No. of Buildings Residential : 8 Nos.
- iii) Project Implementation Schedule:

S. No.	Particulars	Completion date
1	Land acquisition	Completed
2	Site development (roads, etc.)	Under Progress
3	Foundation	April 2006
4	Plinth	May 2006
5	Superstructure	March-2007
6	Bricks work	April-2007
7	Flooring	Oct-2007
8	Finishing	Dec-2007
9	Ready for Possession	Dec-2007

3. DSK Madhuban:

The Company has started DSK Madhuban project at Andheri Kurla Road, Mumbai, one of the fastest growing Western sub-urban area of Mumbai City. The site is close to International airport and is easily accessible by Western Express Highway and Andheri railway station. The details of the projects are as under:

- i) Total built-up area : 3,09,024 sq. ft.
- ii) No. of Buildings Residential : 2 Nos.
- iii) Project Implementation Schedule:

S. No.	Particulars	Completion date
1	Land acquisition	Completed
2	Site development (roads, etc.)	Under Progress
3	Foundation	Apr-2006
4	Plinth	Aug-2006
5	Superstructure	June-2007
6	Bricks work	Mar-2007
7	Flooring	Aug-2007
8	Finishing	Feb-2008
9	Ready for Possession	Feb-2008

4. DSK Vishwa Ph. IV - Saptasur:

The company is setting up above project at Pune Sinhgad Road, near Khadakwasla Dam. The site is at a distance of about 9 km from Deccan Gymkhana. The location of the site is surrounded by hill area. The details of the projects is as under:

- i) Total built-up area : 475496 Sq. ft.
- ii) No. of Buildings Residential : 8 Nos.
- iii) Project Implementation Schedule:

S. No.	Particulars	Completion date
1	Land acquisition	Completed
2	Site development (roads, etc.)	Nov-2006
3	Foundation	February 2006
4	Plinth	Dec-2005
5	Superstructure	Nov-2006
6	Bricks work	Feb-2007
7	Flooring	Jul-2007
8	Finishing	Oct-2007
9	Ready for Possession	Dec-2007

5. DSK Sayantara:

The site of the project is adjoining DSK Vishwa project at Pune - Sinhgad Road. The location and topography of the site adds to the natural beauty to the project land. The details of residential plots and bungalows are as under.

	Bungalow Plots	Designer Bungalow	DSK Villa
Total Built up area	435180 sq. ft.	11,808 sq. ft.	87871 sq. ft.
No. of plots	131	4	17

Project Implementation Schedule:

S. No.	Particulars	Bungalow Plots	Designer Bungalow	DSK Villa
1	Land acquisition	Completed	Completed	Completed
2	Site development (roads, etc.)	Completed	May-2006	May-2006
3	Superstructure	NA	May-2006	Sep-2006
4	Bricks work	NA	June-2006	Oct-2006
5	Flooring	NA	July-2006	Nov-2006
6	Finishing	NA	Oct-2006	Nov-2006
7	Ready for Possession	Ready	Dec-2006	Dec-2006

6. DSK Sundarban:

This project is towards Eastern part of the Pune city. This area is coming up as IT hub. All civic amenities are readily available in the vicinity. The project details are as under:

- i) Total built-up area : 626016 sq. ft.
- ii) No. of Buildings - Residential : 12 Nos.
- Commercial : 2 Nos.
- iii) Project Implementation Schedule:

S. No.	Particulars	Completion date
1	Land acquisition	Completed
2	Site development (roads, etc.)	Aug-2006
3	Foundation	Nov-2005
4	Plinth	Dec-2005
5	Superstructure	Nov -2006
6	Bricks work	Dec-2006
7	Flooring	May-2007
8	Finishing	Nov-2007
9	Ready for Possession	Dec-2007

7. DSK Rohan:

The project is located at Model Colony at prime location in Shivajinagar area. The land is surrounded by fully developed area in Pune city. The details of the projects are as under:

- i) Total built-up area : 14,997 sq. ft.
- ii) No. of Buildings Residential : 1 No.
- iii) Project Implementation Schedule:

S. No.	Particulars	Completion date
1	Land acquisition	Completed
2	Site development (roads, etc.)	June-2006
3	Plinth	July-2005
4	Foundation	July-2005
5	Superstructure	May-2006
6	Bricks work	June-2006
7	Flooring	Sep-2006
8	Finishing	Nov-2006
9	Ready for Possession	Dec-2006

8. DSK Project, Bangalore:

The Company has entered into an MOU for purchase of land at Sarjapur Road near Wipro Limited in Bangalore City. The project is still under planning stage and the company plans to construct 2 & 3 BHK flats in the said project. The details of proposed project are as under:

- i) Total Built-up Area : 1,17,394 sq. ft.
- ii) Expected commencement date : April 2006
- iii) Project Duration : 36 months
- iv) Stage of construction : MOU entered into for purchase of land

9. DSK Vishwa PH. V, VI, & VII:

'DSK Vishwa' is a modern town ship, which will have homes for 10000 families. There will be about 200 buildings and all the buildings will have stilt parking plus seven floors. Right now, the company has already completed Phase I, II & III and has received good response for the sale. The Phase I consists of two clusters namely, 'Chandrama' and 'Rohini'. Both the clusters have 1 & 2 BHK flats (Total 1000 Flats) and also 32 Nos. of shops. Each flat is having attached terrace and there are some garden flats also at ground floor. Phase II namely 'Vasudha' & 'Bhaskara' consists of 600 flats. Phase III namely 'Varun' & 'Pavan' are having slightly bigger size flats of 2 & 3 BHK. There are 600 flats in Phase III.

While planning, special emphasis was put on better utilization of the space and cross ventilation. The complex was designed by Architect Padmashree Balkrishna V. Doshi, from Ahmedabad, who is famous for designing keeping in mind the needs of the users. After the grand success of Phase I, II and III, the company has planned to launch further Phases i.e. Phase IV, V & VI and accordingly Ph. IV is in progress.

The whole project has been planned, keeping in mind all the "day to day" requirements of various life styles. It is a self-contained colony, which will also generate employment as well business for the residents. It has got everything from Temple to Library, from Swimming Pool to Badminton/ Community hall, etc. The buildings will have provision of common washing machine i.e. Laundromats and has also made arrangement of reusing the rainwater i.e. rainwater harvesting channels/ tank. A separate ETP has been provided, which will be reusing the treated drainage water for gardening purpose so as to provide ecological balance i.e. helping in reducing the consumption of water. Water treatment plant has been provided, which will assure 24 hours treated water supply.

	Ph. V	Ph. VI	Ph. VII
Total Built up area	350000 sq. ft.	350000 sq. ft.	355000 sq. ft.
Saleable area	350000 sq. ft.	350000 sq. ft.	355000 sq. ft.
Expected Project commencement date	F. Y. 2006-2007	F.Y. 2007-2008	F. Y. 2007-2008
Project Duration	24 months	24 months	24 months

PROJECT IMPLEMENTATION ARRANGEMENTS

Sr. No.	Name of the Projects	City	RCC Work	Brick Work	Water proofing	Plumbing	Electrical	Painting
1	DSK Vishwa IT Park	Pune	1) Simplex Concrete Piles (India) Ltd.	1) Sham Narwa	1) Madani Water proofing Co.	1) Manojkumar Beura	1) Sameer Electricals	1) Aim Decorators
2	DSK Garden Enclave	Pune	1) Shreeji Construction 2) Dhanraj D Wadekar 3) Patel H.S. & Co.	1) Jayanti Parmar	1) Son Water proofing Co.	1) Ramakant Pande	1) Plan Power 2) Neha Electricals & Electronics	1) Aim Decorators
3	DSK Madhuban	Mumbai	Chopda Construction Pvt. Ltd.	Chopda Construction Pvt. Ltd.	Chopda Construction Pvt. Ltd.	Chopda Construction Pvt. Ltd.	1) Gandhekar Electricals	1) Colour Combination Engineers & Contractors
4	DSK Vishwa Saptasur	Pune	1) M/S. Shirke & Associates 2) Shree Samarth Construction 3) Jay Enterprises	1) B.S. Pawar 2) Jayanti Parmar	1) Sharpline Waterproofing Co. 2) D.B. Jena 3) Kaushik Rout	1) Manojkumar Beura 2) Advance High Power Co.	1) Komal Electrical 2) Aim Decorators	1) R.J. Gajjar
5	DSK Sayantara (Bungalow Plots)	Pune	1) Jyoti Labour Contractor 2) Ghule Patil Transport	1) Fattu B. Mistri	1) Fattu B. Mistri 2) D.B. Jena 3) Kaushik Rout	1) Manojkumar Beura 2) Advance High Power Co	1) Sameer Electricals	1) Aim Decorators

D. S. KULKARNI DEVELOPERS LIMITED



Sr. No.	Name of the Projects	City	RCC Work	Brick Work	Water proofing	Plumbing	Electrical	Painting
6	DSK Sundarban	Pune	1) K.V.P. Construction 2) Girija Shankar Construction 3) Udayan Construction 4) Sakar Associates	1) Y. Ansari Construction 2) B.S. Pawar	1) JNR Hitech Systems 2) Madani Waterproofing Co.	1) Ramakant Pande 2) Ramesh Mohite	1) Plan Power	1) Beauty Painting 2) Sara Enterprises
7	DSK Rohan	Pune	1) Sujata Construction	1) Shilesh Makwana	1) Donu Meghawat	1) Kaushik Rout	1) R.R. Engineers	1) Aim Decorators
8	DSK Project	Bangalore	Will be appointed at the time of commencement of the project.					
9	DSK Vishwa Ph. V, VI, VII	Pune	Will be appointed at the time of commencement of the project.					

GENERAL CORPORATE PURPOSES

The company's management in accordance with policies set out by the Board will have flexibility in applying the balance proceeds of this issue, for general corporate purposes including future projects and to finance working capital requirements. The company seeks to further enhance its position in the housing industry by acquiring more properties at Pune, Mumbai, Bangalore, Hyderabad, New Delhi, etc. While, the company has not identified any specific projects at present, however, the management team is continuously identifying and evaluating such opportunities.

The company intends to use Rs. [●] till March 2007 for general corporate purposes.

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

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

MEANS OF FINANCE

The objects of this Issue are proposed to be funded by a combination of proceeds of the Issue, cash flow from operations, debt and advances from the customers.

	Particulars	Amount (Rs. in lacs)
Equity	Proceeds of the Issue	[●]
	Less: Issue Expenses	[●]
	Net Proceeds of the Issue	[●]
Internal Accruals	Cash accruals from the operations of the Company	[●]
Advance from Customers	Advance to be received from the Customers who purchases the property from the company	[●]
Debt Term-loan	Term Loan	22565.00
	Total	

Means of Finance Tied-up as on December 31, 2005:

Particulars	Amount (Rs. in lacs)
Internal Accruals	2805.00
Advance from Customers	16043.00
Debt*	13990.00
Total	32838.00

*The company has received final sanction for Rs. 13990 lacs from banks in respect of the objects of this issue identified above, which the company intends to draw down progressively over the project execution period.

The company confirms that firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed composite issue have been made.

Status of tie- up of debt as envisaged in the means of finance is as under:

(Rs. in lacs)

S. No.	Bank	Name of the Project	Total Amount Sanctioned	Amount outstanding as on 31/12/05	Interest Rate# % p.a.
1	Syndicate Bank	Syantara	650.00	650.00	11.00
2	Indian Bank	Syantara	475.00	475.00	11.00
3	Syndicate Bank	DSK Sundarban	1225.00	890.50	11.00
4	Bank of Maharashtra	DSK Sundarban	800.00	775.00	11.25
5	Syndicate Bank	DSK Rohan	225.00	200.00	11.00
6	Indian Overseas Bank	DSK Madhuban	2500.00	950.00	11.00
7	Bank of Maharashtra	DSK Madhuban	1500.00	500.00	11.25
8	Syndicate Bank	DSK Saptasur	950.00	575.00	10.00
9	Indian Bank	DSK Saptasur	700.00	-	10.00
10	Andhra Bank	DSK Saptasur	800.00	-	10.50
11	State Bank of India	DSK Vishwa IT park	3000.00	-	10.25
12	Syndicate Bank	DSK Garden Enclave	700.00	-	10.00
13	Indian Overseas Bank	DSK Garden Enclave	465.00	-	11.00
14		Bangalore Project	1525.00**	-	-
15		DSK Vishwa V, VII, VII	7050.00**	-	-
	TOTAL		22565.00	5015.00	-

#Present applicable rates. The rates are floating and linked to the BPLR/PLR of the respective Banks.

**Loan will be applied at the time of commencement of the Project.

APPRAISAL

The fund requirements and deployment thereof are based on internal management estimates, and have not been appraised by any bank or financial institution. In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with by surplus funds, if any available in respect of the other activities. The balance proceeds of this Issue in addition to the above-mentioned requirements, if any, will be used for general corporate purposes.

INTERIM USE OF PROCEEDS

Pending utilization of Issue proceeds for the purpose described above, the company would put the money in fixed deposits with the Scheduled Commercial Banks.

MONITORING OF UTILISATION OF FUNDS

Syndicate Bank has been appointed as monitoring agency to monitor the utilization of proceeds of the composite issue.

The company will disclose the utilisation of the proceeds of the composite issue under a separate head in the company's balance sheet for F.Y. 2006-2007.

No part of the composite issue proceeds will be paid by the company as consideration to the promoters, the Directors, the company's key management personnel or company's promoted by the Promoters except in the usual course of business.



DETAILS OF GROUP COMPANIES INTEREST IN THE PROJECTS

1- 04-2004 to 31-03-2005								
S. No.	Name of the Company	Name of the Project	Date	Village	S. No. / Gat No.	Area (sq. mtr.)	Total Cost (Rs.)	Nature of Document
1- 04-2004 to 31-03-2005								
1	D. S. Kulkarni & Company	Sayantara	20/10/2004	Kirkatwadi	83-B, 85, 86, 92, 99, 100, 101, 102, 103, 104, 105, 106	79,814.92	72,500,000	Development Agreement Dated 20.10.2004
1- 04-2005 to 31-12-2005								
1	D. S. Kulkarni & Company	Saptasur	16/09/2005	Dhairy	122 /1	25300.00	50,182,000	Development Agreement Dated 16.9.2005
2	DSK Motors Ltd.	IT Park	25/09/2005	Dhairy	124/4	10900.00	41,064,800	MOU Dated 30.9.2005 & Dev. Ag. Dated 13.1.2006
3	D. S. Kulkarni & Company	IT Park	25/09/2005	Dhairy	124/12	13000.00	48,976,200	MOU Dated 30.9.2005 & Dev. Ag. Dated 13.1.2006
4	D. S. Kulkarni & Company	IT Park	25/09/2005	Dhairy	124/13	2600.00	9,795,100	MOU Dated 30.9.2005 & Dev. Ag. Dated 13.1.2006
5	D. S. Kulkarni & Company	DSK Vishwa Phase V, VI, VII	25/09/2005	Kirkitwadi	87, 88 & 89	42184.22	47,25,00,000	MOU Between Owner, D. S. Kulkarni & Co. and DSKDL Dated 25.09.2005

SOURCES AND DEPLOYMENT OF FUNDS AS ON 28.02.2006

(Rs. in lacs)

S. No.	Particulars	Total	DSK IT PARK	GARDEN ENCLAVE	DSK MADHUBAN	SAPT ASUR	SAYA NTARA	ROHAN	BANG LORE	SUNDA RBAN
INFLOW										
1.	Advance from customers	1,284.03	-	152.57	313.59	181.20	488.68	18.90	-	129.09
2.	Equity Capital	3,105.38	525.93	250.00	550.00	625.75	428.20	75.50	250.00	400.00
3.	Bank Loan	7,190.00	-	300.00	2,200.00	1,400.00	1,125.00	200.00	-	1,965.00
	Total	11,579.41	525.93	702.57	3,063.59	2,206.95	2,041.88	294.40	250.00	2,494.09
OUTFLOW										
1.	Land & TDR Cost	6,141.10	510.93	263.67	2,081.00	1,075.50	725.00	159.50	250.00	1,075.50
2.	Construction cost	3,223.06	-	319.42	448.32	839.90	548.86	107.39	-	959.17
3.	Development Cost	1,522.72	-	90.83	379.02	210.40	589.35	5.00	-	248.12
4.	Administrative Cost	273.22	15.00	28.65	68.10	57.20	46.70	8.50	-	49.07
5.	Finance cost	419.31	-	-	87.15	23.95	131.97	14.01	-	162.23
	Total	11,579.41	525.93	702.57	3,063.59	2,206.95	2041.88	294.40	250.00	2494.09

5. BASIC TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the company, the terms of this Offer Document, Bid cum Application Form, the Revision Form, the Contribution of Allocation Note and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

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

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. 110 per share each in case of Rights Issue and Rs. [●] per share in case of Public Issue component.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors and hence, the tradable lot is one Equity Share.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicants, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicants, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of 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 the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the equity shares, until the requirements of the notice have been complied with.

6. BASIS FOR ISSUE PRICE

The Public Issue Price will be determined by the Company in consultation with BRLMs, on the basis of assessment of market demand for the Equity Shares, by way of Book-Building Process.

Qualitative Factors

1. Experienced promoters with proven track record.
2. The company has been carrying on business as Developers in housing industry since 1991 in Pune/ Mumbai and has successfully completed 23 projects.
3. Profit making company since its incorporation.
4. Dividend paying company since last three years. For details, see the section titled "Dividend Policy of the Company" beginning on page no. 75 of this Offer Document.
5. The Company's business focuses on middle-income group housing projects, which has high selling potential.
6. Projects have been part-financed by the Commercial Bankers i.e., IOB, Syndicate Bank, Bank of Maharashtra, Andhra Bank, Indian Bank & State Bank of India.
7. The Company is backed up by the technically competent and professional team of 40 skilled people and 160 semi skilled people.
8. Projects aggregating to 39 lac sq. ft. are under development.
9. Accredited with "ISO 9001" Certification for "Quality Management System of D. S. Kulkarni Developers Limited for Construction of Residential & Commercial Buildings (Including Design and Development) Development and Sale of Plots".
10. The Company has received following awards:
 - (i) Certificate of Appreciation for DSKDL's services to Housing at Pune dated 7.10.2005 from HDFC.
 - (ii) National Institute of Construction Management and Research (NICMAR) Certificate of merit for 'the Fastest Growing Construction Company - 2nd Rank' dated 26.10.2004
 - (iii) Builders Association of India, Pune Centre has presented a citation to DSKDL for DSK Toyota's 3'S Facility, Pune, Industrial Building for their achievement in quality, speed and economy in construction dated 19.11.2000
 - (iv) Best Project award to DSK Ranwara project at Pune by Architects, Engineers and Surveyors Association of Pune.

Quantitative Factors

1. Basic Earning Per Share (EPS)

Financial Year	Basic EPS (Rs.)	Weight used
2002-2003	1.30	1
2003-2004	1.35	2
2004-2005	3.34	3

Weighted Average for last three years: Rs. 2.33

2. Price Earnings Ratio (P/E Ratio) in relation to Issue Price

A. Pre-Issue P/E

Market Price (as on March 13, 2006) - Rs. 417.95

- | | | |
|---|---|--------|
| a. Based on year ended March 31, 2005 EPS of Rs. 3.34 | - | 125.13 |
| b. Based on weighted average EPS of Rs. 2.33 | - | 179.37 |

B. Rights Issue price of Rs. 110 per share

- | | | |
|---|---|--------------|
| a. Based on year ended March 31, 2005 EPS of Rs. 3.34 | - | 32.93 |
| b. Based on weighted average EPS of Rs. 2.33 | - | 47.21 |

C. Public Issue price of Rs. ["] per share

- | | | |
|---|---|-----|
| a. Based on year ended March 31, 2005 EPS of Rs. 3.34 | - | [●] |
| b. Based on weighted average EPS of Rs. 2.33 | - | [●] |

3. Construction Industry P/E Ratio

Highest (Srinivasa Ship.)	248.3
Lowest (Eldeco Hsg. & Inds.)	6.2
Average (Industry Composite)	30.9

(Source: Capital Market - Vol. XX/26 dated Feb. 27 - Mar. 12, 2006)

4. Return on Networth

Financial Year	RONW (%)	Weight used
2002-2003	7.67	1
2003-2004	7.74	2
2004-2005	16.82	3

Weighted average for the last three years: 14.60%

5. Minimum Return on post-Issue Net Worth to maintain pre-Issue EPS [●]

6. Net Asset Value (NAV) per share pre-Issue

Financial Year	Networth (Rs. in crore)	No. of Shares	NAV (Rs.)
2002-2003	18.57	1,10,00,000	16.88
2003-2004	19.11	1,10,00,000	17.37
2004-2005	21.88	1,10,00,000	19.89

A. For Rights Issue

Issue Price to Book Value ratio on financials for FY 2005	55.30
Issue Price to Market Price (as on March 10, 2006)	0.26

B. For Public Issue

Issue Price to Book Value ratio on financials for FY 2005	[●]
Issue Price to Market Price (as on March 10, 2006)	[●]

7. Net Asset Value (NAV) per share after the Issue

The NAV per Equity Share after the Issue is [●]

8. Comparison of accounting ratios of the Company with accounting ratios of peer group for 2004 - 05:

Name of the Company	EPS (Rs.)	P/E	NAV (Rs.)	RONW (%)
Ansal Buildwell	1.30	37.70	26.80	5.70
Ansal Housing	4.40	16.50	46.20	11.20
Mahindra Gesco	2.50	117.20	41.80	5.80
MSK Projects	3.10	16.60	44.80	13.30
Vipul Infrac.	4.20	30.20	16.20	28.70
Peer group average	3.10	43.64	35.16	12.94
DSKDL	3.34	[●]	19.89	16.82

(Source: Capital Market - Vol. XX/26 dated Feb. 27 - Mar. 12, 2006 and actual in case of DSKDL)

Peer group average is simple average of above multiples

The BRLMs believe that the Issue Price of Rs. 110/- per share for the Rights Issue and Issue Price of Rs. [●] per share for Public Issue is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors Report in the Offer Document to have more informed view about the investment proposition.

7. STATEMENT OF TAX BENEFITS

I. TAX BENEFITS TO THE COMPANY:

In computing its total income under the Income -tax Act, the Company is entitled to a deduction under sub-section 10 of Section 80IB of the said Act. The amount of such deduction is equal to 100% of the profit derived by the Company from those housing projects, which satisfy the conditions stipulated in the said provisions of the said Act. As a result of the said deduction, the Company is not required to pay tax on profits derived from such eligible projects.

II. TO THE SHAREHOLDERS OF THE COMPANY TAX BENEFITS UNDER THE INCOME TAX ACT, 1961

1. To all the Shareholders

1. 1 Income:

In terms of Section 10(34) of the Income Tax Act, 1961, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the company is exempted from tax. Hence a shareholder is not required to pay tax on such dividend income.

In terms of the second proviso to Section 195(1) such dividend income is not subject to deduction of tax at source. Hence such dividend payable to a non-resident shareholder may be remitted without deduction of tax at source.

1. 2 Taxation of Long -Term capital Gains.

1. Where the Company's shares are sold after being held for not less than twelve months, any income arising from such transfer, i.e. long-term capital gains, will be computed under Section 48 after deducting the indexed cost of acquisition from the full value of consideration.
2. In terms of Section 10(38) of the Income Tax Act, 1961, long-term capital gains, is exempt if such transaction is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No. 2) Act, 2004.
3. In cases not covered under Section 10(38) of the Act, long-term capital gains, will not be charged to tax under Section 54EC of the Income Tax Act, 1961 subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds specified under that Section.

As per the Finance Act, 2005 where the exemption U/s. 54 EC has been availed of then cost of such long-term specified asset will not qualify for

- a. Rebate u/s.88 for any assessment year ending before 1st day of April 2006, and
 - b. Deduction from the income with reference to such cost shall not be allowed u/s.80C for any assessment year beginning on or after the 1st day of April 2006.
4. In cases not covered under Section 10(38) of the Act, long-term capital gains, will not be charged to tax under Section 54 ED of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, if the capital gains are invested in shares of an Indian Company forming part of an eligible public issue, within a period of 6 months after the date of such transfer and held for a period of at least one year.

Eligible public issue means issue of equity shares, which satisfies the following conditions, namely: -

- a. The issue is made by a public company formed and registered in India;
- b. The shares forming part of the issue are offered for subscription to the public;

As per the Finance Act, 2005 where the exemption U/s. 54 EC has been availed of then cost of such long-term specified asset will not qualify for

- a. Rebate u/s.88 for any assessment year ending before 1st day of April 2006, and
- b. Deduction from the income with reference to such cost shall not be allowed u/s. 80C for any assessment year beginning on or after the 1st day of April 2006.

1. 3 Taxation of Short -Term Capital Gains

Under Section 111 A of the Income Tax Act, 1961 if the Company's shares are sold after being held for a period less than twelve months, any income arising from such transfer, i.e. short-term capital gain, will be taxed at a rate of 10% (plus applicable surcharge), if such transaction is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No.2) Act, 2004.

2. Benefits restricted to Shareholder who are individuals or HUFs who are beneficial owners of the shares.

In cases not covered under Section 10(38) of the Act, long-term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will not be charged to tax under Chapter 54F of the Income Tax Act, 1961 in proportion to the extent the net consideration from such transfer is used for purchase of residential house property within a period of one year before and 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, subject to other conditions prescribed.

3. Benefits to all Non-Resident Shareholders

Under the first proviso to Section 48 of the Income Tax Act, 1961, in case of a non-resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per Exchange Control Regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains / loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.

4. Benefits restricted to Shareholders who are Non-Resident Indians

Under Section 115-I of the Act, a non-resident Indian (i.e. individual being a citizen of India or person of Indian origin who is not a 'resident') has an option to be governed by the provisions of Chapter XII-A of the Income Tax Act, 1961 viz. "Special Provisions Relating To Certain Incomes of Non-Residents" which are as follows: -

- a. Under Section 115E of the Income Tax Act, 1961, where shares in the Company are acquired or subscribed for in convertible Foreign Exchange by a Non-Resident Indian, capital gains arising to the non-resident 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 the flat rate of 10 % (Plus applicable Surcharge & Cess) (without indexation benefit).
- b. Under provisions of Section 115F of the Income Tax Act, 1961 long-term capital gains (in cases 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 net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
- c. Under provisions of section 115G of the Income Tax Act, 1961 it shall not be necessary for a Non-Resident Indian to furnish his return of income if his income chargeable under the Act, consists of only investment income or long-term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

5. Benefits available to Shareholders who are Foreign Institutional Investors (FIIs)

The Income by way of long-term capital gains (not covered under Section 10(38) of the Act) realized by FIIs on sale of shares in the Company would be taxed at the rate of 10 % as per Section 115AD of the Income Tax Act, 1961.

6. Mutual Funds

In accordance with Section 10(23D), subject to the provisions of Chapter XIIE, any income of:

- a. Mutual Fund Registered under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder;
- b. Such other Mutual Fund set up by a public sector bank or a public Financial Institution or authorized by the Reserve Bank of India, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf will be exempt from Income Tax in the hands of the Mutual Fund.

TAX BENEFITS UNDER THE WEALTH TAX ACT, 1957

Shares of the Company held by the shareholder are presently not treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act 1957. Hence no Wealth Tax will be payable on the market value of shares of the company held by the shareholder of the Company.

Notes:

1. All the above benefits are as per the current tax laws as amended by the Finance Act, 2005.
2. The stated benefits will be available only to the beneficial owners of the Assets.
3. 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.
4. The Gift Tax Act, 1957 is not applicable to gifts made after 1st October 1998. Hence Gift Tax is presently not payable on gift of shares.
5. The benefits relating to long-term capital gains as per the applicable provisions of the Income Tax Act, 1961 will also be available to Investors who subscribe for equity shares of the aforesaid company pursuant to aforesaid prospectus.

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 scheme.

SECTION IV: ABOUT D. S. KULKARNI DEVELOPERS LIMITED

1. INDUSTRY OVERVIEW

The information presented in this section has been extracted from publicly available documents, which have not been prepared or independently verified by the Company, the BRLMs or any of their respective affiliates or advisors.

BUSINESS ENVIRONMENT IN INDIA

High Growth Economy

The current business environment in India features a strong economic growth, characterized by increasing prominence of services and knowledge based industries and increasing FDI flows. With an expected real GDP growth of over 7 % for the current fiscal, India is one of the high growth economies, ahead of its Asian counterparts such as Malaysia, Thailand, and Philippines, and developed economies such as United States & United Kingdom. According to the World Bank, India is now the fourth largest economy on the basis of its purchasing power parity.

Global Services Hub

The services sector is expected to be a major driver of economic growth. The share of services in GDP has consistently grown from 43% in early nineties to about 56% in 2003-2004. This rising contribution of the service industry is one of the most important growth drivers for India's economy. India's competitive edge in services is its large educated workforce with over 380 universities and 2.6 mn graduates (including 200,000 engineering graduates and 300,000 post graduates produced every year). The significant manpower advantage has resulted in India emerging as a major destination for outsourcing of R& D, IT and BPO services.

Increasing Foreign Participation

FDI has been recognized as one of the important drivers of economic growth of a country. The Indian Government has therefore taken a number of steps to invite and facilitate FDI investment, in many key sectors. As a result FDI inflows have increased significantly from 1994 to 2005. The government has decided to allow 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), subject to fulfillment of certain conditions.

The gradual opening up of the sector for FDI by the Government and support of state governments to realty developments has further aided the sector by bringing in the much-needed investment, apart from professional players equipped with expertise in real estate development. The introduction of new technology and quality real estate assets is expected to have demonstration effect on the local developers and lead to an improvement in the quality of related infrastructure.

CONSTRUCTION INDUSTRY

The construction sector plays a pivotal role in the economy of a nation. It is an integral part and defines a country's infrastructural and industrial landscape. It includes hospitals, schools, townships, offices, houses and other buildings; industrial construction; urban infrastructure (including water supply, sewerage, drainage); highways, roads, ports, railways, airports; power systems; irrigation and agriculture systems; telecommunications etc. Covering so wide a spectrum, construction forms a basic input for socio-economic development.

Role of the construction sector in the economy

The construction industry generates substantial employment and provides a growth impetus to other sectors through multiple linkages. Hence it is regarded as one of the most important nation building sectors in an economy.

The construction sector is the third largest employer in the country after agriculture and retail. In 1999-2000, the sector employed 17.62 million workers, a rise of 6 million over 1993-94. It also recorded the highest growth rate in generation of jobs in the last two decades, doubling its share in total employment.

COMPONENTS (SEGMENTS) OF THE CONSTRUCTION INDUSTRY

The Indian construction industry can be broadly divided into three segments:

1. Infrastructure segment
2. Industrial segment
3. Housing segment

Overall, the construction industry is highly fragmented; the industry's low capital-intensity and low entry barriers are primarily responsible for this. The fragmentation is, however, limited in the infrastructure and industrial projects segments as compared to the housing sector since the former require more specialized skill sets.

Brief features of each the above segment is given below:

Table: Plan outlay for various projects

(Rs. bn.)

Segment	Ninth Five Year Plan Actual Spent 1997-2001	Tenth Plan Allocation 2002-07	Growth %
Housing Segments (Estimated)	185.1	231.4	25.0
Industrial Segment			
Power	446.9	1434.0	220.9
Petroleum & Natural Gas	703.4	1036.6	47.4
Chemicals & Petrochemicals	57.1	30.4	- 46.7
Fertilizers	54.9	59.0	7.5
Infrastructure			
Railway	506.1	606.0	19.7
Road Transport & Highways	376.7	597.0	58.5
Drinking Water Supply	80.5	142.0	76.4
Civil Aviation	94.3	129.3	37.1
Shipping	70.5	142.2	101.8
Urban Infrastructure	73.3	121.7	66.1
Total	2,648.7	4,529.5	71.0

Source: Planning Commission, CII

HOUSING SEGMENT

The Indian housing industry is highly fragmented, with the unorganized sector, comprising small builders and contractors, accounting for over 70 per cent of the housing units constructed. The organised sector comprises large builders and government or government-affiliated entities.

Growth

The investment in housing has steadily risen over the Plan period and as can be seen from the table below, the Tenth Five Year Plan envisages a growth of 381% in the total investment made in the housing segment.

Table : Investment in housing during different plan periods

Plan Period	Total Investment (Rs. bn.)	% Growth
First Plan (1951-56)	11.5	–
Second Plan (1956-61)	13.0	13 %
Third Plan (1961-66)	15.5	19 %
Fourth Plan (1969-74)	48.0	81 %
Fifth Plan (1974-79)	44.4	59%
Sixth Plan (1980-85)	194.9	339%
Seventh Plan (1985-90)	314.6	61%
Eighth Plan (1992-97)	975.0	210%
Ninth Plan (1997-02)	1,510.0	55%
Tenth Plan (2002-07)	7,263.0	381%

Source: Tenth Five-Year Plan.

Such growth is envisaged owing to the housing shortage, currently faced. The Tenth Five Year Plan on urban development has estimated an additional requirement of about 4.5 million houses each year during the Plan period (2002- 07). The National

Buildings Organization (NBO) has estimated urban-housing shortage of 10.8 mn dwelling units. With this level of shortage it is estimated that the urban housing sector alone would require a total investment of Rs. 11,567 bn. during the next five years. The total fund requirement, including requirement for rural housing would be Rs. 16, 000 bn. whereas the total availability is Rs. 7,200 bn. only from the formal sector.

Growth Drivers of Housing Segment

The main growth drivers of the Housing segments are as follows:

1. Resurgent Indian Economy

The Indian Economy has made great strides in the years since independence. Industry and service sectors have been growing in importance and now account for 26% and 48% of GDP respectively. Significant changes have taken place since the early nineties. These include liberalized foreign investment and exchange regimes, significant reductions in tariffs and other trade barriers, reform and modernization of the financial sector, and significant adjustments in government's monetary and fiscal policies. These reforms have made India among the fastest growing economies in the world. Today India is considered one of the most preferred economies by the investors among the developing countries.

2. Changing Demographics

The middle class segment has been gradually increasing in the recent years, who are having more disposable income to spend on consumer goods. Also, India has one of the youngest populations in the world. The literacy levels of population particularly middle class are going up. This implies that as the youth are getting better education, their adaptability to new technologies is increasing as result of which continuous urbanization is taking place, leading to increase in the consumption.

The Indian urban middle class (annual income Rs. 90,000 - Rs. 500,000), who holds the key to consumer spending, has seen its share in total urban households increase from about 45% in 1998-99 to about 51% in 2001-02. Urban middle class households in India are expected to account for about 63% of the total urban households by 2009-10. More importantly, the average income of the urban middle class has increased from Rs. 163,000 in 1998-99 to nearly Rs. 169,000 in 2001-02, and is expected to increase to Rs. 194,000 by 2009-10. (Source: CRIS INFAC)

3. Increasing percentage of population in age group of 25-44

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

4. Shrinking household size augments demand for houses

The joint family system in India is gradually giving way to nuclear families. Consequently, the average size of the Indian household has shrunk from about 5.59 persons in 1971 to about 5.30 persons in 2001. Increasing urbanization and migration for employment opportunities are expected to narrow down the size of the average household to about 4.97 persons by 2011. Given India's burgeoning population, the contraction in the size of the average household offers a strong positive outlook for housing demand. (Source: CRIS INFAC)

5. Increasing median home size

Rising income levels have increased the aspirations of borrowers to live a better life. This, coupled with easy availability of finance and steady real estate prices, has led to people shift towards larger houses.

Table : Proportion of household by size of dwelling units occupied.

(Percent)	Urban			All India 1		
	1981	1991	2001	1981	1991	2001
1 to 1 rooms	45.8	39.5	35.1	45.37	40.52	38.5
2 rooms	27.9	30.4	29.5	28.62	30.58	30.0
3 rooms	12.2	14.8	17.1	12.22	13.85	14.3
4 rooms and above	14.1	15.3	18.3	13.79	15.05	17.2
All sizes	100.0	100.0	100.0	100.0	100.0	100.0

Source : Census of India-2001

6. Increasing Participation by Banks/Housing Finance Companies (HFCs)

Banks and Housing Finance Companies have been offering housing loans with add on benefits Viz. Individual Accident Cover, Loan Liability Repayment Insurance Cover in case of death etc. They have also been simplifying their products making the borrowing least hassle free.

7. Shift in consumer preference from rented houses to owned houses.

Over the years, there has been a significant decline in the proportion of households staying in rented premises. This can, to some extent, be attributed to rising income levels. In addition, the old Rent Control Act (State Act) offered greater protection to the tenant and low rentals made returns on investments in rental property unattractive . But with fewer properties available on rent today and a rise in rentals, consumers have found it more prudent to invest in property for self-occupancy. Rising aspirations levels and the easy availability of finance besides income tax benefits available to house purchasers are expected to fuel this trend. (Source: CRIS INFAC)

8. Changing Profile of Developers/Builders

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

9. Fiscal Incentives

In order to induce demand, the government provides tax incentives to the borrowers that reduce the cost of borrowing, making the option of availing of a loan to purchase/construct a house more economical. Interest payments up to certain levels on housing loans can be claimed as a deduction from the taxable income and annual principal repayment up to a particular level is eligible for a rebate from the tax liability. An exemption of long-term capital gains can be availed of in the case of re-investment in a second property.

Many States in India have Computerized Land Records & Rationalized Stamp Duty. Govt. of India has provided Tax Incentives to individuals with regard to interest payments on Housing Loans.

These drivers of growth have made India, one of the ideal destinations of real estate investment today in the world.

SHOPPING MALLS & COMMERCIAL COMPLEXES

Almost 80% of real estate developed is residential space and the rest comprises offices, shopping malls, hotels and hospitals. Rapid expansion in the retail space is taking place in the country and this is reflected in the purchase and development of real estate and the rapid construction of malls. Retail consultancy KSA Technopark estimates that 200 malls will come up between 2005 and 2006. In all 40 mn sq ft of retail space will be added in the next 2 -3 years. Rapid boom witnessed by India in the IT/ITES sectors has resulted in an acute shortage for quality space for office and commercial structures. It has been estimated that there is a demand for approximately 75-85 mn. sq. ft. of IT space over the next five years. In effect, this will create substantial demand for construction of commercial complexes.

INDUSTRIAL CONSTRUCTION SEGMENT

Industrial construction projects include construction of manufacturing facilities, civil and structural activities for a number of capital-intensive industries like cement, fertilizers, petroleum etc. The total outlay for the industrial segment in the Tenth Five Year Plan is Rs.2560 billion, a growth of 103% from the outlay of Rs.1262.3 billion in the Ninth Five Year Plan. The total investments in the key segments of the manufacturing sector are projected to increase from Rs.220 billion per annum (1998-99 to 2004-05) to Rs.734 billion per annum over the next 5 years (2005-06 to 2009- 10), propelled by investments in oil and gas, and metals. Other industries such as automobiles, petrochemicals, cement, paper and fertilizers are also expected to record substantial investments during the forecasted period. Assuming civil construction to account for nearly 15% of the total capital cost of the projects, this huge investment is likely to generate construction demand of around Rs.550 billion from industrial projects.

INFRASTRUCTURE SEGMENT

Valued at Rs.2,070 bn., the infrastructure segment is the largest within the construction industry and can be broadly divided into environment and transport-related construction activities. While the environment segment includes dams, water supply, sewerage and solid waste treatment plants, the transport segment consists of roads, highways, bridges, ports and railways, airports etc. The infrastructure segment is expected to witness rapid growth over the next five to seven years as the central and state governments' thrust on the development of urban and rural infrastructure intensifies. Factors like total infrastructure

development outlay of Rs. 1,738 billion between FY02-07 (Tenth Five Year Plan), high government expenditure and increasing privatisation will continue to stimulate growth in the construction industry. The sector is likely to receive prospective investments of Rs 3,000 billion over the next 2 years (2005-06 and 2006-07) - an over 25 per cent increase from the estimated investments in the last 2 years (2003-04 and 2004-05). Based on the proportion of civil construction related expenses in each sector, it is estimated that these projects have a potential to translate into orders worth Rs.1,800 billion for the construction industry.

REAL ESTATE MARKET

The Indian real estate market had been growing at an annual rate of 30% with steady growth in Commercial, residential properties, hospitals, hotels, industrial buildings etc. In the commercial space, the business opportunity is led by the unprecedented outsourcing activity happening from India. The who's who of the IT world - Microsoft, Oracle, Dell, Intel, GE, Cognizant, etc. have set-up their offshore centers in India. Studies reveal that the residential sector will also get a major boost as it gears up to house the new prosperous workforce of the IT and BPO industries. The retail sector is also expected to get increasingly organized, which would further increase the demand for real estate.

1. Commercial Real Estate

India is a pre-eminent destination for off shoring of IT and BPO services. The Indian IT and BPO industry generated exports of USD 12.5 bn. (RS. 550 bn.) during the year 2003-04. Going forward, India is expected to maintain its lead over other countries such as China, Ireland and Philippines. As per Nasscom-McKinsey Report, I T & BPO services revenues are expected to reach a level of USD 77 bn. (Rs. 3388 bn.) by year 2008. According to their estimates ITES sector in India will provide additional jobs for over 1.1 million people by 2008, which translates into space requirement of approx. 100 million sq. ft. The Indian IT and IT-enabled services industry is on track to meet the aspirations that were set. In fact, the industry has grown at a CAGR of 46% in the last 4 years, exceeding the 38% target set in the report. The Indian ITES sector, for example, has grown at over 100% CAGR over the last 5 years and currently employs over 100,000 people. Opportunities in the BPO industry are expected to open up in several industry verticals such as financial services, healthcare, utilities, airlines, retailing, pharmaceuticals, automotive and telecom industries.

The expected growth of about 40% in the IT and BPO industry will create a substantial demand for world-class infrastructure. An independent study by Cushman and Wakefield in 2002, estimated that approximately 40 mn sq. ft. of space would be required across the six key cities of Mumbai, Pune, Bangalore, Hyderabad, Chennai and Gurgaon until 2007. In 2003, the IT sector accounted for 8.5 mn sq. ft., or more than 80% of office space absorption in 2003 as against 43% in 2000.

2. Residential Real Estate

The residential property market constitutes almost 75% of the real estate market in India in terms of value. As per the Tenth Five Year Plan there is a shortage of 22.4 million dwelling units out of which more than 70% dwelling units are for middle and low income brackets. Additional requirement of housing per year during the plan period 2002-2007 has been estimated at 4.5 million units per year. The Indian Government's habitat policy envisages that by the year 2012 the housing shortage should be removed and everybody should have a house of his own. To meet this target the estimated investment involved is approx. Rs. 400,000 crores upto 2012.

The residential property market is growing all over the country. Increase in disposable incomes, a pro-housing tax regime, and low interest rates have served to generate more demand for mid and high-value apartments. According to a CRISIL Research, India's Home financing market is expected to grow by almost 30% this year resulting in more of the lower middle class population being able to buy houses. Due to the high demand of land across the country, residential prices are moving up, seeing peripheral metro locations on the rise because of the scarcity of land in central locations. So, development of planned satellite towns and suburbs is on the rise too. Besides, growth in IT and BPO sector in India would require investment of USD 25bn (Rs. 1,100 bn.) over the next five-year period (PWC estimates).

A significant aspect of the Indian residential real estate segment is that, compared to other countries India has a fairly low mortgage penetration (2% in India compared to 51% in USA), which is an indicator of huge potential for growth. There is also shortage for housing in India, which will lead to tremendous potential in that segment too.

3. Retail Real Estate

This growth of the retail industry is credited to the increasing urban population, and the increase in the middle class population. The social factors like the dual household income culture has enhanced the spending power and these spends have moved into more lifestyle products and esteem enhancing services. The media and the advertising world have played a pivotal role in increasing consumption and altering the mix of consumption. The lifestyle shift has resulted in development of the international formats in retailing suited to Indian conditions. The most prominent has been the emergence of malls, which not only fulfill the shopping requirement of the customers but also provide them with a shopping experience.

A growth in consumption levels, changing lifestyles, the availability of quality real estate and significant investments in malls are expected to result in an increase in the size of the organized retail business in India. The organized retail market in India is expected to increase its share of the total retail market from 2% as of 2004 to reach 5-6% by 2007. (Source: BW Marketing Whitebook, 2005)

The number of malls in India is expected to increase from approximately 50 as of the end of 2004 to around 250 by the end of 2006. (Source: BW Marketing Whitebook, 2005, attributed to KSA Technopark)

MAIN CHARACTERISTICS OF THE INDIAN REAL ESTATE SECTOR

The Indian real estate market is still in its infancy, largely unorganized and dominated by a large number of small players, with very few corporates or large players having national presence. The Indian real estate market, as compared to the other more developed Asian and Western markets is characterized by smaller size and higher prices.

1. Highly fragmented market dominated by regional players

Rapid growth in the last decade has seen the emergence of larger players that have differentiated themselves through superior execution and branding. The larger players are able to capitalize on their early mover advantage. However, these players continue to operate in local/regional markets. While these players are now initiating efforts to develop a broader presence, their 'home' markets continue to support the majority of their profitability.

2. Local know-how critical success factor in the development phase

One of the key reasons for emergence of local leaders is the criticality of local know how and relationships in ensuring successful and timely development. Each development is dependent on a number of local clearances (e.g. municipal corporation, water, electricity) that requires strong experience and relationships.

3. High transaction costs and significant cash transactions

The sector has been burdened with high transaction cost in the form of stamp duty that varies across the country (state-wise). These transaction costs have resulted in poor liquidity in this market. These transaction costs have led to significant cash transactions to reduce the stamp duty burden.

4. Residential development largely financed through mortgage loans

Most developers use mortgage for their residential projects. Apart for mortgages, the other key sources of funding are through high net worth individuals and large property brokers.

FOREIGN DIRECT INVESTMENT IN REAL ESTATE

In March 2005, Government has permitted Foreign Direct Investment (FDI) under automatic route in real estate sector. This will help to organise the real estate sector, bridge demand and supply gap, create more professionalism, bring superior technology, induce healthy competition and ensure availability of funds. This will help growth of country's GDP. A large number of companies are looking at the opportunity to invest in India. Some of the foreign players who have already tied up with Indian developers are Lee Kim Tah Holdings, CESMA International Pvt. Ltd., Evan Kim, Keppel Land from Singapore, Salim group from Indonesia, Edaw Ltd. From USA, Emaar from Dubai, IJM, Ho Hup Construction Co. from Malaysia, etc.

A number of real estate venture capital funds are looking at opportunities in India. Some private funds have applied to SEBI for approval and few of them have already received the approval and started investing in real estate. This will ensue more availability of funds to the developers and faster growth of real estate sectors. Some examples are HDFC Real Estate Fund, ICICI - Tishman Speyer, Ascends India IT Park Fund, Kotak Mahindra Realty Fund, Kshitij Venture Fund, IDFC, Edelweiss Capital, etc.

OUTLOOK OF HOUSING SEGMENT

In today's scenario the real estate sector is seeing a giant leap in terms of both new real estate development and the need for quality housing. In view of the large-scale development across the all major cities of the country, the real estate sector is in a prime position among various segments of the economy. The metros and mini metros are fast making a transition from old cities into new age business destinations and this has been brought about by factors such as population growth, growth of industries and the overall increasing economic growth that the country has seen.

Housing and construction activity assumed predominance, particularly since 1980. Many townships have come up in the last decade. There is always unfulfilled demand for housing as it is one of the basic needs of ever increasing population of our country. High rate of population has also resulted in the growth of high-rise buildings as the cost of land is ever increasing.

One of the major price drivers is the rising income of professionals and businessmen. The high-income group is now graduating to luxury and super-luxury apartments of Rs. 1 crore plus. 'Live it up today' is no longer restricted to the IT class. More and

more professionals look forward to a lifestyle of luxury that includes a swimming pool for each apartment, energy saving devices, high-end security systems, centralised and fully air-conditioned spaces, et al. The high prices have had a domino effect with relatively lower end properties also being priced more than their worth. Since the professional class is also growing and willing to pay for facilities, prices in Pune are expected to rise continuously.

Another driver of prices is the switchover of the middle-class from the leasing option to the purchase option. More and more buyers are coming forward with open minds and purchasing what ever suits them or fits them best. Once they find a property of their choice, they are willing to pay a premium on it if required. Mumbai is more prone to this because of huge commuting distances in the North-South corridor.

The demand momentum is likely to be maintained due to the increasing middle class families, large student community influx and the growing IT & BPO industry. Prices across the metros & mini metros are likely to continue to maintain a steady increase due to the large-scale imbalance in the demand: supply ratio.

REAL ESTATE SCENARIO IN COMPANY'S PRESENT TARGET MARKET

1. Pune :

Source: 1) The Economic Times, Pune Edition dated 08/01/2006.

2) India Property Investment Review - Quarter 4 2005- Knight Frank

3) Outlook Money dated 30/10/2005

The Company has completed many residential buildings in Pune and continues to concentrate here. There is a great demand for Office Space also in this city. Over the past 2-3 years, Pune has emerged as major Tag II city for locating I T and ITES operations. About 75% of the total commercial space in Pune is occupied by these sectors. Because of this more and more white collar workers are employed who look for buying / renting residential properties. This provides good opportunity for residential and commercial developers a good opportunity.

A fast increasing population base, currently standing at 4.5 mn. and growing urbanization makes Pune a Lucrative Market.

2. Mumbai :

Source: 1) India Property Investment Review - Quarter 4 2005- Knight Frank

2) Outlook Money dated 30/10/2005

The Mumbai real estate scenario has been reflective of the burgeoning real estate sector of India. Mumbai is a mature demand led market. More and more residential construction activity is going on in Navi Mumbai since the prices seem to be somewhat affordable.

The influx into Mumbai city is steady. Together with growing internal population supply of residential property will try to match the demand.

3. Bangalore :

Source: 1) India Property Investment Review - Quarter 4 2005- Knight Frank

2) Outlook Money dated 31.10.2005.

In Bangalore, the IT and ITES sector continues to dominate all major commercial space transactions in the market. Backed by the technology sector, the demand for large floor spaces (20,000 sq. ft. - 50,000 sq. ft.) has characterized major transactions in the city. Additionally built-to-suit developments (Symphony 150,000 Esq., Manhattan Associates 80,000 Sq. Ft.) have also kept pace in the commercial real estate market in Bangalore.

According to industry reports, approximately 8 mn. sq. ft. of space is under-construction in suburban and peripheral areas of Bangalore out of which about 3.5 mn. sq. ft. is pre-committed. This indicates good opportunity for HNIs & Housing Finance Companies (HFCs) looking at investments in Bangalore. Also, to cater to the scaling-up demand of IT/ ITES corporates, the existing private IT parks in the city are adding new blocks in their campuses.

Though the yields in the Bangalore real estate investment market have reduced in the past two years from about 14% to about 11% currently, the buoyancy in the market and the declining vacancy rates lend optimism to the market. The UKN Group has also sold 25,000 sq. ft. of IT space in the Sigma Tech Park, Varthur and 75,000 sq. ft. of IT space in their new Sigma Grand Tech Park located on the Outer Ring Road. Sigma Grand is a mixed-use development comprising retail, commercial and IT space as well as a hotel. The approximate value of these two purchases is estimated to be Rs. 27 crores (\$6.2 million). In another investment deal, Wyse Technologies has invested in 24,000 sq. ft. of warm shell space in Sigma Softech Park, Whitefield at about Rs.43/sq.ft. per month, yielding a return of about 10.75% p.a. There have been few other investment transactions by HNIs who have been purchasing pre-leased properties in IT facilities. Typical sizes of such transactions are between 2,500-10,000 sq. ft. and the returns currently prevailing are in the range of 9-12 % p.a.

2. BUSINESS OVERVIEW

The basic needs of every human being are food, shelter and clothes. The problem of food and clothes are already solved to some extent by modern methods and improved technology. Therefore, the order of priority now would be Shelter, food and clothes.

From a modest beginning with the Tele-smell services to becoming India's 2nd fastest growing construction company (as per the NICMAR Construction World survey, 2004), the DSK Group has come a long way. Twenty Five years ago when the foundation stone was laid for the first pilot housing project in Pune, DSK Group stepped into the world of real estate development and as the cliché goes they have never looked back from there. Over 25 successful years of business DSK Group have many projects to its credit.

D. S. KULKARNI DEVELOPERS LTD., promoted by Mr. D. S. Kulkarni and associates has attained reputation for quality construction of housing projects in and around Pune and Mumbai.

The individual promoters have rich experience in the business of the development of property and construction.

The main reason for their success is the limitless trust reposed in the DSK Group by the people, which is the source of the Company's strength. The progress of the group is steady. The group has constructed over 15000 tenements, approximately 1,25,00,000 sq. ft. and has won the customers, trust and has lived upto its reputation as **GHARALA GHARPAN DENARI MANAS i.e. GIVING PEOPLE A HOMELY ENVIRONMENT.**

Quality, Punctuality in giving possession of the tenements, proper guidance to customers and foresight in selection of land for projects are the basic parameters to get success in housing industry.

At the time of construction, utmost care is taken for quality at every stage of construction; experts supervise each stage, which enables the Company to make corrections if any. After completion of the project, the Company keeps the project open for inspection of buyers and request them to give suggestions regarding faults, quality and appearance of the construction. The Company gives free maintenance of the structure for 3 years after the completion of the project.

The Company has a policy to hand over the possession at the committed time.

PROCESS OF BUSINESS

The company is mainly engaged in property development which includes location identification, site selection, land acquisition, planning out sourcing construction activity, marketing and formation of housing co-operative society.

The business process contains the following stages:

1. Location short listing
2. Site / Land identification
3. Price negotiation with vendor
4. Legal due diligence
5. Execution of development agreement/POA/Sale Deed.
6. Selection of Architects
7. Approval of Drawings
8. Statutory clearances
9. Selection and appointment of Sub-Contractors
10. Project planning & monitoring
11. Project marketing
12. Handing over and formation of housing society
13. After Sales Service

Location Short listing:

Identification of the location is the key to the success to the development. The Company mainly targets MIG/LIG group . The MIG/LIG group is mainly white collar, middle class workers who migrate to a town where there is a good employment potential and living conditions. The Company has found over the years that, these are the areas where development takes place fast and the market is a growing one for housing construction. The Company's corporate planning team gathers data on various towns and cities where there is a migration of its targeted group. Thus the location is short-listed.

Land Identification

Once the location is identified, the corporate planning team collects the town-planning map wherein the details of the land as industrial, agricultural, residential, etc. are available. From the town planning map, areas are selected and the corporate planning team takes the assistance of the local brokers for selection of the site. The corporate planning team headed by Shri D.S. Kulkarni visits the site, make a study of the land, surroundings, environment and also hold informal meetings with the local residents to collect information on any disputes which may not be available on paper. The availability of infrastructure facilities like market place, schools, hospitals etc. are also looked into. After this exercise, an architect report is obtained wherein the details of various statutory approvals that are to be obtained, soil quality, water availability, etc. are indicated.

Price negotiation with vendor

Once the architect's satisfactory report is obtained, the site is considered to be fit for development. The landowners are called for price negotiation. The Company works out the land cost based on the selling price of apartment in the area, adjusted for construction cost, marketing cost and finance cost and states the bench mark figure above which prices are not negotiated. If the Company decides to buy the land from vendor on an outright purchase basis the entire payment will be paid to the vendor / landlord. But if the Company gets only development rights from the landlord then payment will be made as per the terms & conditions of the development agreement. In such cases the Company gets a power of attorney in its favour authorising it to develop, mortgage and sell the property.

Legal Due Diligence

The company's legal department makes a 30 years search in the Land Record Office to know the subsisting encumbrance (called 7 /12 extract) and ensures that the vendor has clear marketable title to the property.

Execution of Power of Attorney and Development Agreement / Sale Deed

Once the prices are negotiated, and preliminary legal clearance is given by the Company's legal department an MOU (Memorandum of Understanding) is entered between the Company & owners after paying a token advance to the owner. On receipt of the advance money the owner agrees to enter into development agreement with the Company, which is subject to totally clear legal title. Thereafter, the legal scrutiny of the documents is taken up. Upon the receipt of the legal report the Company enters into a development agreement and also takes a Power of Attorney in its favour authorising the company to mortgage sell or develop the property.

Selection of Architects

As soon as the development agreement is executed and Power of Attorney is obtained, the architect is selected. For this purpose, The Company identifies architects who are well known in the city where the property is developed.

Approval of Drawings

The architect selected is entrusted with the assignment of preparing the primary drawings for discussions. The primary drawings are evaluated and discussed in a general meeting with the Engineering Department, Planning Department, Marketing Department and Maintenance Department, so that, the plans are evaluated from the angle of cost and market acceptability.

After discussion the architects incorporate all the agreed suggestions and modifications and submit revised drawings which are deliberated upon for all minor details. Upon approval of the revised drawings, the architect prepares 3 sets of drawings as under:

- i). Working drawing for execution
- ii). Marketing drawing for sales
- iii). Drawings for the approval by legal authorities /Statutory Authorities

Statutory Clearances

Various statutory clearances are obtained for each project. The details of various clearances required are mentioned in the section titled 'Government Approvals' beginning on page no. 130 of this Offer Document.

Selection and Appointment of sub-contractors

The Company has a list of sub-contractors for RCC, painting, electricity, environment, landscape, etc. The Company as a matter of policy adopts the labour contract model retaining within its scope the supply of the materials so that, quality is ensured.

Project Planning & Monitoring

While the statutory approvals/sanctions are in the process and the sub-contractors appointed, the company makes a budget based on a special software developed in-house. This contains the following:

- i) Budget of materials with all tolerances
- ii) Pert Chart for execution
- iii) Finance/quantitative budgets
- iv) Daily reporting format from the site

The Projects are monitored by Chief Technical Officer (CTO) assisted by Vice President - Budgeting & Estimation, General Manager - (Materials) on a day-to-day basis to ensure timely supply of materials, proper usage of the materials and progress of work as per the project schedule.

Project Marketing:

The Company has set apart a portion of its revenue for corporate image building by means of Advertisements in Television, News Paper and other local media. Project wise marketing is also undertaken by the Marketing Department headed by Vice President - Marketing. The Marketing Department organizes exhibition, newspaper advertisements, telemedia, radio, e-mail particularly giving the details of the new project, early bird incentive, etc.

The Company has direct sales association with ICICI Bank for Loan Tie-Up. DSK has the unique method of calling all the owners for the "Bhoomi Pooja " as well as arranging for atleast 4 trips during the construction period. During these visits the marketing team and the project execution team answers all the questions raised by the owners.

Handing over and formation of Housing Society:

The Company has a record of completing the projects ahead of schedule. During the Bhoomi Pooja day, Shri D.S. Kulkarni, the Chairman and Managing Director makes announcement that the project would get completed by a specific time failing which the company will pay compensation of Rs.10000/- per month for the delay to the owners.

Normally, within 3 months the Company forms a Housing Society and conveys the ownership of the apartments to the said Society under the provisions of the Maharashtra Co-Operative Societies Act, 1960.

After sales service

The Company provides free after sales service for a period of three years to the property constructed by the company.

RAW MATERIALS

The major inputs are building materials like cement, steel, sand, bricks etc. required for the Company's construction activity, are freely available, in India. The Company foresees no difficulty in the near future in procuring the needed raw materials.

PLANT & MACHINERY

The cost of plant and machinery required for construction purpose is insignificant compared to the cost of the project. On all projects under construction, the Company has already deployed adequate machinery and centering equipments. In addition to this, Company's offices are equipped with computers for accounting, designing, estimation and management of projects.

The additional requirement for plant and machinery would be met by the Company depending upon the size of the projects and the needs.

TECHNICAL KNOWHOW

The Promoters themselves are well experienced in this line of activity and hence do not need any technical collaboration. The Company has in its rolls well qualified and experienced persons to take care of all aspects.

UTILITY

Power: Power sanction from the Maharashtra State Electricity Board taken by the Company as and when the projects for specific locations are taken up.

Water: To meet the water requirements, Corporation water is available in plenty at construction sites. Also whenever possible, tube wells are dug at respective construction sites.

Management: The Company employs its own personnel for all activities related to property identification, planning, construction, sales and administration of Project.

DETAILS OF PROJECTS COMPLETED BY THE COMPANY

Suryalok Nagari is a residential-cum-commercial project of 1,00,000-sq. ft. opposite the Kirloskar Pneumatic factory in Hadapsar and was successfully completed in 1992.

Haryali is located in the lush green area of Modibaug, Ganeshkhind Road, Shivajinagar, Pune with built up area of 30,000 sq. ft.

DSK Vasundhara is a residential project, completed in 1994 and with a built up area of 60,000 sq. ft. located near Bharati Vidyapeeth in the prominent location of Katraj

DSK Vasundhara Phase II is a residential project located at Bharati Vidyapeeth, at Katraj with a built up area of 28,000 sq. ft.

DSK Sushila Nagari is a residential project of 80,000 sq. ft. completed in 1999 and is located in the prime area off Karve Road at Nav Sahyadri and surrounded by essential services for the family

DSK Raanwara is located in a picturesque locale of Bavdhan and is an expansive residential-cum-commercial project of 4,00,000 sq. ft. completed in 1999. It has everything essential for a good life and is indeed a city within the city. A unique feature of this scheme is solar energy system

DSK Vasant Vaibhav is a residential project at Pune's one of the most esteemed location, Model Colony; Shivajinagar. This project also has super luxurious duplex penthouses

DSK Chintamani, in Shaniwar Peth, near Appa Balwant Chowk is a prime residential-cum-commercial project located at the heart of the Pune city and offer smart connectivity to the other city areas.

Sawai Gandahrav Smarak, a musical academy of international standards is one of the company's landmark projects, located at Shivaji Nagar, Ganeshkhind Road of 50,000 sq. ft.

DSK Gandharva Heights is a purely commercial complex, located at Shivajinagar, off Ganeshkhind Road of 35,000 sq. ft. and is apt to ensure business success with a plush corporate ambience.

DSK Chandradeep, at Mukundnagar near Kirloskar press, is a luxurious project of 2,60,000 sq. ft. located in the heart of the city and offer smart connectivity to the essential services.

Gurudatta Sahawas is a residential-cum-commercial project of 2,50,000 sq. ft. located in the prime area of Shaniwar Peth, Pune. An ideal location to provide perfect visibility & ample avenues of growth of the corporates.

DSK Nikhil is a 20,000 sq. ft. residential project of 2 BHK luxurious apartments completed in the year 2000. It is located in the convenient area of Gultekadi.

DSK Sanjeevani is a prime project of luxurious apartments of about of 35,000 sq. ft. completed in 2000 at Pune.

DSK Saraswati is a residential project completed in 2001 of 75,000 sq. ft. located at a prime location of Malad East, Mumbai and known specially for its beautifully decorated entrance lobbies.

DSK Akashganga is a residential of 2,00,000 sq. ft. project completed in 2003, located in the plush area of Aundh, Pune where modern lifestyles meet peaceful surroundings.

DSK Seniorita is a 20,000 sq. ft. project of designer & spacious row houses completed in 2005 at Pune.

DSK Vishwa is a landmark residential-cum-commercial project having all the options like Bungalows, Row houses, Apartments, Villas which will cover 30,000 population in the township. This project is well known for its picturesque surroundings & self sufficient township lifestyle. Features and amenities like Nature Park, Amphi Theatre, Shopping Mall, Rain water harvesting, an ICSE school, there's hardly a project in Pune that can truly claim to be a world within itself.

DSK Trilok situated in the heart of Dadar, is an extremely coveted and unique residential skyscraper of 32,000 sq. ft.

DSK Harita is a well-planned, economy project at Kandivli, Mumbai having 1 & 2 BHK apartments.

PROJECTS CURRENTLY UNDER CONSTRUCTION

DSK Vishwa IT Park: The project is situated at DSK Vishwa, Pune near Mumbai-Bangalore bypass highway. Because of locational advantages and easy connectivity the area is under fast development. All civic amenities are already in existence at the site.

DSK Garden Enclave: The Company has commenced a project at Kondhwa, near NIBM, located in Southern part of Pune City and is extension of Pune Camp area. All essential amenities like school, shopping malls, hospitals, etc. are within the 5 minutes reach from the site

DSK Madhuban The Company has started DSK Madhuban project at Andheri Kurla Road, Mumbai, one of the fastest growing Western sub-urban area of Mumbai City. The site is close to International airport and is easily accessible by Western Express Highway and Andheri railway station.



DSK Vishwa Ph. IV - Saptasur: The company is setting up above project at Pune Sinhgad Road, near Khadakwasla Dam. The site is at a distance of about 9 km from Deccan Gymkhana. The location of the site is surrounded by hill area

DSK Sayantara: The site of the project is adjoining DSK Vishwa project at Pune- Sinhgad Road. The location and topography of the site adds to the natural beauty to the project land.

DSK Sundarban: This project is towards Eastern part of the Pune city. This area is coming up as IT hub. All civic amenities are readily available in the vicinity

DSK Rohan: The project is located in Model Colony at prime location in Shivajinagar area. The land is surrounded by fully developed area in Pune city

DSK Frangipani: This is a high style project of 3 & 4 BHK apartments and penthouses having all the top class amenities like Swimming Pool, Jacuzzi, Sauna, Gymnasium, Club house etc. at Sadhu Vaswani Chowk, near Camp, Pune.

Strengths

1. Experienced promoters with proven track record
2. The company has been carrying on business as Developers in housing industry since 1991 in Pune/Mumbai and has successfully completed 23 projects.
3. Profit making company since its incorporation.
4. Dividend paying company since last three years.
5. The Company's business focuses on middle-income group housing projects, which has high selling potential.
6. The Company is backed by technically competent and professional team of 40 skilled people and 160 semi skilled people.
7. Assured and commenced business with the company with 39 lacs sq. ft. of projects in its hand. The aggregate cost of the ongoing projects is Rs. 55523 lacs.

VARIOUS AWARDS RECEIVED BY THE COMPANY/PROMOTERS

- HIND RATAN Sword award conferred on Shri. D. S. Kulkarni at Bahrain. Entrepreneurs' International Award.
- Accredited with ISO 9001 Certification for "Quality Management System of D. S. Kulkarni Developers Limited for Construction of Residential & Commercial Buildings (Including Design and Development). Development and Sale of Plots".
- Certificate of Appreciation for DSKDL's services to Housing at Pune dated 7.10.2005 from HDFC.
- National Institute of Construction Management and Research (NICMAR) Certificate of merit for 'the Fastest Growing Construction Company - 2nd Rank' dated 26.10.2004
- Builders Association of India, Pune Centre has presented a citation to DSKDL for DSK Toyota's 3'S Facility, Pune, Industrial Building for their achievement in quality, speed and economy in construction on 19.11.2000.
- Best Project award to DSK Ranwara project at Pune by Architects, Engineers and Surveyors Association of Pune.

BRIEF FINANCIAL HIGHLIGHTS OF THE COMPANY

(Rs. in lacs)

Year	Tangible Networth	Total Sales	Gross Earnings	Net Profit/ Loss	Dividend Paid (%)	No. of Employees
1994-95	1018.78	1461.19	22.81	18.56	-	14
1995-96	1048.69	2063.90	39.21	28.72	-	20
1996-97	1053.53	860.00	113.50	104.30	10%	27
1997-98	1083.32	2569.73	167.13	150.13	10%	28
1998-99	1352.37	3739.97	192.99	168.99	-	33
1999-00	1553.87	3497.64	228.62	203.62	-	54
2000-01	1787.22	3716.40	255.32	232.32	-	48
2001-02	1803.90	3023.29	118.21	286.98	-	56
2002-03	1857.09	4958.93	150.77	142.48	7%	64
2003-04	1911.14	5124.78	152.91	148.09	7%	86
2004-05	2187.79	5360.34	392.31	367.56	7%	113

INSURANCE

The company insures its projects and other assets. The Company has taken the following insurance policies for its various projects

S. No.	Name of Project	Name of Insurance Co.	Policy Period	Insured Amount (Rs.)
1	DSK Sayantara	The New India Assurance Co. Ltd. (New India)	26/08/2005 to 25/08/2006	15,006,000
2	DSK Madhuban	New India	07/04/2005 to 06/04/2006 05/01/2006 to 04/01/2007	66,228,000 52,975,610
3	DSK Sayantara	New India	13/03/2005 to 17/03/2006	10,500,000
4	DSK Sundarban	New India	05/01/2006 to 04/01/2007	66,357,300
5	DSK Rohan	New India	05/01/2006 to 04/01/2007	25,578,500
6	DSK Saptasur	New India	07/01/2006 to 06/01/2007	78,500,000
7	DSK IT Park	Construction not started hence policy not obtained	N.A.	N.A.
8	DSK Project Bangalore	Construction not started hence policy not obtained	N.A.	N.A.
9	DSK Vishwa V, VI, VII	Construction not started hence policy not obtained	N.A.	N.A.
10	DSK Garden Enclave	Construction not started hence policy not obtained	N.A.	N.A.

Purchase of Property

The company does not own any immovable property under its fixed assets and does not plan to purchase any property out of the Issue proceeds. The Company is having its Registered office in Pune, which is on a lease for a period of 11 months and is renewed every year. The company is having the lease agreement with D. S. Kulkarni & Company, one of its associate concerns and is paying a monthly rental of Rs. 9,000.

3. REGULATIONS AND POLICIES

There are no specific regulations in India governing the real estate industry. Set for the below are certain significant legislation and regulations that generally govern this industry in India:

General

The Company is engaged in the business of real estate development. The Company undertakes construction by sub-contracting all the activities. Thus most of the legal requirements are taken care by such sub contractors. For the purpose of executing the work, the company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant state and/or local governing bodies like Municipal Corporations, Fire Department, Environmental Department, etc. For details of such approvals please see " Government and Other Approvals" on page 130 of this Prospectus.

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

- a) The Act applies all over the Maharashtra State.
- b) Provisions of the Act apply to Promoter/Developer who intends to construct a block or building of flats on ownership basis.
- c) The Act prescribes general liabilities of Promoter and provisions.
- d) Under the rules, model form of Agreement to be entered between Promoter and Flat Purchasers is given.
- e) Under the Act promoter is required to enter into a written Agreement for sale of flat with each flat purchaser who purchases flats and the agreement contains prescribed particulars with relevant copies of documents and these agreements are required to be registered compulsorily.

The Bombay Stamp Act, 1958.

- a) Development Agreement: under the Act 1% Stamp Duty on consideration/Market value whichever is more is payable.
- b) Power of Attorney: if stamp is paid, as above, on development agreement then stamp duty payable is only Rs. 200/-
- c) Agreement with flat owners: Concessional stamp duty is provided for residential units and stamp duty on commercial units is reduced to 5% which was earlier 10%

The Maharashtra Value Added Tax Act, 2002

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

Income Tax Act, 1961

As per section 80 IB (10) if an undertaking is developing and building housing projects approved before 31st March 2007 by a local authority then there is a 100% deduction from the profit derived from such housing projects provided the size of plot of land has a minimum area of 1Acre.

CONSTRUCTION BUSINESS

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

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

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

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

Building and Other Construction Workers' Welfare Cess Act, 1996

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

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") has been enacted to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour.

The CLRA vests the responsibility on principal employer of an establishment to make an application to the registered officer in the prescribed manner for registration of the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a licence and not to undertake or execute any work through contract labour except under and in accordance with the license issued.

To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

Employee State Insurance Act, 1948

The Employee State Insurance Act, 1948 ("ESIA") aims to provide benefits for employees or their beneficiaries in case of sickness, maternity, disablement and employment injury and to make provision for the same.

Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed in the ESI Act. Under the ESIA every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto Rs. 6,500 per month is entitled to be insured.

The ESIA contemplates a contribution payable by the principal employer in the first instance and contribution payable by the employee in respect of an employee to the Employee State Insurance Corporation. The ESIA further states that a principal employer, who has paid contribution in respect of an employee employed by or through an immediate employer, shall be entitled to recover the amount of the contribution so paid from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.

Payment of Wages Act, 1936

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

Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 ("Standing Orders Act") aims to require employers in industrial establishments which employs 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen.

The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing order proposed by him in the prescribed manner. However until the draft standing orders are certified the prescribed standing orders given in the Standing Orders Act must be so followed.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("MWA") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA.

Workmen's Compensation Act, 1923:

The Workmen's Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment by certain classes of employers to their workmen or their survivors compensation for industrial accidents and occupational diseases resulting in death or disablement.

The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 ("PGA") was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

- a. on his/her Superannuation;
- b. on his/her retirement or resignation;
- c. on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

Payment of Bonus Act, 1965

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

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments.

The EPFA empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit-linked Insurance Scheme" and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. The EPFA also prescribes that contributions to the provident fund are to be made by the employer and the employee.

REGULATION OF FOREIGN INVESTMENT**Foreign Ownership**

Subject to certain conditions and guidelines, the Economic Policy and FEMA permit up to 100% foreign direct investment in development of townships, infrastructure and development projects which include construction of houses, commercial, premises, hotels, resort, hospitals, educational institutions, recreational facilities and city and regional level infrastructure.

Investment by Foreign Institutional Investors

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

Ownership restrictions of FIIs

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

4. HISTORY OF THE COMPANY

D. S. KULKARNI DEVELOPERS LTD. a Public Limited Company promoted by Shri D.S. Kulkarni and his associates, was incorporated on 20.09.1991 with its Registered Office at 1187/60, Jangali Maharaj Road, Shivajinagar, Pune 411 005.

The object of the Company is to manage, improve, develop, hold or acquire by purchase, lease, exchange or otherwise and to sell, alienate, dispose of Land deal in India or abroad in flats, housing and commercial projects, garages, halls, godowns, mills, tenaments, factories, chawls, dwelling houses or other landed properties of any tenure or description and any estate or interest therein or rights connected therewith and to turn the same to accounts as may be expedient and in particular by laying out and preparing building sites by planting paring, drawing and cultivating land and by demolishing, constructing, altering, improving, decorating, furnishing maintaining, administering, equipping the same and to do various types of construction of buildings, houses, garages, halls, flats, office premises, shops, residential accommodations, Cinema Halls, restaurants, hotels, clubs, godowns, warehouses, mills, factories, chawls, dwelling houses, bridges, dams, off-shore platforms, canals, reservoirs, irrigations , reclamation's, embarkments, roads, trades, highways, tunnels, ropeways or other landed properties and construction toils, works and convenience of all kinds by consolidating, connecting and sub-dividing properties by leasing or otherwise and disposing the same.

During April-1993 the Company made a Public Issue and offered to public 36,00,000 Equity Shares of Rs. 10/- each for cash at par aggregating to Rs. 3.60 Crores.

Over the past 15 years the Company has been driven by the motto of customer satisfaction in every aspect of their business. The Company was rated as 2nd fastest growing construction company in India in 2004 by National Institute of Construction Management and Research (NICMAR).

The Company declares the date of possession at the time of Bhoomi Pujan (ground breaking ceremony) and has been able to maintain the commitment so far. The Company has taken its construction expertise from Pune & Mumbai to Bangalore.

The Company has successfully completed following projects :

No.	Project Name	Type of Project	City	Year of Completion
1	Suryaloknagari	Residential & Commercial	Pune	1992
2	Gurudatta Sahawas	Residential & Commercial	Pune	1992
3	Dnyaneshwar Nagari	Residential	Pune	1992
4	Hariyali Apartments	Residential	Pune	1993
5	Vasundhara	Residential	Pune	1994
6	Durganagari	Residential Plots	Pune	1995
7	DSK Nikhil	Residential	Pune	2000
8	DSK Nishigandh	Residential	Pune	2000
9	DSK Vasant-Vaibhav	Residential	Pune	2000
10	DSK Chandradeep	Residential	Pune	2001
11	DSK Chintamani	Residential & Commercial	Pune	2001
12	DSK Sanjivani	Residential	Pune	2000
13	DSK Saraswati	Residential	Mumbai	2001
14	DSK Trilok	Residential	Mumbai	2001
15	Raanwara Ph-I & II	Residential & Commercial	Pune	2001
16	Sushilanagari	Residential	Pune	2001
17	Gandharva Heights	Commercial	Pune	2001
18	Akashganga	Residential	Pune	2003
19	DSK Vishwa -Ph-I	Residential & Commercial	Pune	2002
20	DSK Vishwa Ph -III	Residential & Commercial	Pune	2004
21	Senorita	Row Houses	Pune	2005
22	Shrushti	Bungalow Plots	Pune	2005
23	Indradhanu	Bungalow Plots	Pune	2005

MAIN OBJECTS OF THE COMPANY

The main objects of the Company as set forth in its Memorandum of Association, inter alia, are:

To manage, improve, develop, hold or acquire by purchase, lease, exchange or otherwise and to sell, alienate, dispose of lands, estates, buildings, easements, hereditaments, flats, garages, houses, halls, godowns, mills, tenements, factories, chawls, dwelling houses or other landed properties of any tenure or description and any estate or interest therein or rights connected therewith and to turn the same to accounts as may be expedient and in particular by laying out and preparing building sites by planting, paving, draining and cultivating land and by demolishing, constructing, reconstructing, altering, improving, decorating, furnishing, maintaining, administering, equipping the same and to do various types of construction of buildings, houses, garages, halls, flats, office premises, shops, residential accommodation, cinema halls, restaurants, hotels, clubs, godowns, warehouses, mills, factories, chawls, dwelling houses, bridges, dams, offshore platforms, canals, reservoirs, irrigations, reclamations, embankment, roads, tracks, highways, tunnels, ropeways, or other landed properties and construction jobs, works, and convenience of all kinds by consolidating, connecting and subdividing properties by leasing or otherwise and disposing the same.

Changes in the Memorandum of the Company

Sr. No.	Date of AGM/EGM	Changes in the Memorandum
1	September 19, 1994	Increase in authorised capital from 650 lakhs comprising 6,50,00,000 Equity Shares of Rs. 10/-each to 1000 lakhs comprising 1,00,00,000 Equity Shares of Rs. 10/- each
2	September 28, 1998	Increase in authorised capital from Rs. 1000 lakhs comprising 1,00,00,000 Equity Shares of Rs. 10/- each to Rs.1100 lakhs consisting of 1,10,00,000 Equity shares of Rs. 10/- each
3	September 25, 1999	Insertion of new Clause No. 31A for Dematerialisation of Securities
4	September 05,2005	Increase in authorised capital from Rs. 1100 lakhs to 5000 lakhs comprising 5,00,00,000 Equity Shares of Rs. 10/- each.

SUBSIDIARIES OF THE COMPANY AND BUSINESS DETAILS

There are no Subsidiaries of the Company as on the date of filing this Offer Document.

5. MANAGEMENT OF THE COMPANY

Board of Directors

The following table sets forth details regarding the Board of Directors as of the date of filing the Offer Documents with SEBI.

S. No.	Name, Designation, Qualification & Address, Occupation	Age	Date of Joining the company as Director	Details of other directorships held
1	Shri Deepak S. Kulkarni Chairman and Managing Director 161/A, Plot No. 8, Modi Baug, Ganeshkhind Road, Shivajinagar, Pune - 411 005 Occupation: Business Executive	55	Since Incorporation	1. DSK Motors Ltd. 2. Hamlet Technology Valves & Fittings Pvt. Ltd. 3. Swagelok Technology Valves & Fittings Pvt. Ltd. 4. D. S. K. Chemicals Pvt. Ltd. 5. Ambiance Ventures Estates & Dev. Pvt. Ltd.
2	Shri Sanjay M. Deshpande Joint Managing Director Jui-501, Sushilanagari, Patwardhan Baug, Karvenagar, Pune - 411 052 Occupation: Business Executive	36	Since Incorporation	
3	Shri Vasant C. Joshi Independent Director Flat No. 1, Saraswati Vinayak, Paud Road, Pune - 411 029 Occupation: Management Consultant	73	9th April 1994	1. Medstream Pharmaceuticals (I) Pvt. Ltd. 2. G.D.A. Trustees & Consultancy Pvt. Ltd.
4	Dr. P. S. Palande Independent Director 1210/B. K. P. Kulkarni Road, Shivajinagar, Pune - 411 004 Occupation: IAS (Retired)	68	28th January 1999	1. Gujarat Petrosynthese Ltd. 2. Electronica Machine Tools Ltd. 3. Brihan Maharashtra Sugar Syndicate Ltd. 4. Bajaj Allianz Life Insurance Co. Ltd.
5	Shri M. K. P. Setty Independent Director 14-Bull Temple Road, Basavangudi, Bangalore - 560 004 Occupation: Industrialist	72	25th September 1992	1. Mysore Snack Foods Ltd. 2. The Mysore Vegetable Oil Products Ltd. 3. Bhoruka Aluminium Ltd. 4. Travel Air Pvt. Ltd. 5. Sai Ganesh Impex Continental Pvt. Ltd. 6. Wilworth Earthmovers Pvt. Ltd. 7. Wilway Engg. & Construction Pvt. Ltd. 8. Advaith Motors Pvt. Ltd. 9. Cauvery Motors Pvt. Ltd. 10. Garuda Autocraft Pvt. Ltd. 11. Lathangi Automobiles Pvt. Ltd. 12. Krishna Industries Pvt. Ltd. 13. Krishna Plastic Industries Pvt. Ltd. 14. Krishna Foods Pvt. Ltd.
6	Shri Vijay Dixit Independent Director 601, Sanjeevani, DSK Sushilanagari, Phase II, Karvenagar, Pune - 411 052 Occupation: Business Executive	69	26th September 2003	1. Ambiance Ventures Estate & Development Pvt. Ltd. 2. Sahil Resorts, Agrifields & Farms Private Ltd.
7	Shri T. K. K. Bhagavat Independent Director 4072, "Padma"30th Cross, BSK 2nd Stage, Bangalore - 560 070 Occupation: Ex- Banker	71	20th January 2004	1. Hexagon Capital Advisors Pvt. Ltd.

DETAILS OF DIRECTORS

Mr. D. S. Kulkarni, 55, is the CEO and Managing Director of the Company. In the year 1981 he entered the building & construction business and within a short span he made a special niche for the brand name DSK by completing highly successful & prestigious projects comprising about 12500 apartments in Pune and Mumbai. The sole objective of DSK is "to build homes rather than the mere houses & to excel on the firm foundation of trust & truth". The word DSK is synonymous with "TRUST" & "QUALITY" which is a very rare phenomenon in the Construction Industry. DSK's Quality, Customer's Faith, Customer friendliness as well as well planned Marketing Strategies have not only forced others to take a back seat but it has also created a benchmark for others in the construction industry. DSK has perhaps revolutionised the concept of selling homes.

Mr. S. M. Deshpande is a Joint Managing Director of the Company. He holds a bachelor's degree in Civil Engineering He has an experience in executing large-scale housing & commercial projects like DSK Raanwara with 600 hundred units & DSK Vishwa over 5000 units. He has a specialized experience in application of Environmental Conservation Techniques in housing industry. He has implemented many Eco friendly policies as well maximizing use of unconventional energy sources in the projects, such as Effluent Treatment plant in residential colony at DSK Raanwara, Central Solar Water Heating plants, applying various Rain Water Harvesting Techniques, introducing concept of Nature Parks at DSK Vishwa etc.

Mr. V. C. Joshi is an MA in Political Science from Bombay University and in Economics from Cambridge - UK and is also an Associate Member of the Institute of Bankers. He has worked in Bank of India from 1963 to 1989 and retired as its General Manager he was deputed as Director in National Insurance Academy for the period 1989-93. He has worked as a Senior Consultant for Financial Services with NIBM and also with Price Waterhouse. He was also a member of the following committees:

- Government of India Committee on Training for Bank Personnel.
- Committees on Information Technology for Banks.

He has been on the Company's Board since October 1993. He is also a member of the Audit Committee, Shareholders' Grievance Committee, Remuneration Committee, Staff Committee and Corporate Planning Committee of the Company.

Dr. P.S. Palande is an MA and PhD in Economics. He is a retired IAS Officer and has served the Government in various capacities, mainly in the Departments of Revenue, Industries & Labour and Urban Development and also in the Private sector.

He has been on the Company's Board since January 1999. He is also on the Board of the following public Limited Companies:

1. Gujarat Petrosynthese Limited
2. Electronica Machine Tools Limited
3. Bajaj Allianz Life Insurance Co. Limited
4. Brihan Maharashtra Sugar Syndicate Limited

He is also a member of the Audit Committee, Shareholders' Grievance Committee and Corporate Planning Committee of the Company.

Mr. M. K. Panduranga Setty is a Science graduate, underwent training in Switzerland and is a well-known industrialist who is associated with more than 15 Companies in such diverse fields as food processing, advertising, finance and automobiles. The Government of Karnataka State has conferred on him its highest honour - the Kannada Rajyotsava Award - in recognition of his services to Industry and Education. He is the President of a reputed Educational Trust, which runs 20 Institutions from Kindergarten to Post-graduation levels. He has been Member of the Bangalore University Senate. He has also served as a President of the Roller Flour Millers Federation of India for 2 terms. He has also served Bangalore Management Association as Secretary and President. He has also been the Vice President of Southern India Management Association.

Mr. Setty was invited to be a member of the Federation of Karnataka Chambers of Commerce and Industry of which he became the President during 1989. He is the only non-Government official to be invited by the Government of Karnataka to serve as Chairman of the Karnataka Industrial Investment Development Corporation Limited. He has also been serving on the Executive Committee of the Indo German Chamber of Commerce.

He has been on the Company's Board since 30th September 1993. He is also a member of the Audit Committee and Remuneration Committee of the Company. He is also on the Board of the Following other public limited companies.

1. Mysore Snack Foods Limited
2. The Mysore Vegetable Oil Products Limited
3. Bhoruka Aluminum Limited
4. Travel Air Private Limited
5. Sai Ganesh Impex Continental Private Limited

D. S. KULKARNI DEVELOPERS LIMITED



6. Wilworth Earthmovers Private Limited
7. Wilway Engg. & Construction Private Limited
8. Advait Motors Private Limited
9. Cauvery Motors Private Limited
10. Garuda Autocraft Private Limited
11. Krishna Industries Limited
12. Krishna Plastic Industries Limited
13. Krishna Foods Private Limited

He is also a Member of the Shareholders' Grievance Committee of Bhoruka Aluminium Limited.

Mr. Vijay Dixit was appointed as an Additional Director at the Board Meeting of the Company held on 26th September, 2003. Mr. Vijay Dixit holds a Masters Diploma in Automobile Engineering and has good experience in administration and management. He has also received several awards in motorcycle racing.

Mr. T. K. K. Bhagavat was appointed as an Additional Director at the Board Meeting of the Company held on 20th January, 2004. Mr. T.K.K. Bhagavat has 43 years experience in Banking Industry, which includes 25 years in Reserve Bank of India, 5 years in the International Monetary Fund and the rest in Commercial Banks like Exim Bank, Union Bank of India, Central Bank of India and Bihar State Financial Corporation. He was also Chairman & Managing Director of Indian Overseas Bank, Bank of Maharashtra and Vysya Bank and was advisor to various foreign government under the aegis of the International Monetary Fund and helped them design Banking supervision systems and Banking Legislation in countries like Ghana, Sierra Leone, Belarus and Uganda.

He is also on the Board of Hexagon Capital Advisors Private Limited

Date of expiration of the current terms of office of the present directors:

1. Mr. D. S. Kulkarni, Chairman & Managing Director - 30th September, 2006
2. Mr. Sanjay . Deshpande, Joint Managing Director - 30th September, 2010
3. Mr. V. C. Joshi, Director - retiring by rotation
4. Dr. P. S. Palande, Director - retiring by rotation
5. Mr. Vijay Dixit, Director - retiring by rotation
6. Mr. M. K. P. Setty, Director - retiring by rotation
7. Mr. T. K. K. Bhagavat, Director - retiring by rotation

Details of Borrowing Powers of Directors

Vide a resolution passed at the Annual General Meeting of the Company held on September 19, 1994, consent of the members of the Company was accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sum or sums of money which together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), upto a limit of Rs. 100 crores.

Considering plans of developing various properties and the funding requirement for the future projects, the Board passed a resolution at the Annual General Meeting of the Company held on September 05, 2005 increasing the said borrowing limit to Rs.1000 crores (Rupees One Thousand crores only). The borrowing limit shall not exceed in the aggregate Rs. 1000 crores at any one time irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Terms of Appointment of Chairman & Managing Director

Re-Appointment of Managing Director: 17th September 2002

The important terms and conditions of appointment and remuneration applicable to Mr. D. S. Kulkarni, as set out in the draft agreement effective from 1st October 2001 are as under:

- I. Mr. D. S. Kulkarni will be looking after the overall general working of the Company and such additional duties as may be assigned by the Board from time to time.
- II. Period of Agreement: 5 years i.e. 1st October 2001 to 30th September 2006

III. The remuneration and perquisites payable to Mr. D. S. Kulkarni, w.e.f. 1st October 2001 are as under:

1. Salary Rs. 50,000 /- per month, in the scale of Rs.50,000-5,000-65,000 with increments, at such intervals as the Board may decide from time to time.
2. House Rent Allowance: 30% of the salary per month.

Housing:

- a) In case of unfurnished accommodation, hired by the Company, such expenditure not exceeding 60% of the salary over and above 10% payable by the Chairman & Managing Director.
 - b) In case the Chairman & Managing Director is provided accommodation owned by the Company, 10% of the salary shall be deducted by the Company.
 - c) In case no accommodation is provided by the Company, the Chairman & Managing Director shall be entitled to House Rent Allowance subject to the ceiling laid down in (2) above.
3. Provident Fund: 12% of the salary per month.
 4. Superannuation: 15% of the salary per month.

The contributions at (3) and (4) above are subject to any change effected in the schemes / rules of the respective funds.

5. Car: Provision of Company's car with driver for both official and personal purpose of the Chairman & Managing Director.
6. Telephone: Provision of telephone at residence. Personal long distance calls shall be billed by the Company to the Chairman & Managing Director.
7. Perquisites: The perquisites shall be with an overall limit of Rs. 2.00 Lacs per annum. Such perquisites will include Leave Travel Assistance; Reimbursement of medical expenses; Club fees, subject to maximum of two clubs; Personal accident insurance, subject to annual premium and gas and electricity expenses.

Other Benefits

Gratuity: Benefits in accordance with the rules and regulations in force in the Company from time to time but shall not exceed a half month's salary for each completed year of service.

Pension: Benefits in accordance with the rules and regulations in force in the Company from time to time.

Leave: Leave on full pay and allowance at the rate of one month for every eleven months of service with liberty to accumulate such leave for a period of six months. Leave encashment for a maximum of eight months accumulated leave to be permitted at the end of the term, after obtaining such approvals as may be necessary.

Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company, from time to time. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time. The above remuneration as aforesaid to be allowed to the Chairman & Managing Director shall be subject to such limits for these remuneration as laid down by the Companies Act, 1956.

The scope and quantum of remuneration and perquisites specified herein above, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and / or the rules and regulations made thereunder and / or such guidelines as may be announced by the Central Government from time to time.

The Company shall pay to or reimburse the Chairman & Managing Director and he shall be entitled to be paid and or / to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

REMUNERATION OF DIRECTORS

Mr. Sanjay M. Deshpande, Joint Managing Director

In accordance with a resolution adopted at the Extra Ordinary Annual General Meeting held on December 23, Mr. Sanjay M. Deshpande has been appointed as the Joint Managing Director of the Company for a period of 5 years w.e.f. 1st October 2005 and his terms of remuneration was fixed for a period of 5 years. The Joint Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending the meeting of Board of Directors or Committees thereof.

The company shall pay to or reimburse the Joint Managing Directors and he shall be entitled to be paid and or / to be reimbursed by the Company all costs, charges, and expenses that may have been or may be incurred by him for the purpose of or on behalf of the company.

Compensation to Non-Executive Directors

The non-executive directors are paid no other remuneration apart from sitting fees for board meeting and committee meeting. The fee per meeting for board meeting and committee meeting was Rs. 500/-, which has been revised to Rs. 3000/- per board meeting and Rs. 3000 per committee meeting vide Board Resolution dated 22nd February 2005.

Payment or benefit to officers of the Company

Except as stated in this Offer Document, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the officers except the normal remuneration for services rendered as Directors, Officers, employees.

Term of Directors

Mr. D. S. Kulkarni and Mr. Sanjay M. Deshpande have been appointed as non-retiring directors. All other Directors are liable to retire by rotation and are eligible for reappointment in General Meeting subject to the approval of the shareholders in terms of Section 257 of the Companies Act, 1956.

Compliance with Corporate Governance requirements

D. S. Kulkarni Developers Ltd. is fully compliant with the code of Corporate Governance as prescribed by the Listing Agreement. The Company has complied with SEBI Guidelines in respect of Corporate Governance especially with respect to broad basing of Board, constituting the Committees such as Shareholders/Investor Grievance Committee, etc.

Independent Directors - At present, D. S. Kulkarni Developers Ltd. has seven directors out of which five are independent directors namely, Mr. V. C. Joshi, Mr. M. K. P. Setty, Dr. P. .S. Palande, Mr. Vijay Dixit & Mr. T. K. K. Bhagavat.

Audit Committee

The Board of Directors set up the Audit Committee on 21st October 2000. During the year under review, six meetings were held on 13th May 2004, 27th June 2004, 30th July 2004, 29th September 2004, 28th October 2004 and 28th January 2005. The audited annual accounting statements for the year 2003-04 were placed before the meeting held on 27th June 2004.

The Constitution of the Committee and the attendance of each member of the Committee are given below:

Name	Designation	Whole-time / Independent	Profession	Committee Meetings Attended
Mr. V. C. Joshi	Chairman	Independent Director	Management Consultant	6
Mr. P. S. Palande	Member	Independent Director	IAS (Retired)	5
Mr. M. K. P. Setty	Member	Independent Director	Industrialist	3

Terms of reference of the Audit Committee include a review of following

- Draft financial statements and auditor's report (before submission to the board)
- Accounting policies and practices.
- Internal control.
- Related party transactions
- Internal audit reports and adequacy of internal audit function
- Compliance with Statutory obligations.
- Compliance with Accounting Standards.

Remuneration Committee

The Board has constituted a Remuneration Committee on 30th January 2002, which looks into the remuneration to be paid to the Whole-time Directors. The following are the members of the committee.

The Constitution of the Committee and the attendance of each member of the Committee are given below:

Name	Designation	Whole-time / Independent	Profession	Committee Meetings Attended
Mr. D. S. Kulkarni	Chairman	Whole-time	Business	
Mr. M. K. P. Setty	Member	Independent	Business	
Mr. V. C. Joshi	Member	Independent	Management Consultant	

During the year, no meeting of the committee was held as there was no change in the existing remuneration paid to the Managing / Whole-time Directors.

Details of Remuneration to Directors for the year:

The aggregate value of salary and perquisites including commission paid for the year ended 31st March 2005 to the Managing/ Whole-time Directors is as follows:

Name	Designation	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. D. S. Kulkarni	Chairman & Managing Director	6,00,000	26,400	6,26,400
Mr. S. M. Deshpande	Joint Managing Director	4,20,000	26,400	4,46,400
Mr. V. P. Phadnis	Executive Director (Resigned on 31.12.2005)	3,00,000	26,400	3,26,400

Shareholders' Grievance Committee

The Board has constituted a 'Shareholders' Grievance Committee' on 30th January 2002, which looks into the shareholder grievances. The members of the committee are:

1. Mr. V. C. Joshi - Chairman
2. Mr. D. S. Kulkarni - Member
3. Mr. P. S. Palande - Member
4. Mr. Ashish M. Boradkar - Company Secretary & Compliance Officer

During the year ended 31st March 2005 the Company did not receive any complaints. As on 31st March 2005, no unresolved complaints or any share transfer proposals were pending.

Shareholding of Directors as on 31st December 2005

S. No.	Director	No. of Shares held in DSKDL
1.	Shri D. S. Kulkarni	4,23,880
2.	Shri V. C. Joshi	Nil
3.	Dr. P. S. Palande	Nil
4.	Shri Vijay Dixit	2,600
5.	Shri S. M. Deshpande	88,220
6.	Shri M. K. P. Setty	300
7.	Shri T. K.K. Bhagavat	Nil

Qualification Shares

A Director is not required to hold any shares in the Company to qualify for the office of a Director of the Company.

Interest of the Directors/Promoters

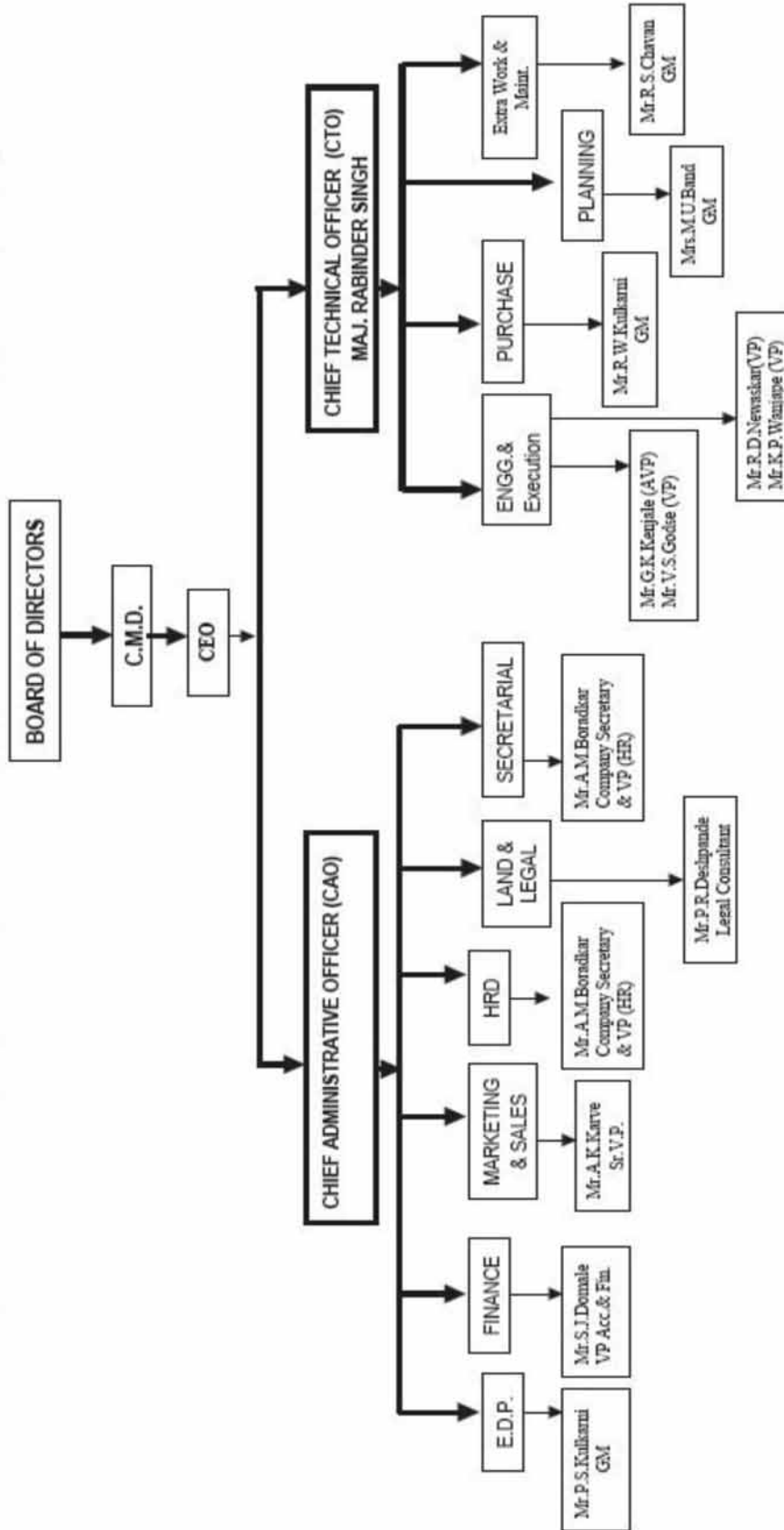
All the Directors/Promoters of the Company, apart from normal remuneration and other benefits including reimbursement of expenses incurred and their shareholding in the Company (including rights entitlement, if any) have no other interests in the Company except in respect of commercial transactions between the Company, its subsidiaries and other companies in which they are interested.

Changes in Directors in the last three years

Director	Date of Appointment	Date of Cessation	Reason
Mr. Vijay Dixit	26/09/2002	–	Appointed
Mr. T. K. K. Bhagavat	20/01/2004	–	Appointed
Dr. (Mrs.) Asha Bhatia	01/11/1994	05/12/2005	Ceased by operation of law under section 283(1)(g) of The Companies Act 1956
Mr. Vinay Phadnis	24/09/1991	31/12/2005	Ceased to be Director on personal grounds

Management Organisa

ORGANISATION CHART : D.S.KULKARNI DEVELOPERS LIMITED.



Details regarding Key Management Personnel

No.	Name, Age & Designation	Qualification	Previous Employment	Ind. Exp. Yrs.	Per. Exp. Yrs.	DSKDL Exp. Yrs.	Date of Joining	Remuneration (Rs lacs)*	Responsibilities
1	Deepak Sakharam Kulkarni, 55 years CMD	B. Com	Employed as CMD of the Company from the date of incorporation	N.A.	N.A.	9 yrs	01/10/2001	6	Total management and control of the company.
2	Sanjay Mohan Deshpande, 36 years Joint MD	B. E. (Civil)	N.A.	N.A.	N.A.	14 yrs	01/12/1990	4.2	Assisting CMD in operational matters.
3	Maj. Rabinder Singh, 57 years CTO	B. E. Civil	Aditya Birla Memorial Hospital - Pune	35 yrs	N.A.	0.02 yrs	20/12/2005	12	Planning, implementation Coordination of engg. Dept.
4	Anirudhha Karve, 41 years Sr. V. P. (Marketing)	B.com	Akshay Enterprises, Pune (India)	19 yrs.	3.10Yrs.	0.1 yrs	27/06/2005	4.2	Planning, Organizing Co-ordinating all marketing function
5	Vishwas Godse, 53 years V. P. (Engineering)	B.E. Civil	City Corporation Ltd.	7 yrs	23 yrs	0.2 yrs	15/06/2005	3	Incharge of Kondhava Site
6	Gajanan Kenjale, 45 years V. P. (Engineering)	D.C.E.	Associated Engineering Consultant, Pune	23Yrs.	1 Yr.	0.1 yrs	05/09/2005	3	Quality + Supporting to COO, Quantity & Estimation
7	Kedar Vanjape, 28 years V. P. (Engineering)	B.E (Ind.)	DSK Motors Ltd	5 yrs	NA	0.5 yrs	01/04/2005	3	Execution off - Site work
8	Prabhakar Lokhande, 51 years V. P. (Engineering)	D.C.E.	Kalpataru Group of Companies	14 yrs.	6Yrs.	7 yrs	08/04/1998	2.13	Incharge of Sundarban Site
9	Nitin Phadke, 37 years V. P. (Engineering)	D.C.E.	Shirish Patel & associates Pvt. Ltd.	15Yrs.	1Yr.	6 yrs	04/09/2000	2.57	Incharge Of Mumbai Project
10	Rajiv Newaskar, 48 years V. P. (Engineering)	B. E. Civil	Aurora Brothers	15 yrs	NA	7 yrs	16/07/1998	2.95	Budgeting of all Project
11	Sarita Sidhaye, 45 years V. P. (Customer Care)	B.Sc.	M/S. Rawat Brothers	12 yrs.	NA	4 years.	01/12/2000	2.77	Customer Care (Marketing)
12	Sunil Domale, 40 years V. P. (Finance)	B.com	Ayurex Polymers Pvt. Ltd	9 yrs.	NA	9 years	27/09/1995	2.4	Finance & Accounts
13	Anuradha Purandare, 48 years V.P. (Accounts)	B.A.	N.A.	28 yrs	NA	16 years	01/11/1989	1.66	Looking after all payments
14	Ashish Boradkar, 29 years, Company Secretary and VP (Human Resource)	B.Com, LLB, C.S.	Kirloskar Ferrous Limited	7 yrs.	NA	7 years	17/11/2004	3	Looking after all Secretarial & HR work

* For the twelve months ended March 31, 2005

Mr. D. S. Kulkarni and Mr. S. M. Deshpande are promoters and directors and they are related to each other. The persons whose names appear as key management personnel are on the payroll of the Company as permanent employees. Employees of the Company's subsidiaries/group companies have not been included in the key managerial personnel. There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any person is selected as a member of senior management. None of the Key Managerial Personnel, other than those mentioned above, has any relationship with the promoters or the directors of the Company.

Shareholding of Key Managerial Personnel:

Details of shares held by Key Managerial Personnel as on December 31, 2005

S. No.	Name	Shares held
1	Deepak Sakharam Kulkarni CMD	423880
2	Sanjay Mohan. Deshpande Joint MD	85920

Bonus or Profit Sharing Plan:

There is no bonus/ profit sharing plan with the key managerial personnel.

Changes in the Key Managerial Personnel:

Name of Employee	Date of Appointment	Date of Cessation	Post	Department
Phadnis Vinay Prabhakar	24/09/1991	31.12.2005	SR VP & ED	Corporate
Boradkar Ashish M	17/11/2004	----	VP	Co. Sect. & HR
Vanjape Kedar Prakash	01/04/2005	----	VP	Engineering
Godse Vishwas Shivaram	15/06/2005	----	VP	Engineering
Karve Aniruddha Kashinath	27/06/2005	----	SR. VP	Marketing
Kenjale Gajanan Keshav	05/09/2005	----	AVP	Engineering
Doshi Pravin Vallabhadas	13/12/2005	----	AVP	Accounts
Menon Chakkungal Jayan	10/04/2002	11/01/2003	VP	Engineering
Patel Tusharchandra Ramanlal	24/06/2002	07/04/2003	VP	Engineering
Gokhale Nitin Vidyadhar	16/08/1999	02/07/2003	AVP	Accounts
Gijare Anjali Sudhir	09/08/2002	31/07/2003	AVP	HR & Admin.
Malkani Harish Lachmandas	27/11/2000	31/12/2003	VP	Marketing
Hegde Balachandra Krishna	12/11/2003	01/09/2004	VP	Accounts
Sangwikar Sudhakar Manoharrao	01/08/2003	25/09/2004	SR. VP	Engineering
Watwe Pramod Trimbak	06/09/2003	09/10/2004	VP	Engineering
Paradkar Pramod Anant	09/08/2004	10/01/2005	AVP	Engineering
Malunjkar Shashank Shamrao	06/09/2004	06/04/2005	COO	Engineering / Corporate
Bhedi Kiran N	04/11/2004	10/06/2005	SR. VP	Marketing
Purohit Sureshkumar Bhawarlal	01/07/2002	31/10/2005	SR. VP	Accounts
Major Rabinder Singh	20/12/2005	----	CTO	Engineering / Corporate

Employees:

DSKDL has identified Human Resources as one of the key resources for consistent growth. The Company has taken various steps to provide on the job and classroom training to employees. The Company also recruits fresher from various business management, construction management and engineering colleges and train them in-house through induction programmes. The turnover ratio of employees is very low and there are no legal cases of employee grievance other than those mentioned under the head 'Outstanding Litigations'.

Employees Stock Option / Stock Purchase Scheme:


There is no stock option/stock purchase scheme in the Company.


Non-Salary related Payment / Benefit to Officers of the Company:


For senior officials, the Company has policies for leased accommodation and company owned car scheme on a case-to-case basis. The Company provides mobile facility to its employees. The said facilities are given to discharge the official duties of the Company.

6. PROMOTERS OF THE COMPANY

DSKDL was promoted by Mr. D. S. Kulkarni, Mr. Sakharam S. Kulkarni, Mrs. Hemanti N. Phadke, Mr. Makarand S. Kulkarni, Mr. Sanjay M. Deshpande, Mrs. Jyoti D. Kulkarni & Miss Ashwini S. Deshpande and as disclosed in the Prospectus for the Initial Public Offering dated February 18, 1993.

	<p>Mr. D. S. Kulkarni, 55 years, is the CEO and Managing Director of the Company. In the year 1981 he entered the building & construction business and within a short span he made a special niche for the brand name DSK by completing highly successful & prestigious projects comprising about 12500 apartments in Pune and Mumbai. The sole objective of DSK is "to build homes rather than the mere houses & to excel on the firm foundation of "trust & truth". The word DSK is synonymous with "TRUST" & "QUALITY" which is a very rare phenomenon in the Construction Industry. DSK's Quality, Customer's Faith, Customer friendliness as well as well planned Marketing Strategies have not only forced others to take a back seat but it has also created a benchmark for others in the construction industry. DSK has perhaps revolutionised the concept of selling homes.</p>
Permanent Account Number	ABKPK4347H
Bank Account Number	Bank of Maharashtra, 51753
Voter ID Number	MT/0042/0247/642693
Passport Number	F 3369415
Driving License Number	MH/12/03/358826

	<p>Mr. S. M. Deshpande, 36 years, is a Joint Managing Director of the Company. He holds a Bachelor's degree in Civil Engineering. He has an experience in executing large-scale housing & commercial projects like DSK Raanwara with 600 hundred units & DSK Vishwa over 5000 units. He has a specialized experience in application of Environmental Conservation Techniques in housing industry. He has implemented many Eco friendly policies as well maximizing use of unconventional energy sources in the projects, such as Effluent Treatment plant in residential colony at DSK Raanwara, Central Solar Water Heating plants, applying various Rain Water Harvesting Techniques, introducing concept of Nature Parks at DSK Vishwa etc.</p>
Permanent Account Number	ADKPD3069K
Voter ID Number	NA
Bank Account Number	UTI Bank Ltd., 2313
Passport Number	E 4514965
Driving License Number	1217/B/7137

	<p>Ms. Hemanti N. Phadke, 46 years, is one of the promoters of the Company. She holds a Master's degree in Economics. She is an entrepreneur & administrator with in-depth knowledge of finance, accounts, legal, taxation, marketing etc. She has also promoted DSK Infotech Private Limited, which is carrying on the business of software development and software training. She has also established DSK Vishwa School.</p>
Permanent Account Number	AFOPP4761N
Bank Account Number	Bank of Maharashtra, 51757
Voter ID Number	MT/0042/0247/642694
Passport Number	B 2445478
Driving License Number	81/9914 PUN



Mr. Makarand S. Kulkarni, 52 years, is having over 20 years of experience in the construction industry.

Permanent Account Number	ABFPK3593A
Bank Account Number	Bank of Maharashtra, 100788
Voter ID Number	MT / 0042 / 0247 / 093232
Passport Number	B 2447688
Driving License Number	MH 12/03/337362



Ms. Jyoti D. Kulkarni, 58 years, is an entrepreneur and is having her business by the name "Telesmell" since last over 30 years. Telesmell is engaged in cleaning and perfuming telephone instruments in offices and at homes for keeping it environmental friendly and hygienic.

Permanent Account Number	ABKPK4348J
Bank Account Number	Bank of Maharashtra, 94426
Voter ID Number	NA
Passport Number	E 5268270
Driving License Number	MH 12/05/662838



Ms. Ashwini S. Deshpande, 33 years, is a Commerce graduate and has further graduated in Interior Designing. She is presently looking after the financial and administrative affairs of DSK Motors Ltd.

Permanent Account Number	AARPD5294L
Bank Account Number	Bank of Maharashtra, 52501
Voter ID Number	NA
Passport Number	F5191755
Driving License Number	MH 12/9/91-BC-25896



Mr. Amit D. Kulkarni, 27 years, is working with DSK Motors Ltd. as Service Advisor and has over 5 years of business experience.

Permanent Account Number	ABKPK4344E
Bank Account Number	Bank of Maharashtra, 41954
Voter ID Number	NA
Passport Number	E 5268269
Driving License Number	MH 12/697B10731

Declaration

It is confirmed that the PAN, bank account number and passport number of the promoters are being submitted to NSE and BSE at the time of filing of Offer Document with them.

Common Pursuits

The individual Promoters of the Company are having interest in the following ventures, which are authorized by its main object clauses to carry on the similar line of activities and can result in the possible conflict of business interest among these ventures and the Company:

S. No.	Name of the Company/Firm	Name of Promoter	Nature of Interest (Shareholding %)
1.	Ambiance Ventures Estates & Developments Pvt. Ltd.	Mr. Deepak S. Kulkarni	0.54
		Ms. Hemanti N. Phadke	7.19
		D. S. Kulkarni Construction Pvt. Ltd.	82.22
		Ms. Jyoti D. Kulkarni	0.06
2.	Ascent Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	80.00
3.	Crystal Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	80.00
		Ms. Jyoti D. Kulkarni	6.00
4.	Vastusankalp Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	86.00
		Mr. Amit D. Kulkarni	14.00
5.	Vastuvisharad Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	80.00
6.	Fairylad Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	80.00
		Mr. Amit D. Kulkarni	6.00
7.	Oyster Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	98.00
		Ms. Ashwini Deshpande	1.00
8.	Sapphire Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	80.00
9.	Shubhastu Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	80.00
		Ms. Ashwini Deshpande	14.00
10.	Sanjeevani Developers	Mr. Sanjay M. Deshpande	50.00
		Ms. Ashwini Deshpande	50.00
11.	Chandra Deep Promoters & Developers Pvt. Ltd.	Ms. Hemanti N. Phadke	98.80
		Ms. Ashwini Deshpande	0.20
12.	D. S. Kulkarni & Company	Ms. Hemanti N. Phadke	70.00
13.	D. S. Kulkarni & Associates	Ms. Hemanti N. Phadke	50.00
14.	Saptashrungi Developers	Mr. D. S. Kulkarni	100.00
15.	D. S. Kulkarni Construction Pvt. Ltd.	Mr. D. S. Kulkarni	4.00
		Ms. Hemanti N. Phadke	94.00
		Ms. Jyoti D. Kulkarni	2.00



The DSK Group includes above-mentioned thirteen entities, whose main object is similar to the business of DSKDL. Notwithstanding, the stated object of these thirteen companies, except Ambiance Ventures Estates and Developments P. Ltd.; D. S. Kulkarni & Co.; and D. S. Kulkarni & Associates, others are not engaged in the business of real estate development and civil construction as builders and promoters. These companies are engaged in identifying lands, acquiring suitable plot of land for future development by negotiating with the sellers and completing the legal formalities preceding the acquisition of clean and marketable title to the land.

Ambiance Ventures Estates and Developments P. Ltd. is constructing one project in Mumbai.

Similarly, D. S. Kulkarni & Company and D. S. Kulkarni & Associates are executing few projects since 1981, prior to incorporation of DSKDL

INTEREST OF PROMOTERS

Two promoters i.e. Ms. Hemanti N. Phadke and Ms. Ashwini Sanjay Deshpande have interest in the property acquired by DSKDL.

1. Ms. Hemanti N Phadke is a partner in the following entities:

- D.S. Kulkarni & Company
- D.S. Kulkarni & Associates

DSKDL has entered into an agreement for development rights of the land in respect of the following projects:

(i) DSK Sayantara

(ii) DSK Saptasur

(iii) DSK Vishwa IT Park

2. Ms. Ashwini Sanjay Deshpande is a director in D S K Motors Limited. DSKDL has entered into an agreement for development rights of the land in respect of DSK Vishwa IT Park project.

The details of the above transactions are as under:

S. No.	Name of the Company	1- 04-2004 to 31-03-2005						
		Name of the Project	Date	Village	S. No. / Gat No.	Area (sq. mtr.)	Total Cost	Nature of Document
1- 04-2004 to 31-03-2005								
1	D. S. Kulkarni & Company	Sayantara	20.10.2004	Kirkatwadi	83-B, 85, 86, 92, 99, 100, 101, 102, 103, 104, 105, 106	79,814.92	72,500,000	Development Agreement Dated 20.10.2004
1- 04-2005 to 31-12-2005								
1	D. S. Kulkarni & Company	Saptasur	16.09.2005	Dhairy	122 /1	25300.00	50,182,000	Development Agreement Dated 16.9.2005
2	DSK Motors Ltd	IT Park	25.09.2005	Dhairy	124/4	10900.00	41,064,800	MOU Dated 30.9.2005 & Dev. Ag. Dated 13.1.2006
3	D. S. Kulkarni & Company	IT Park	25.09.2005	Dhairy	124/12	13000.00	48,976,200	MOU Dated 30.9.2005 & Dev. Ag. Dated 13.1.2006
4	D. S. Kulkarni & Company	IT Park	25.09.2005	Dhairy	124/13	2600.00	9,795,100	MOU Dated 30.9.2005 & Dev. Ag. Dated 13.1.2006
5	D. S. Kulkarni & Company	DSK Vishwa Phase V, VI, VII	25.09.2005	Kirkitwadi	87, 88 & 89	42184.22	47,25,00,000	MOU Between Owner, D. S. Kulkarni & Company and DSKDL Dated 25.09.2005

For more details regarding the related party transaction please refer to section titled "Related Party Transactions " on page no. 71 of this Offer Document.

D. S. KULKARNI DEVELOPERS LIMITED



Payment or Benefit to Promoters

1. Mr. D. S. Kulkarni: Refer Agreement between DSKDL and Mr. D. S. Kulkarni appointing him as CMD.
2. Mr. Sanjay M. Deshpande: Refer Agreement between DSKDL and Mr. Sanjay M. Deshpande appointing him as Joint Managing Director.
3. Ms. Ashwini Deshpande: NIL
4. Ms. H. N. Phadke: NIL
5. Mr. Amit D. Kulkarni: NIL
6. Ms. Jyoti D. Kulkarni: NIL
7. Mr. Makarand Kulkarni: NIL

Companies from which Promoters have disassociated during preceding three years

Mr. D. S. Kulkarni has disassociated from following companies:

1. Swagelok Engineers Private Limited
2. Digital & Wireless Private Limited

Companies for which application has been made for striking off name

Following companies have made application for striking off name with ROC.

1. Swagelok Engineers Pvt Ltd
2. Eternal Promoters & Developers Pvt Ltd
3. Digital & Wireless Pvt Ltd.

7. RELATED PARTY TRANSACTIONS

(I) The Company has identified following related parties as on 31.12.2005:

- A. Companies / Other Organisations / Trusts under the control of directors where transactions are entered into and or outstanding balance exists as at the Balance sheet date:**
- (i) Ambiance Ventures Estates & Developers Pvt. Ltd.
 - (ii) Arya Sangeet Prasarak Mandal
 - (iii) D. S. K. Motors Limited
 - (iv) Saptashrunji Developers
- B. Companies/ Other Organisations under the control of relatives of directors where transactions are entered into and/ or outstanding balance exists as at the Balance sheet date:**
- (i) Amit & Company
 - (ii) Calcutta Boarding House
 - (iii) Chandradeep Promoters & Developers Private Limited
 - (iv) D.M. Exports
 - (v) DSK Sales & Services
 - (vi) Mangesh Agencies
 - (vii) Subhastu Promoters & Developers Private Limited
 - (viii) Telesmell
 - (ix) Vastusankalp Promoters & Developers Private Limited
 - (x) Vastuvisharad Promoters & Developers Private Limited
- C. Key Management Personnel:**
- (i) Mr. D. S. Kulkarni - Managing Director
 - (ii) Mr. S. M. Deshpande - Joint Managing Director
 - (iii) Mr. V. P. Phadnis - Executive Director (cease to be a Director from the board of the Company w.e.f. 31.12.2005)
- D. Companies/ Other Organisations/ Trusts under the control of directors where no transactions are entered into and/or outstanding balance exists as at the Balance sheet date.**
- (i) DSK & Associates
 - (ii) DSK Foundation
 - (iii) DSK Chemicals Private Limited
 - (iv) Hamlet Technology Valves & Fittings Private Limited
 - (v) Nexgen Infotech (Director Mr. V. P. Phadnis)
 - (vi) Sahil Resorts Agrifields and Farms Private Limited (Director Mr. V. P. Phadnis)
 - (vii) Sanjeevani Developers
 - (viii) Swagelok Technology Valves & Fittings Private Limited
 - (ix) D. S. Kulkarni Constructions Private Limited
- E. Companies/Other Organisations under the control of relatives of directors where no transactions are entered into and/or outstanding balance exists as at the Balance sheet date.**
- (i) Ascent Promoters & Developers Private Limited
 - (ii) Chandrasha Tours & Travels Private Limited
 - (iii) Crystal Promoters & Developers Private Limited
 - (iv) Fairyland Promoters & Developers Private Limited
 - (v) Gharkul
 - (vi) Growrich Agroforestry Private Limited
 - (vii) Holyland Agroforestry Private Limited
 - (viii) Mula Valley Agroforestry Private Limited
 - (ix) Oyster Promoters & Developers Private Limited
 - (x) Roshan Enterprises
 - (xi) Sampada Leasing & Finance Private Limited
 - (xii) Sapphire Promoters & Developers Private Limited

II) Following are the transactions with the related parties mentioned in A, B & C above (Rs. in lacs)

S. No.	Nature of transaction	Companies / Other Organisations / Trusts under the control of directors		Companies / Other Organisations / Trusts under the control of relatives of directors		Directors		Net Total	
		2005-06	2004-05	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
		9 mths ended	12 mths ended	9 mths ended	12 mths ended	9 mths ended	12 mths ended	9 mths ended	12 mths ended
		31-Dec-05	31-Mar-05	31-Dec-05	31-Mar-05	31-Dec-05	31-Mar-05	31-Dec-05	31-Mar-05
(i)	Advances received / recovered		125.00	351.07	218.00			351.07	343.00
	Mangesh Agencies		-	351.07	218.00			351.07	218.00
	DSK Motors Ltd		125.00					-	125.00
(ii)	Advances given / repaid	0.30	149.46	822.45				822.75	149.46
	Vastuvisharad Pro. & Dev. Pvt. Ltd.			404.71				404.71	-
	Mangesh Agencies		-	298.52				298.52	-
	Chandradeep Pro.& Dev. Pvt. Ltd.			79.36				79.36	-
	Shubhastu Pro. & Dev. Pvt. Ltd.			39.86				39.86	-
	DSK Motors Ltd		125.00					-	125.00
	Ambiance Ventures Estates Dev (P) Ltd	0.30	24.46					0.30	24.46
(iii)	Balance payable at end	3.33	0.94	178.69	142.45			182.02	143.39
	D.M Exports			40.18	40.18			40.18	40.18
	Mangesh Agencies			138.51	102.27			138.51	102.27
	Amit & Company							-	-
	DSK Motors Ltd	3.33	0.94					3.33	0.94
(iv)	Balance receivable at end	30.12	29.51	677.65	0.36			707.77	29.87
	Arya Sangeet Prasarak Mandal	5.05	5.05					5.05	5.05
	Ambiance Ventures Estates Dev (P) Ltd	24.76	24.46					24.76	24.46
	Vastuvisharad Pro. & Dev. Pvt. Ltd.			404.71				404.71	-
	Calcutta Boarding House			1.10				1.10	-
	Mangesh Agencies		-		0.34			-	0.34
	Chandradeep Pro.& Dev. Pvt. Ltd.			79.36				79.36	-
	DSK Sales & Services			0.11	0.02			0.11	0.02
	Shubhastu Pro. & Dev. Pvt. Ltd.			192.37				192.37	-
	DSK Motors Ltd	0.31						0.31	-
(v)	Services rendered	2.04	10.32	1.19				3.23	10.32
	DSK Motors Ltd	2.04	10.32					2.04	10.32
	Calcutta Boarding House			1.10				1.10	-
	DSK Sales & Serices			0.09				0.09	-
(vi)	Services availed	4.17	4.49	-	105.92			4.17	110.41
	DSK Motors Ltd	4.17	4.49					4.17	4.49
	Amit & Company							-	-
	Mangesh Agencies				105.92			-	105.92
(vii)	Purchase of materials			180.57	102.30			180.57	102.30
	Mangesh Agencies			180.57	102.30			180.57	102.30
(viii)	Purchase of fixed assets	25.78	11.50	5.85				31.63	11.50
	DSK Motors Ltd	25.78	11.50					25.78	11.50
	Calcutta Boarding House	-		5.85				5.85	-
(ix)	Salary					9.90	13.99	9.90	13.99
(x)	Sitting Fees					1.17	0.52	1.17	0.52

II) Following are the transactions with the related parties mentioned in A, B & C above (Rs. in lacs)

S. No.	Nature of transaction	Companies / Other Organisations / Trusts under the control of directors		Companies / Other Organisations / Trusts under the control of relatives of directors		Directors		Net Total	
		2003-04	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
		12 mths ended	12 mths ended	12 mths ended	12 mths ended	12 mths ended	12 mths ended	12 mths ended	12 mths ended
		31-Mar-04	31-Mar-03	31-Mar-04	31-Mar-03	31-Mar-04	31-Mar-03	31-Mar-04	31-Mar-03
(i)	Advances received / recovered	9.25	9.00	-	-	-	-	9.25	9.00
	Ambiance Ventures Estates & Dev (P) Ltd.		9.00					-	9.00
	DSK Motors Ltd	9.25						9.25	-
(ii)	Advances given / repaid	213.45	76.00	86.56	-	-	-	300.01	76.00
	Ambiance Ventures Estates & Dev (P) Ltd		9.00					-	9.00
	DSK Motors Ltd	10.12	67.00					10.12	67.00
	Saptashrungi Developers	203.33						203.33	-
	Vastuvisharad Pro & Dev P Ltd			76.46				76.46	-
	Vastusankalp Pro & Dev P Ltd			10.10				10.10	-
(iii)	Balance payable at end	0.85	4.22	40.18	40.18			41.03	44.40
	D.M Exports			40.18	40.18			40.18	40.18
	DSK Motors Ltd	0.85	4.22					0.85	4.22
(iv)	Balance receivable at end	5.37	4.85	0.02	0.02			5.39	4.87
	Telesmell			0.02	0.02			0.02	0.02
	DSK Motors Ltd	5.76	5.95					5.76	5.95
	Arya Sangeet Prasarak Mandal	(0.39)	(1.10)					(0.39)	(1.10)
(v)	Services rendered	9.64	13.05	-	0.10			9.64	13.15
	Amit & Co				0.10			-	0.10
	DSK Motors Ltd	9.64	7.07					9.64	7.07
	Arya Sangeet Prasarak Mandal		5.98					-	5.98
(vi)	Services availed	3.21	10.49					3.21	10.49
	DSK Motors Ltd	3.21	10.49					3.21	10.49
(vii)	Purchase of materials				107.88			-	107.88
	D.M Exports				107.88			-	107.88
(viii)	Purchase of fixed assets		25.40					-	25.40
	Arya Sangeet Prasarak Mandal		25.40					-	25.40
(ix)	Salary					13.99	13.89	13.99	13.89
	Mr. D. S. Kulkarni					6.26	6.26	6.26	6.26
	Mr. S.M Deshpande					4.47	4.49	4.47	4.49
	Mr. Vinay Phadnis					3.26	3.14	3.26	3.14
(x)	Sitting fees					0.40	0.27	0.40	0.27



8. CURRENCY OF PRESENTATION

In this Offer Document, all references to "Rupees", and "Rs." are to the legal currency of India, all references to "U.S.Dollars", and "US\$" are to the legal currency of the United States.

Any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Offer Document, unless otherwise indicated, have been calculated on the basis of the consolidated financial statements prepared in accordance with Indian GAAP.

9. DIVIDEND POLICY OF THE COMPANY

The declaration and payment of dividends is recommended by the Board of Directors of the Company and approved by the shareholders, at their discretion. The quantum of dividend depends on number of factors including but not limited to the profits of the Company, capital requirements and overall financial condition.

In the last five financial years the Company has paid dividend as given under:

Financial Year	Dividend	
	Rate (%)	Amount* (Rs.)
2000-01	Nil	Nil
2001-02	Nil	Nil
2002-03	7%	86,86,563
2003-04	7%	86,86,563
2004-05	7%	87,79,925

*Including dividend distribution tax.

The amount paid as dividends in the past is not necessarily indicative of the Company's dividend policy or dividend amounts, if any, in the future. Dividends are paid by the Company through issuance of dividend warrants.

Some of the loan agreements and sanction letters from the lenders of the Company contain a condition that dividends may not be paid if there are dues owed to the lenders or if there are subsisting events of default in respect of the loan facility with the respective lenders. For the description of these restrictive covenants in the agreements and sanction letters with the lenders please see the section titled 'Risk Factor' beginning on page no. xvi.

SECTION V: FINANCIAL STATEMENTS

1. FINANCIAL INFORMATION OF THE COMPANY

AUDITORS' REPORT

To,
The Board of Directors,
D.S. Kulkarni Developers Limited,
"DSK House", 1187/60, J. M. Rd.,
Shivajinagar, Pune 411005.

Auditors' Report

We have examined the following financial information of **D.S. Kulkarni Developers Limited** ("the Company") as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors which has been prepared in accordance with Paragraph B-1 of Part II of Schedule II to the Companies Act, 1956, ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ("the Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000 in pursuance of Section 11 of The Securities and Exchange Board of India Act (SEBI), 1992 and related clarifications and in accordance with the instructions dated 27th October 2005 issued by the Company in connection with the Offer Document to be issued by the Company in connection with its proposed Composite Issue of Equity Shares.

Annexure I	Statement of Assets and Liabilities as at 31st December 2005, 31st March 2005, 31st March 2004, 31st March 2003, 31st March 2002 and 31st March 2001
Annexure II	Statement of Profit & Loss for the nine months ended 31st December 2005 and for the years ended 31st March 2005, 31st March 2004, 31st March 2003, 31st March 2002 and 31st March 2001
Annexure III	Significant Accounting Policies and Standard Notes on accounts as per the audited accounts
Annexure IV	Statement of Accounting Ratios
Annexure V	Statement of Capitalization
Annexure VI	Statement of changes in Share Capital
Annexure VII	Statement of rate of dividend
Annexure VIII	Statement of Unsecured Loans taken by the Company
Annexure IX	Statement of other Income
Annexure X	Statement of Tax Shelter
Annexure XI	Statement showing Age-wise analysis of Sundry Debtors and Details of Loans and Advances
Annexure XII	Principal terms of loans and assets charged as security

Based on examination of the above statements with the respective audited financial statement and on the basis of information and explanations given to us, we report as under:

- 1) The statements referred to as Annexure I to XII read with the respective Significant Accounting Policies and read together with the notes thereon and after making such adjustments, regroupings and disclosures as were, in our opinion, appropriate and required to be made in accordance with the provisions of paragraph 6.10 of The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 and amendments thereto, have been prepared out of audited financial statements for the respective periods which are the responsibility of the Company's management.
- 2) Restatement of financial information in respect of years earlier to 31st March 2005 has not been considered necessary since (a) changes in the accounting policies made pursuant to applicability of new mandatory accounting standards are prospective in nature; and (b) on grounds of materiality.
- 3) We confirm the calculations of (a) Accounting Ratios in Annexure IV; (b) Debt / Equity Ratios mentioned in the Annexure V; and (c) Statement of Tax Shelter in Annexure X
- 4) This Report is being provided solely for the use of **D.S. Kulkarni Developers Limited**, for the purpose of inclusion in the said Offer Document in connection with the Composite Issue of the equity shares of the Company.

D. S. KULKARNI DEVELOPERS LIMITED



- 5) This Report may not be used or relied upon by, or disclosed, referred to or communicated by yourself (in whole or in part) to, any third party for any purpose other than the stated use, except with our written consent in each instance, and which consent, may be given, only after full consideration of the circumstances at that time.

Yours faithfully,
For Gokhale, Tanksale & Ghatpande
Chartered Accountants

(S. M. Ghatpande)
Partner
Membership No: 30462

Place: Pune

Date: 07th February 2006.

ANNEXURE I

Statement of Assets & Liabilities as at

(Rs. lacs)

	Description	31st Dec	31st March				
		2005	2005	2004	2003	2002	2001
A.	Fixed Assets :	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.
	Gross Block	342	294	258	201	221	209
	Less : Depreciation	175	153	136	122	115	93
	Net Block	166	141	122	80	106	117
	TOTAL A	166	141	122	80	106	117
B	Investments	2	2	2	625	1	1
C	Deferred Tax Assets	-	-	-	-	-	-
D	Current Assets, Loans & Advances :						
	Inventories	15,947	10,595	8,774	6,881	8,381	10,590
	Sundry Debtors	357	430	324	817	592	182
	Cash & Bank Balances	902	200	318	220	120	144
	Loans & Advances	1,128	150	738	516	498	189
		18,334	11,375	10,154	8,434	9,591	11,105
E	Miscellaneous Expenditure	28				3	6
	Total Assets (A+B+C+D+E)	18,530	11,518	10,278	9,138	9,700	11,229
F	Liabilities & Provisions :						
	Loans Funds						
	Secured Loans	6,642	5,807	3,210	1,655	1,648	2,439
	Unsecured Loans	368	471	514	507	458	501
	TOTAL	7,010	6,278	3,724	2,161	2,106	2,940
G	Deferred Tax Liability	75	75	82	90	92	0
H	Current Liabilities and Provisions						
	Current Liabilities	7,921	2,858	4,451	4,858	5,624	6,436
	Provisions	147	119	110	172	74	65
	TOTAL	8,068	2,977	4,561	5,030	5,698	6,501
I	Networth						
	Represented by						
J	1. Share Capital	1,100	1,100	1,100	1,100	1,100	1,100
	2. Reserves	2,277	1,088	811	757	704	687
	TOTAL	3,377	2,188	1,911	1,857	1,804	1,787
	Total Liabilities	18,530	11,518	10,278	9,138	9,700	11,229
	Less						
K	Miscellaneous Expenditure (to the extent not written off or adjusted)	28				3	6
L	Networth	3,349	2,188	1,911	1,857	1,801	1,781

ANNEXURE II

Statement of Profit and Loss for the nine months ending 31st Dec 2005 and for the Financial Years ending 31st March 2005, 2004, 2003, 2002 & 2001.

(Rs. lacs)

Particulars	For the Nine-month ended 31-12-05	For The Financial years ended 31st March				
		2005 Amt.	2004 Amt.	2003 Amt.	2002 Amt.	2001 Amt.
INCOME						
Sales of tenements	1,422	3,506	2,965	5,721	5,119	2,800
Increase in Inventories of Complete Tenements / Work in progress	5,205	1,833	2,144	(799)	(2,139)	892
Other Income	20	22	16	38	44	24
Total Income	6,647	5,360	5,125	4,959	3,023	3,716
EXPENDITURE						
Development Expenses	4,776	4,429	4,232	3,267	1,851	2,455
Administrative Expenses	130	77	72	33	76	105
Staff Expenses	100	56	55	23	67	91
Selling Expenses	206	109	134	109	32	23
Expenses Allocable to Projects Written Off		-	275	1,147	833	743
Misc. Expenses Written off	-	-	-	3	3	3
Total Expenditure before interest,	5,212	4,671	4,768	4,583	2,863	3,420
Depreciation & Tax						
EBIDTA	1,435	689	357	376	161	296
Interest & Finance Charges	107	275	180	202	14	14
Depreciation	23	22	24	23	28	27
Total	130	297	204	225	42	41
Net Profit before Tax	1,305	392	153	151	118	255
Taxation (Previous Year)						
Taxation (Current Year)	(115)	(32)	(12)	(11)	(9)	(23)
Deferred Tax provision/(Tax credit)		7	8	3	178	-
Net Profit after Tax	1,190	368	148	143	287	232
Prior Period Items	0	3	7	2	-	1
Exceptional items		-	-	-	-	-
Profit After Tax	1,190	365	141	141	287	231
APPROPRIATIONS						
Proposed Dividend	-	77	77	77	-	-
Dividend Tax	-	11	10	10	-	-
General Reserve	-	-	-	-	271	-
Profit / (Loss) carried forward to Balance Sheets	1,190	277	54	54	16	231

Annexure III

Notes to & forming part of the Accounts

Significant Accounting Policies:

- 1 **Historical Cost Convention and Accrual Method of Accounting:** These accounts have been prepared under the historical cost convention with revenues recognized and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the period.
- 2 **Revenue Recognition:** For sale of tenements, revenue is recognized after the construction of the project is completed in every respect, provided all the legal formalities pertaining to the project are completed and possession thereof is delivered.
- 3 **Depreciation on Fixed Assets:** Depreciation is provided as per the straight-line method according to the rates prescribed in Schedule XIV to the Companies Act, 1956.
- 4 **Current assets, loans and advances:** In the opinion of the Board of Directors the current assets, loans and advances are stated at the value which will be realized if they are sold in the ordinary course of the Company's business.
- 5 **Research & Development Expenses:** Capital Expenditure on Research & Development is included in Fixed Assets. Revenue Expenditure on Research & Development is written off in the Profit & Loss Account.
- 6 **Inventories:**
 - 6.1 Inventories of finished tenements are valued at the cost or estimated net realizable value, (as certified by the management) whichever is the less.
 - 6.2 Inventories of work in progress are valued, in accordance with the Proportionate Completion Method, at the aggregate of the estimated cost incurred and a proportion of the estimated profit earned (as certified by the management) or the proportionate estimated net realizable value (as certified by the management), whichever is the less. Revenue Expenses such as those incurred on foreign and domestic exhibitions, advertisement for sale of tenements, interest on borrowings attributable to specific projects are included in the valuation of inventories of work in progress. Profit on incomplete contracts is not recognized unless sufficient expenditure has been incurred in respect of the contract.
 - 6.3 Inventories of construction materials are valued at cost of acquisition or net replacement value (as certified by the management), whichever is the less.
- 7 **Foreign Exchange Transactions:** These are recorded at the rate of exchange prevailing on the date of the transaction. Period-end balances are translated at the rate of exchange prevailing on the balance sheet date.
- 8 **Retirement Benefits:** The Company has negotiated a group gratuity scheme with the LIC for the benefit of its employees.
- 9 **Consistency:** These financial statements have been prepared on a basis consistent with previous years and accounting policies not specifically referred hereto are consistent with generally accepted accounting principles.
- 10 **Previous Year Figures:** The figures for the previous year have been rearranged to facilitate comparison.
- 11 **Contingent Liabilities not provided for:** Nil
- 12 **Provision for Taxation:** The Company has computed its current income tax liability in accordance with the provisions of the Income Tax Act, 1961 and has made the necessary provision. The Company has also computed its deferred tax liability / asset in accordance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India. However, the Company has not, in accordance with the fundamental accounting principle of conservatism, transferred to P & L A/c the excess Deferred Tax Liability to the extent of Rs.63 lacs.

Additional Information:

- 1 **Licensed capacity, Installed capacity and actual production:** This information is not relevant to the Company since it is engaged in civil construction and real estate development.
- 2 **Opening and closing stock of finished goods, Sales of finished goods and Raw and Packing Material consumed in quantity and value:** This information is not relevant to the Company since it is engaged in civil construction and real estate development.
- 3 **Classification of Raw and Packing Materials consumed:** This information is not relevant to the Company since it is engaged in civil construction and real estate development.

4 **Expenditure in foreign currency:** Rs. Lacs

	9 months ended	Year ended	Year ended	Year ended
	31-12-05	31-3-05	31-3-04	31-3-03
Foreign Travel Expenses	2.55	5.91	20.94	3.90
Exhibition Expenses	3.07	8.10	5.74	0.00
Total	5.62	14.01	26.68	3.90

5. **Earning in foreign exchange:** Rs. Lacs

	9 months ended	Year ended	Year ended	Year ended
	31-12-05	31-3-05	31-3-04	31-3-03
Advance against Tenements	USD 9400	0.00	3.57	0.00

6. **Payment to Auditors:** Rs

	9 months ended	Year ended	Year ended	Year ended
	31-12-05	31-3-05	31-3-04	31-3-03
Company Audit Fees	15,000	20,000	20,000	20,000
Tax Audit Fees	22,500	30,000	30,000	30,000
Service Tax	3,825	5,100	4,000	2,500
Total	41,325	55,100	54,000	52,500

7. **SSI Suppliers:** On the basis of information available with the Company, there were no amounts payable to Small - Scale and Ancillary Industrial Undertakings, as defined by "The Interest on Delayed Payments to Small - Scale and Ancillary Industrial Undertakings Act, 1992" which were overdue and outstanding at the close of the period, nor were there any delays in the payments to the said Industrial Undertakings during the relevant period.

8. **Security for Term Loans from Banks / Institutions:**

All the Term Loans for construction projects are secured by equitable mortgage of the Company's specific immovable properties and are also secured by a hypothecation charge on the Company's movables at the respective sites.

The term loans for acquisition of vehicles are secured by hypothecation of the respective vehicles.

The charges securing the term loans obtained from Andhra Bank, Bank of Maharashtra, Indian Bank, Indian Overseas Bank and Syndicate Bank include a collateral pari passu charge on a specific immovable property.

Repayment of all the term loans and payment of interest thereon is personally guaranteed by the Company's Chairman & Managing Director and the Jt. Managing Director and, in certain cases, other specified individuals.

The cash credit limit from Bank of Maharashtra is secured by personal guarantee of the Company's Chairman & Managing Director, Jt. Managing Director and other specified individuals. The said limit is also collaterally secured by mortgage of some of the Company's plots.

9. **Interest accrued & due on Term Loans:** The balance of term loans as at the balance sheet date includes interest accrued & due as follows:

(Rs. in lacs)

Particulars	9 months ended	Year ended	Year ended	Year ended
	31-12-05	31-3-05	31-3-04	31-3-03
Banks	66.40	32.23	17.95	20.23
Others	0.00	0.00	0.00	0.26
Total	66.40	32.23	17.95	20.49

10. TDS on Interest & rent received:

(Rs. in lacs)

Gross

Particulars	9 months ended	Year ended	Year ended	Year ended
	31-12-05	31-3-05	31-3-04	31-3-03
Interest	2.95	4.72	2.68	3.31
Rent	52.74	48.91	0.00	0.00
Total	55.69	53.63	2.68	3.31

TDS

Particulars	9 months ended	Year ended	Year ended	Year ended
	31-12-05	31-3-05	31-3-04	31-3-03
Interest	0.06	0.93	0.54	1.02
Rent	10.73	9.18	0.00	0.00
Total	10.79	10.11	0.54	1.02

Net

Particulars	9 months ended	Year ended	Year ended	Year ended
	31-12-05	31-3-05	31-3-04	31-3-03
Interest	2.89	3.79	2.14	2.29
Rent	42.01	39.73	0.00	0.00
Total	44.90	43.52	2.14	2.29

11. Instalments of Term Loans due in next one year:

(Rs. in lacs)

Particulars	9 months ended	Year ended	Year ended	Year ended
	31-12-05	31-3-05	31-3-04	31-3-03
Banks	2,766.60	2,467.75	638.25	1,199.58
Others	0.00	0.00	0.00	10.64
Total	2,766.60	2,467.75	638.25	1,210.22

12. Payment to Directors:

Name	Period	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
D.S. Kulkarni	9 months ended 31/12/05	4,50,000	0.00	4,50,000
Chairman & Managing Director	Year ended 31/3/05	6,00,000	26,400	6,26,400
	Year ended 31/3/04	6,00,000	26,400	6,26,400
	Year ended 31/3/03	6,00,000	26,400	6,26,400
S.M. Deshpande	9 months ended 31/12/05	3,15,000	0.00	3,15,000
Jt. Managing Director	Year ended 31/3/05	4,20,000	26,400	4,46,400
	Year ended 31/3/04	4,20,000	26,400	4,46,400
	Year ended 31/3/03	4,20,000	28,900	4,48,900
V. P. Phadnis	9 months ended 31/12/05	2,25,000	0.00	2,25,000
Executive Director	Year ended 31/3/05	3,00,000	26,400	3,26,400
	Year ended 31/3/04	3,00,000	26,400	3,26,400
	Year ended 31/3/03	2,85,000	28,900	3,13,900

13. Balances with banks, other than scheduled banks, on current account and maximum amount outstanding at any time during the period:

(Rs. in lacs)

Particulars	9 months ended	Year ended	Year ended	Year ended
	31-12-05	31-3-05	31-3-04	31-3-03
Balances	0.26	0.26	0.91	0.88
Maximum amount outstanding at any time during the period	0.26	1.42	2.70	0.88

14. Related Party Disclosures:

(I) The Company has identified following related parties:

- A. Companies / Other Organisations / Trusts under the control of directors where transactions are entered into and or outstanding balance exists as at the Balance sheet date:
- (i) Ambiance Ventures Estates & Developers Pvt. Ltd.
 - (ii) Arya Sangeet Prasarak Mandal
 - (iii) D. S. K. Motors Limited
 - (iv) Saptashrungi Developers
- B. Companies/ Other Organisations under the control of relatives of directors where transactions are entered into and/ or outstanding balance exists as at the Balance sheet date:
- (i) Amit & Company
 - (ii) Calcutta Boarding House
 - (iii) Chandradeep Promoters & Developers Private Limited
 - (iv) D.M. Exports
 - (v) DSK Sales & Services
 - (vi) Mangesh Agencies
 - (vii) Subhastu Promoters & Developers Private Limited
 - (viii) Telesmell
 - (ix) Vastusankalp Promoters & Developers Private Limited
 - (x) Vastuvisharad Promoters & Developers Private Limited
- C. Key Management Personnel:
- (i) Mr. D. S. Kulkarni - Managing Director
 - (ii) Mr. S. M. Deshpande - Joint Managing Director
 - (iii) Mr. V .P. Phadnis - Executive Director
- D. Companies/ Other Organisations/ Trusts under the control of directors where no transactions are entered into and/or outstanding balance exists as at the Balance sheet date.
- (i) DSK & Associates
 - (ii) DSK Foundation
 - (iii) DSK Chemicals Private Limited
 - (iv) Hamlet Technology Valves & Fittings Private Limited
 - (v) Nexgen Infotech
 - (vi) Sahil Resorts Agrifields and Farms Private Limited
 - (vii) Sanjeevani Developers
 - (viii) Swagelok Technology Valves & Fittings Private Limited

D. S. KULKARNI DEVELOPERS LIMITED



- E. Companies/Other Organisations under the control of relatives of directors where no transactions are entered into and/or outstanding balance exists as at the Balance sheet date.
- (i) Ascent Promoters & Developers Private Limited
 - (ii) Chandrasha Tours & Travels Private Limited
 - (iii) Crystal Promoters & Developers Private Limited
 - (iv) Fairyland Promoters & Developers Private Limited
 - (v) Gharkul
 - (vi) Growrich Agroforestry Private Limited
 - (vii) Holyland Agroforestry Private Limited
 - (viii) Mula Valley Agroforestry Private Limited
 - (ix) Oyster Promoters & Developers Private Limited
 - (x) Roshan Enterprises
 - (xi) Sampada Leasing & Finance Private Limited
 - (xii) Sapphire Promoters & Developers Private Limited

I) Following are the transactions with the related parties mentioned in A, B & C above (Rs. in lacs)

S. No.	Nature of transaction	Companies / Other Organisations / Trusts under the control of directors		Companies / Other Organisations / Trusts under the control of relatives of directors		Directors		Net Total	
		2005-06	2004-05	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
		9 mths ended	12 mths ended	9 mths ended	12 mths ended	9 mths ended	12 mths ended	9 mths ended	12 mths ended
		31-Dec-05	31-Mar-05	31-Dec-05	31-Mar-05	31-Dec-05	31-Mar-05	31-Dec-05	31-Mar-05
(i)	Advances received / recovered		125.00	351.07	218.00			351.07	343.00
	Mangesh Agencies		-	351.07	218.00			351.07	218.00
	DSK Motors Ltd		125.00					-	125.00
(ii)	Advances given / repaid	0.30	149.46	822.45				822.75	149.46
	Vastuvisharad Pro. & Dev. Pvt. Ltd.			404.71				404.71	-
	Mangesh Agencies		-	298.52				298.52	-
	Chandradeep Pro.& Dev. Pvt. Ltd.			79.36				79.36	-
	Shubhastu Pro. & Dev. Pvt. Ltd.			39.86				39.86	-
	DSK Motors Ltd		125.00					-	125.00
	Ambiance Ventures Estates Dev (P) Ltd	0.30	24.46					0.30	24.46
(iii)	Balance payable at end	3.33	0.94	178.69	142.45			182.02	143.39
	D.M Exports			40.18	40.18			40.18	40.18
	Mangesh Agencies			138.51	102.27			138.51	102.27
	Amit & Company							-	-
	DSK Motors Ltd	3.33	0.94					3.33	0.94
(iv)	Balance receivable at end	30.12	29.51	677.65	0.36			707.77	29.87
	Arya Sangeet Prasarak Mandal	5.05	5.05					5.05	5.05
	Ambiance Ventures Estates Dev (P) Ltd	24.76	24.46					24.76	24.46
	Vastuvisharad Pro. & Dev. Pvt. Ltd.			404.71				404.71	-
	Calcutta Boarding House			1.10				1.10	-
	Mangesh Agencies		-		0.34			-	0.34
	Chandradeep Pro.& Dev. Pvt. Ltd.			79.36				79.36	-
	DSK Sales & Services			0.11	0.02			0.11	0.02
	Shubhastu Pro. & Dev. Pvt. Ltd.			192.37				192.37	-
	DSK Motors Ltd	0.31						0.31	-
(v)	Services rendered	2.04	10.32	1.19				3.23	10.32
	DSK Motors Ltd	2.04	10.32					2.04	10.32
	Calcutta Boarding House			1.10				1.10	-
	DSK Sales & Services			0.09				0.09	-
(vi)	Services availed	4.17	4.49	-	105.92			4.17	110.41
	DSK Motors Ltd	4.17	4.49					4.17	4.49
	Amit & Company							-	-
	Mangesh Agencies				105.92			-	105.92
(vii)	Purchase of materials			180.57	102.30			180.57	102.30
	Mangesh Agencies			180.57	102.30			180.57	102.30
(viii)	Purchase of fixed assets	25.78	11.50	5.85				31.63	11.50
	DSK Motors Ltd	25.78	11.50					25.78	11.50
	Calcutta Boarding House	-		5.85				5.85	-
(ix)	Salary					9.90	13.99	9.90	13.99
(x)	Sitting Fees					1.17	0.52	1.17	0.52

II) Following are the transactions with the related parties mentioned in A, B & C above: (Rs. in lacs)

S. No.	Nature of transaction	Companies / Other Organisations / Trusts under the control of directors		Companies / Other Organisations / Trusts under the control of relatives of directors		Directors		Net Total	
		2003-04	2002-03	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
		12 mths ended	12 mths ended	12 mths ended	12 mths ended	12 mths ended	12 mths ended	12 mths ended	12 mths ended
		31-Mar-04	31-Mar-03	31-Mar-04	31-Mar-03	31-Mar-04	31-Mar-03	31-Mar-04	31-Mar-03
(i)	Advances received / recovered	9.25	9.00	-	-	-	-	9.25	9.00
	Ambiance Ventures Estates & Dev (P) Ltd		9.00					-	9.00
	DSK Motors Ltd	9.25						9.25	-
(ii)	Advances given / repaid	213.45	76.00	86.56	-	-	-	300.01	76.00
	Ambiance Ventures Estates & Dev (P) Ltd		9.00					-	9.00
	DSK Motors Ltd	10.12	67.00					10.12	67.00
	Saptashrungi Developers	203.33						203.33	-
	Vastuvisharad Pro & Dev P Ltd			76.46				76.46	-
	Vastusankalp Pro & Dev P Ltd			10.10				10.10	-
(iii)	Balance payable at end	0.85	4.22	40.18	40.18			41.03	44.40
	D.M Exports			40.18	40.18			40.18	40.18
	DSK Motors Ltd	0.85	4.22					0.85	4.22
(iv)	Balance receivable at end	5.37	4.85	0.02	0.02			5.39	4.87
	Telesmell			0.02	0.02			0.02	0.02
	DSK Motors Ltd	5.76	5.95					5.76	5.95
	Arya Sangeet Prasarak Mandal	(0.39)	(1.10)					(0.39)	(1.10)
(v)	Services rendered	9.64	13.05	-	0.10			9.64	13.15
	Amit & Co				0.10			-	0.10
	DSK Motors Ltd	9.64	7.07					9.64	7.07
	Arya Sangeet Prasarak Mandal		5.98					-	5.98
(vi)	Services availed	3.21	10.49					3.21	10.49
	DSK Motors Ltd	3.21	10.49					3.21	10.49
(vii)	Purchase of materials				107.88			-	107.88
	D.M Exports				107.88			-	107.88
(viii)	Purchase of fixed assets		25.40					-	25.40
	Arya Sangeet Prasarak Mandal		25.40					-	25.40
(ix)	Salary					13.99	13.89	13.99	13.89
	Mr. D. S. Kulkarni					6.26	6.26	6.26	6.26
	Mr. S.M Deshpande					4.47	4.49	4.47	4.49
	Mr. Vinay Phadnis					3.26	3.14	3.26	3.14
(x)	Sitting fees					0.40	0.27	0.40	0.27

Annexure IV

Statement of Accounting Ratios

(Rs. in lacs)

Particulars		Financial Year / Period ended					
		31/3/01	31/3/02	31/3/03	31/3/04	31/3/05	31/12/05
Earnings per share							
Profit after Tax (Rs. Lacs)	a	232	287	143	148	368	1,190
No. of Shares (in lacs)	b	110	110	110	110	110	110
EPS (Rs.)	a/b	2.11	2.61	1.30	1.35	3.35	10.82
Return on Net Worth							
Profit after Tax (Rs. Lacs)	a	232	287	143	148	368	1,190
Net Worth (Rs. Lacs)	b	1,781	1,801	1,857	1,911	2,188	3,349
Return on Net Worth (%)	a/b	13.03%	15.94%	7.70%	7.75%	16.82%	35.53%
Net Assets Value per Share							
Total Assets (Rs. Lacs)	a	11,223	9,697	9,138	10,278	11,518	18,502
Total Liabilities (Rs. Lacs)	b	9,442	7,896	7,281	8,367	9,330	15,153
Asset Value (Rs. Lacs) (a-b)	c	1,781	1,801	1,857	1,911	2,188	3,349
Less: Share Application money received	d	0	0	0	0	0	0
Net Asset Value (Rs. Lacs) (c-d)	e	1,781	1,801	1,857	1,911	2,188	3,349
No. of Shares (in lacs)	f	110	110	110	110	110	110
Net Assets Value per Share (Rs.)	e/f	16.19	16.37	16.88	17.37	19.89	30.45

Annexure V

Statement of Capitalization:

(Rs. in lacs)

Particulars	Pre-Issue (as on 31/12/05)	Post-Issue
Loans - Secured and Unsecured		
Working Capital Loan	298	[●]
Short Term Debt	368	[●]
Long Term Debt	6,344	[●]
Total Loans	7,010	[●]
Shareholders' funds:		
Share Capital	1,100	[●]
Share Application Money	0	[●]
Reserves & Surplus	2,277	[●]
Miscellaneous Expenditure not written off	-28	[●]
Total Shareholders' funds:	3,349	[●]
Total Long Term Debt / Shareholders' funds	1.89:1	[●]

Annexure VI

Statement of Change in Share Capital

Particulars	Balance Sheet as at					
	31/3/01	31/3/02	31/3/03	31/3/04	31/3/05	31/12/05
Share Capital						
Authorized Share Capital						
No of Equity Shares of Rs.10/- each	1,10,00,000	1,10,00,000	1,10,00,000	1,10,00,000	1,10,00,000	5,00,00,000
Amount (Rs. in Lacs)	1,100	1,100	1,100	1,100	1,100	1,100
Issued, Subscribed & Paid-up						
No of Equity Shares of Rs.10/- each	1,10,00,000	1,10,00,000	1,10,00,000	1,10,00,000	1,10,00,000	1,10,00,000
Amount (Rs. in Lacs)	1,100	1,100	1,100	1,100	1,100	1,100

Annexure VII

Statement of Rate of Dividend

Particulars	Financial Year ended				
	31/3/01	31/3/02	31/3/03	31/3/04	31/3/05
Equity Shares					
Rate of Dividend	Nil	Nil	7%	7%	7%
Dividend Amount (Rs. in Lacs)	Nil	Nil	77,00,000	77,00,000	77,00,000
No of Equity Shares of Rs.10/- each	1,10,00,000	1,10,00,000	1,10,00,000	1,10,00,000	1,10,00,000

Annexure VIII

Statement of Unsecured Loans as at 31st December 2005

Particulars	Amount (Rs. in lacs)	Rate of Interest	Terms of Repayment
1. Short Term Loans from Body Corporates, Promoter Group Company & Associates	0.00	NA	NA
2. Others	0.00	NA	NA
3. Public Deposits - Fixed Deposits	367.71	Various rates not exceeding those prescribed by RBI	On maturity which varies from 6 months to 36 months

Annexure IX

Statement of Other Income (if >20% of Profit before Tax)

(Rs. in lacs)

Particulars	Financial Year / Period ended					
	31/3/01	31/3/02	31/3/03	31/3/04	31/3/05	31/12/05
Profit before Tax	255.32	118.21	150.77	152.91	392.31	1304.65
20% of Profit before Tax	51.06	23.64	30.15	30.58	78.46	260.93
Other Income during the period / year	23.92	43.73	37.58	16.21	21.74	19.90
Other Income Details						
Interest on FDRs / Others	9.61	16.58	20.30	9.02	7.37	3.25
Miscellaneous Income	9.75	26.51	17.28	7.19	14.37	16.65
Share of Profit from Firm	4.56					
Surplus on sale of assets / investments		0.64				
Total	23.92	43.73	37.58	16.21	21.74	19.90

Annexure X

Tax Shelter Statement

(Rs. in lacs)

Particulars	Financial Year / Period ended					
	31/3/01	31/3/02	31/3/03	31/3/04	31/3/05	31/12/05
A. Profit as per books of account before Tax	255.32	118.21	150.77	152.91	392.31	1304.65
Tax Rate (including surcharge) %	39.55%	35.70%	36.75%	35.875%	36.5925%	33.66%
Notional Tax Payable (A)	100.98	42.20	55.41	54.86	143.56	439.13
B. Permanent Difference						
Impact in respect of profit on development of housing projects u/s 80IB(10) of Income Tax Act, 1961		(203.68)	(60.50)	(54.22)	(116.18)	(351.30)
Share of Profit from Firm	(1.80)					
C. Temporary Difference						
Impact in respect of depreciation on Fixed Assets	0.04	2.00	2.82	(2.23)	(0.91)	
(Profit) / Loss on sale of assets (Different Treatment in Tax)	0.23	(0.64)	0.02	0.35	0.80	
Short Term Capital Gain			2.02			
Brought Forward Loss	(60.86)	(96.47)				
Other Adjustments	(38.59)	324.02	2.25	8.43	0.20	
Total	(100.98)	26.51	(53.39)	(47.67)	(116.09)	(351.30)
Tax Burden / (Savings) thereon	(100.98)	25.23	(53.39)	(47.67)	(116.09)	(351.30)
Total Tax as per Normal Scheme of Taxation	0.00	67.43	2.02	7.19	27.47	87.83
Tax u/s 115JB of ITA	21.25	9.04	11.87	11.75	30.76	109.78

Annexure XI

Statement of Age-wise Analysis of Sundry Debtors & Details of Loans & Advances as at 31st December 2005

Particulars	(Rs. in lacs)
Sundry Debtors (unsecured, considered good, unless otherwise stated)	
Exceeding Six months	211.02
Others	146.10
Total	357.12
Loans & Advances (unsecured, considered good, unless otherwise stated)	
Advances recoverable in cash or in kind or for value to be received	92.87
Earnest Money Deposit	0.00
Advances to Suppliers	902.98
Prepaid Taxes	115.02
Advances to Petty Contractors	0.00
Other Advances	17.60
Total	1128.47

D.S.KULKARNI DEVELOPERS LTD

(Rs. in lacs)

CASH FLOW STATEMENT FOR THE YEAR ENDED	December 31, 2005 (9 months)		March 31, 2005		March 31, 2004		March 31, 2003	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A) Cash Flow From Operating Activities								
Net Profit before Tax & Extraordinary Items		1304.65		392.31		152.91		150.77
Adjustments for								
Depreciation	22.68		22.03		24.13		23.06	
Misc. Expenses Written off	-		-		-		3.00	
Loss/(Profit) on Sale of Assets	0.04		2.17		0.97		0.16	
Prior Years' Adjustments	(0.11)		(3.11)		(7.17)		(2.42)	
Interest Expenditure	106.60		274.94		180.18		201.80	
Interest Received	(3.35)	125.86	(7.37)	288.66	(9.02)	189.09	(20.30)	205.30
Operating Profit before Working Capital Changes		1,430.51		680.97		342.00		356.07
Adjustments for								
(Increase) Decrease in Inventories	(5,351.29)		(1,820.87)		(1,893.48)		1,500.35	
Increase (Decrease) in Trade Payables	5063.47		(1,593.42)		(407.70)		(765.54)	
(Increase) Decrease in Receivables	73.05		(106.32)		493.13		(225.13)	
(Increase) Decrease in Loans & Advances	(880.32)	(1,095.09)	583.06	(2,937.55)	(283.37)	(2,091.42)	(17.39)	492.29
Cash generated from Operations		335.42		(2,256.58)		(1,749.42)		848.36
Income Tax Paid		(97.96)		(17.95)		(12.46)		(1.02)
Net Cash from Operating Activities (A)		237.46		(2,274.53)		(1,761.88)		847.34
B) Cash Flow from Investing Activities								
Purchase of Fixed Assets	(48.82)		(46.62)		(68.64)		(6.86)	
Sale of Fixed Assets	0.44		3.60		1.49		9.24	
Interest Received	3.26		7.37		9.01		20.30	
Dividend Received	0.10		0.16		-		-	
Decrease (Increase) in Investments	0.00		-		622.94		(624.09)	
Net Cash used in Investing Activities(B)		(45.02)		(35.49)		564.80		(601.41)
C) Cash Flow from Financing Activities								
Proceeds from issue of Capital	0		-		-		-	
Interest Paid	(106.60)		(274.94)		(180.18)		(201.80)	
Interest Received	0							
Dividend Paid	(77.00)		(77.00)		(77.00)		-	
Dividend Tax Paid	(10.8)		(10.80)		(9.87)		-	
Public Issue Expenses	(27.70)							
Increase (Decrease) in Secured Loans	835.41		2,596.92		1,555.24		6.79	
Increase (Decrease) in Unsecured Loans	(103.51)		(42.55)		7.09		48.87	
Net Cash used in Financing Activities(C)		509.80		2,191.63		1,295.28		(146.14)
Net increase/decrease in cash and cash equivalents (A+B+C)		702.24		(118.39)		98.20		99.79
Cash & Cash Equivalent as on 1st April,		199.60		317.99		219.79		119.99
Cash & Cash Equivalent as on 31 Dec. / 31st March,		901.84		199.60		317.99		219.78

Note to the Cash Flow Statement : Cash and Cash Equivalents include Cash and Bank Balances



Annexure XII

PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITY

A breakup of salient terms of all our material loans (Secured) as on December 31, 2005 is as below

S. No.	Lender	Loan Documentation	Loan Amt.	Amount (Rs. in lacs) Outstanding	Interest Rate	Repayment Schedule	Security Created
A	PROJECT LOANS						
1 I	DSK Sundarban Syndicate Bank	- Composite Hypothecation Agreement Charge of Hypothecation of Book Debts agreement all dated 26th May 2005.	Rs. 1225 lacs	890 Principal 8.37 Interest	11% p.a.	Repayable in five installment after the moratorium period of 17 month as under: First Installment of Rs. 195 lacs due on Sep - 06, Second, Third & Fourth installment of Rs. 270 lacs each due in Dec 2006, March 2007 & June 2007 Fifth Installment of Rs. 220 lacs due in Sep - 07	Primary Security - Mortgage of land situated at DSK Sundarban project Hadapsarm Pune at S. no 173, H. No. 8B, 7B, 8A, 10, 5, 9, & S. No. 174, H. No. 3A, 2B, 1B, 1/A, 2C, 2/A, 3/B, & S. No. 175 H. No. 2/2 - Hypothecation of construction materials & receivable from the project on pari passu with BOM <u>Collateral security:</u> Mortgage of Landed property bearing gat n. 194/1,197/2 & 189 situated at village Bavdhan Bk, Taluka Mulsi, Dist. Pune. <u>Guarantees:</u> Personal Guarantee of Mr. D. S. Kulkarni Mr. S. M. Deshpande Mrs. H. D. Kulkarni Mrs. A. S. Deshpande in their individual capacity.
II	Bank of Maharashtra	Agreement of Term Loan Memorandum of record of equitable mortgage all dated 28th March 2005.	Rs. 800 Lacs	775 Principal 7.45 Interest	BPLR	Repayable in five installments as under First Installment of Rs. 130 lacs due on 1 Sep - 2006, Second, third & fourth installment of Rs. 180 lacs each due in Dec 2006, March 2007, & June 2007 Fifth Installment of Rs 130 lacs due in 1 Sep -07	<u>Primary Security:</u> Mortgage of land property bearing S.No. 173/5, 174/1A 173/10,173/7B, 173/8B,174/ 1B,174/ 2B,174/2C, 173/5, 173/8A, 175/2/ 2,174/3A,173/ 9,174/2A,174/3B,175/2/ 1 situated at village Hadpsar, Pune <u>Collateral Security :</u> All that Piece & parcel of land property bearing Gat. No.194/1,197/2 & 189 situated at village Bavdhan, Taluka Mulshi, Dist. Pune <u>Guarantees :</u> Personal Guarantee of Mr. D. S. Kulkarni Mr. S. M. Deshpande & Smt. H. N. Phadke
2	DSK Rohan						
I	Syndicate Bank		Rs. 225 lacs	200 Principal 1.56 Interest	11% p.a.	First & Second Installment of Rs. 25 lacs each due on Sep-06 & Dec-06 Third Installment of Rs. 75 lacs due on Mar-07 Fourth Installment of Rs. 100 lacs due on June-07	Primary Security: Mortgage of land admeasuring about 841.74 sq. mt. Situated at Plot No.880 (part) out of CTS No. 1098/17, Bhamburda Shivaji Nagar, Pune and Building to be constructed thereon. <u>Guarantees :</u> Personal Guarantee of Mr. D. S. Kulkarni Mr. S. M. Deshpande & Mrs. Hemanti D. Kulkarni in their individual capacity
3	DSK Vishwa Phase III						
I	Andhra Bank	Equitable Mortgage of title deeds executed between the Company and Andhra Bank dated 14th October 2003	Rs. 500 Lacs	195.49 Principal 2.93 Interest	14.75%	Repayable in five quarterly installment	Primary Security: Equitable mortgage of its Land bearing S.No. 126/1,126/2/ 1,126/2/2, 126/3,& 126/4,126/5,126/ 6,126/7 & 126/10 at village Dhayari, Tal Haveli, Pune. Hypothecation of Stock of construction materials & receivables on pari passu basis <u>Collateral Security:</u> Land admeasuring 20.5 acres for S.no. 326 part & the same area for S.no.326 part total area 41acre in Bavdhan Budruk of D. S. Kulkarni & Co - Land admsg. 23.12 acre in Bavdhan Budruk S.no246 of Green Gold Farms & Forests Pvt. Ltd. - Land admsg. 25.83 acre & 6.66 acre under S.no.245 Hissa



S. No.	Lender	Loan Documentation	Loan Amt.	Amount (Rs. in lacs) Outstanding	Interest Rate	Repayment Schedule	Security Created
							no. 6 Total area 32.49 of D. S. Kulkarni Developers Ltd. - Land admsg.14 & 15 acre under S.no.245 Hissa no.5 Total area 29 acre of Vastuvisharad Promoters & Developers Pvt. Ltd. Guarantees: Personal guarantees from Mr. D. S. Kulkarni Mr. Sanjay M. Deshpande & Smt. H. N. Phadke in their individual capacity
II	Syndicate Bank	- Composite Hypothecation Agreement - Mortgage deed - Deposit of Title instrument	Rs. 500 Lacs	117.60 Principal 1.88 Interest	PLR + 3%	Repayable in five quarterly installments after the moratorium period of 20 months as under First & second installment of 88.25 lacs each due in Mar - 05 & Jun - 05 Third & Fourth installment of 102.95 lacs each due in Sep - 05 & Dec - 05 Fifth installment of 117.60 lacs due in Mar - 06	Primary security: Equitable Mortgage of its land No.126/1,126/2/1,126/2/2,226/3 4,5,6, 7 & 10 at village Dhayari , Tal Haveli, Pune pari passu with Andhra Bank & IOB. - Hypothecation of stock & receivables on a pari passu basis with other banks Collateral Security: Land admeasuring 20.5 acres for S.no. 326 part & the same area for S.no.326 part total area 41acre in Bavdhan Budruk of D. S. Kulkarni & Co. - Land admsg. 23.12 acre in Bavdhan Budruk S.no246 of Green Gold Farms & Forests Pvt. Ltd. - Land admsg. 25.83 acre & 6.66 acre under S.no.245 Hissa no. 6 Total area 32.49 of D.S. Kulkarni Developers Ltd. - Land admsg.14 & 15 acre under S.no.245 Hissa no.5 Total area 29 acre of Vastuvisharad Promoters & Developers Pvt. Ltd. Guarantees: Personal guarantees from Mr. D. S. Kulkarni & Mr. Sanjay Deshpande
III	Indian Overseas Bank	- Composite Hypothecation Agreement - Mortgage deed - Deposit of Title Instrument	Rs. 700 lacs	200.00 Principal 4.00 Interest	PTLR + 2%	Repayable in Six quarterly installments as under First & second installment of Rs. 50 lacs each due in Dec - 04 & Mar - 05 Third & Fourth installment of Rs. 100 lacs each due in Jun - 05 & Sep - 05 Fifth & Sixth installment of Rs. 200 lacs each due in Dec - 05 & Mar - 06	Primary security: Equitable Mortgage of its land No.126/1,126/2/1,126/2/2,226/3, 4,5,6, 7 & 10 at village Dhayari, Tal Haveli, Pune pari passu with Andhra Bank & Syndicate Bank. - Hypothecation of stock & Receivables on a pari passu basis with other banks Collateral Security: - Land admeasuring 20.5 acres for S.no. 326 part & the same area for S.no.326 part total area 41 acre in Bavdhan Budruk of D. S. Kulkarni & Co. - Land admsg. 23.12 acre in Bavdhan Budruk S.no246 of Green Gold Farms & Forests Pvt. Ltd. - Land admsg. 25.83 acre & 6.66 acre under S.no.245 Hissa no. 6 Total area 32.49 of D. S. Kulkarni Developers Ltd. - Land admsg.14 & 15 acre under S.no.245 Hissa no.5 Total area 29 acre of Vastuvisharad Promoters & Developers Pvt. Ltd. Guarantees: Personal Guarantees of following directors & also owners of the property offered as collateral security 1. Mr. D. S. Kulkarni 2. Mr. Sanjay M. Deshpande 3. M/s Keshavganga Co-op Hsg. Soc. 4. Mrs. Hemanti D. Kulkarni 5. M/s D.S. Kulkarni & Co. 6. M/s Green Gold Farms & Forest P. Ltd. 7. M/s Vastu Visharad Promoters & Developers Pvt. Ltd..



S. No.	Lender	Loan Documentation	Loan Amt.	Amount (Rs. in lacs) Outstanding	Interest Rate	Repayment Schedule	Security Created
4	DSK - Sayantara Project						
I	Syndicate Bank	Composite Hypothecation Agreement executed on 27.12.2004 between the Company and the Bank - Equitable mortgage by deposit of title deeds - Charge & Hypothecation of Book debts agreement.	Rs. 650 Lacs	650.00 Principal 6.11 Interest	11% p.a.	Repayable in five quarterly installments as under First installment of Rs. 60 lacs due on Jun - 06 Second installment of Rs. 130 lacs due in Sep - 06 Third & Fourth installment of Rs. 210 lacs each due on Dec - 06 & Mar - 07 Last Installment of Rs. 40 lacs due on Jun - 07	Primary Security Equitable Mortgage of land & building on pari passu basis with Indian Bank admeasuring about 79814.92 sq. mt. of its land S.No.83, 85, 86,87,90,92,99,100, 101, 102, 103,104,105,& 06 at village Kirkitwadi, Tal Haveli, Dist Pune - Hypothecation of construction material & receivables on a pari passu basis with other Bank Collateral Security Charge by way of mortgage of the Landed property at Gat No.- 196/1 situated at Bhavadhan Khurd Tal Mulshi Dist Pune in the in the name of Mrs. Ashwini S. Deshpande Guarantees Personal Guarantees from Mr. D. S. Kulkarni Mr. Sanjay Deshpande Mrs. H.D. Kulkarni & Mrs. Ashwini S. Deshpande in their individual capacity
II	Indian Bank	- Composite Hypothecation Agreement. - Equitable mortgage by deposit of title deeds - Charge & Hypothecation of Book debts agreement.	Rs. 475 Lacs	475.00 Principal 4.03 Interest	BPLR i.e. 11% p.a.	Repayable in Five quarterly installments with a holiday period of 15 months from the date of first disbursement.	Primary Security Equitable Mortgage of land at Gat No.92/1,99,100 to 106, 83/B, 85 & 86/1, Kirkitwadi, Dhayari, Pune along with the building proposed thereon pari passu with Syndicate Bank - Hypothecation of construction material & receivables on a pari passu basis with syndicate Bank Collateral Security Equitable mortgage of landed property at Gat No.196/1,situated at village Bavdhan Khurd, Taluka Mulshi, Pune standing in the name of Mrs. Ashwini S. Deshpande Guarantees Personal Guarantees from Mr. D.S. Kulkarni Mr. Sanjay M. Deshpande Mrs. H. D. Kulkarni & Mrs. Ashwini S. Deshpande
5	DSK Frangipani						
I	Syndicate Bank	- Un-recoverable Equitable Mortgage executed between Company & the Bank - Deed of Hypothecation All dated 31st Dec - 2003	Rs. 1075 Lacs	399.00 Principal 10.67 Interest	11.50% p.a.	Repayable in Six quarterly installments as under First installment of Rs.140 lacs due on Mar - 05 Second & Third installment of Rs. 173 lacs each due on June - 05 & Sep - 05 Fourth & Fifth installment of Rs. 190 lacs each due on Dec - 05 & Mar - 06 Six Installment of Rs. 209 due on Jun - 06.	Primary Security UR equitable Mortgage of land & building on pari passu basis with Indian Overseas Bank at B.J. road, S. No.82, 82A Pune railway station, Ghopali, Pune - Hypothecation of construction material & receivables on a pari passu basis Collateral Security First Charge by way of mortgage on the following properties Office Building at 101, Gandharve Heights , Shivajinagar, Pune Mortgage of the residential plots at Dhairy Movable & Immovable properties of DSK Infotech Pvt. Ltd. Guarantees Personal Guarantees from Mr. D. S. Kulkarni Mr. Sanjay Deshpande Mrs. H.D. Kulkarni in their individual capacity & also Corporate guaranteee of DSK Infotech Pvt. Ltd.



S. No.	Lender	Loan Documentation	Loan Amt.	Amount (Rs. in lacs) Outstanding	Interest Rate	Repayment Schedule	Security Created
II	Indian Overseas Bank	- Un-recoverable Equitable Mortgage executed between Company & the Bank - Deed of Hypothecation	Rs. 475 Lacs	180.00 Principal 2.46 Interest	13.5 % p.a.	Repayable in Six quarterly installments as under First installment of Rs. 60 lacs due on Mar - 05 Second & Third installment of Rs. 75 lacs each due on Jun - 05 & Sep - 05 Fourth installment of Rs. 85 lacs due on Dec - 05 Fifth & Sixth installment of Rs. 95 lacs each due on Mar - 06 & Jun - 06	Primary Security Equitable Mortgage of land admeasuring 73505 sq. ft. at 5 B. J. road Pune in the name of the co. with present market value Rs. 10.14 crores & building to be constructed thereupon - Hypothecation of construction material & receivables on a pari passu basis Collateral Security Charge by way of Mortgage on the following properties Office Building at 101, 201, & 301 1st, 2nd & 3rd floor of Gandharve Heights, Shivajinagar, Pune - Furniture & Fixtures, Computers other fixed assets of DSK Infotech Pvt. Ltd. Guarantees Personal Guarantees from Mr. D. S. Kulkarni Mr. Sanjay Deshpande Mrs. H.D. Kulkarni in their individual capacity & also Corporate guarantee of DSK Infotech Pvt. Ltd
6	DSK Madhuban						
I	Bank of Maharashtra	- Simple Mortgage to secure loan dated 16th Mar. 05 - Agreement for term loan dated 16th Mar. 05	Rs. 1500 lacs; Rs. 500 lacs sanctioned Rs. 1000 lacs under sanction	500.00 Principal 4.80 Interest	11.25% p.a.	Repayable in four quarterly installment of Rs. 125 lacs each due on Jun - 06, Sep - 06, Dec - 06 & Mar - 07	Primary Security Simple Mortgage of Apartment Nos. 102, 103, 104 & 107 (part), on the 2nd, 3rd, 4th & 6th floor totally admeasuring 17148 sq. ft. built up area in the building constructed on CTS No.1693, Final Plot No. 1/B, Bhamburda Pune admeasuring 1279.54 sq. mtr. and fixtures annexed thereto
II	Indian Overseas Bank	- Simple Mortgage to secure loan - Agreement for term loan	Rs.2500 Lacs	950.00 Principal 10.83 Interest	BPLR rate	Repayable in five quarterly installment First installment of Rs. 410 lacs due on Mar - 08 Second installment of Rs. 470 lacs due on Jun - 08 Third & Fourth installment of Rs.535 lacs each due on Sep - 08 & Dec - 08 Fifth Installment of Rs.550 lacs due on Mar - 09	Primary Security Equitable mortgage of the land admeasuring 123597 sq. ft. situated at Plot No. 3 & 6 CTS no.684, 685, 687/6, 686 village Mohili, Saki naka, Near Andheri Kurla road, Mumbai and Building to be constructed thereon - Hypothecation charge over WIP Finished goods & Sales receivables of the flat proposed to be constructed. Collateral Security Registered Mortgage of office No. 201,301,401, 601, (part) at II, III, IV & VI (part) floor at DSK Gandharva Heights, Pune on pari passu basis with BOM Guarantees Personal Guarantees from Mr. D. S. Kulkarni Mr. Sanjay Deshpande Smt. Hemanti Phadke
7	DSK Saptasur						
I	Syndicate Bank		Rs. 950 Lacs	575.00 Principal 0.63 Interest	10.00% p.a.	Repayable in 7 Quarterly installments First installment of Rs. 97.50 lacs Second & Third installment of Rs.117 lacs each Fourth & Fifth installment of Rs.156 lacs each Sixth installment of Rs. 175.5 lacs Seventh installment of Rs.131 lacs	Primary Security Mortgage of land measuring 25300 sq. mtr. Situated at S.No. 122/1, Mauje Dhairy, Tal. Haveli, Dist. Pune along with building to be constructed thereon on pari passu basis with other bank. Collateral Security Mortgage of land at S.No. 154/B/1 155/2, & 156/1B/1 admeasuring area 67.32 acres situated at Baner. Mortgage of land at S.No.154/1B admeasuring area of 37 acres situated at Baner. Guarantees Personal guarantee from Mr. D.S. Kulkarni & Mrs. H.D. Kulkarni in their individual capacity

S. No.	Lender	Loan Documentation	Loan Amt.	Amount (Rs. in lacs) Outstanding	Interest Rate	Repayment Schedule	Security Created
B	OTHER FACILITIES						
1	Bank Of Maharashtra	- Memorandum of record of equitable/ Mortgage - B.P./D.P. Agreement - Clean cash credit facility Agreement All dated 11th Mar - 05	Rs. 300 Lacs	401.66 Principal 0.68 Interest	13.75 % p.a.		Primary Security Personal Guarantee of Mr. D.S. Kulkarni , Sanjay M. Deshpande & Smt. Hemanti N. Phadke Also Guarantee of Ascent Promoters & Dev P. ltd & Gorich Agro Forestry Pvt. Ltd. Collateral Security Equitable Mortgage of land at Bavdhan Bk, Pune
2	Syndicate Bank F.D.O.D	Rs. 40 Lacs	40.28	Principal & Interest			Security Secured against FDR No. of Rs.42,50,000
	TOTAL SECURED LOAN FROM BANKS		6,615.43				

Covenants to Sanction Letters:

1) Syndicate Bank:

- Prepayment penalty of 1 % of the outstanding balance to be paid in case of pre-closure of the Loan.

2) Andhra Bank:

- The company to pay a premium of 2 % in case of premature closure of the Loan.
- The company to give an undertaking that any changes in management constitution/take over / mergers etc. will be done with the prior approval of the Bank. Any expansion /new projects / investments / acquiring assets under lease should be done with prior consent of the Bank.
- The company to give an undertaking that it will declare / pay dividend only after consent of the Bank.

3) Indian Overseas Bank:

- Prepayment charges of 1 % shall be payable on the prepaid amount.
- The Bank has right to recall the loan at any time during the currency of the loan.

4) State Bank of India:

- The bank will be entitled to recover prepayment penalty to the extent of 2 % of the prepaid amount.
- Without the prior approval of the bank in writing, the company shall not
- Declare dividend for any year except out of profits related to that year. The outgo on account of dividend shall not be more than 25% of the net profit earned by the company during the year;
- Undertake any new project or scheme unless the expenditure on such expansion, etc. is covered by the company's net cash accruals after providing for dividend, investments, etc. or from long term funds received for financing such new projects or expansion;
- Enter into any contractual obligation of a long term nature or affecting the company financially to a significant extent;
- Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc.
- Permit any transfer of the controlling interest or make any drastic change in the management set-up
- The bank will have a first charge on the profits of the company, after provision for taxation, for repayment of installments under term loans granted/deferred payment Guarantees executed by the bank or other repayment obligations, if any due from the company to the bank.

2. FINANCIAL INFORMATION OF THE GROUP COMPANIES

1. Ascent Promoters & Developers Pvt. Ltd.

Ascent Promoters & Developers Pvt. Ltd. is a Private Limited Company incorporated on 19th September 1996. The Company has its registered office at 161/A Modi Baug, Ganesh Khind Road Shivaji Nagar Pune 41105 and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
1) Mrs. H. N. Phadke	8,000	80
2) Mr. Phadnis Vinay P.	600	6
3) Mrs. Mudgal Vaijayanti J.	1,400	14
	10000	100

The present Directors of the Company are Mrs. V. J. Mudgal, Mrs. Jyoti D. Kulkarni and Mrs. H. N. Phadke. The Company is promoted and controlled by Mrs. V. J. Mudgal and Mrs. H. N. Phadke.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1	1	1	1
Reserves and surplus	0	0	0	0
Sales and other Income	21.77	20.75	20.75	18.17
Profit after Tax	0.00	-0.03	-0.04	-0.04
Earning per share (EPS) Rs.	0.00	-0.30	-0.40	-0.40
Net Assets Value (NAV) Rs.	4.40	4.40	4.70	5.50

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

2. Vastu Sankalp Promoters & Developers Pvt. Ltd.

Vastu Sankalp Promoters & Developers Pvt. Ltd. is a Private Limited Company incorporated on 15th January 1997. The Company has its registered office at 161/A Modi Baug, Ganesh Khind Road Shivaji Nagar Pune 41105 and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
1) Mrs. H. N. Phadke	8,600	86
2) Mr. Amit D. Kulkarni	1,400	14
Total	10000	100

The present Directors of the Company are Mr. Amit D. Kulkarni and Mrs. H. N. Phadke. The Company is promoted and controlled by Mr. Amit D. Kulkarni and Mrs. H. N. Phadke.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1	1	1	1
Reserves and surplus	0	0	0	0
Sales and other Income	7.35	13.39	1.00	0
Profit after Tax	0.01	0.02	-0.02	-0.75
Earning per share (EPS) Rs.	0.10	0.20	-0.20	-7.50
Net Assets Value (NAV) Rs.	-51.30	-51.40	-51.70	-51.70

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

3. Vastu Visharad Promoters & Developers Pvt. Ltd.

Vastu Visharad Promoters & Developers Pvt. Ltd. is a Private Limited Company incorporated on 19th June 1996. The Company has its registered office at 15/1/1/, Jui Apartment Flat no. 7, Pune - Satara Road Pune 411043 and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders		No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
1)	Mrs. A. R. Purandare	600	6
2)	Mrs. V. Y. Gangolikar	1,400	14
3)	Mrs. H. N. Phadke	8,000	80
		10000	100

The present Directors of the Company are Mrs. A. R. Purandare, Mrs. A. S. Deshpande The Company is promoted and controlled by Mrs. A. R. Purandare and Mrs. A. S. Deshpande.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1	1	1	1
Reserves and surplus	0	0	0	0
Sales and other Income	61.23	64.11	45.9	41.4
Profit after Tax	0.01	0.02	-0.13	-0.05
Earning per share (EPS) Rs.	0.07	0.20	-1.30	-0.50
Net Assets Value (NAV) Rs.	1.71	1.61	1.00	2.60

The company is not a listed Company.



The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

4. Chandradeep Promoters & Developers Pvt. Ltd.

Chandradeep Promoters & Developers Pvt. Ltd. is a Private Limited Company incorporated on 6th October 1994. The Company has its registered office at 15/1/1/, Jui Apartment Flat no. 7, Pune - Satara Road Pune 411043 and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Purandare A.R.	500	1.00
Deshpande A.S.	100	0.20
Phadke H.N.	49,400	98.80
	50,000	100

The present Directors of the Company are Mrs. A.R. Purandare, Mrs. Deshpande A.S. The Company is promoted and controlled by Mrs. A. R. Purandare and Mrs. Deshpande A.S.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	5	5	5	5
Reserves and surplus	0	0	0	0
Sales and other Income	228.99	221.88	206.46	206.12
Profit after Tax	0.01	-0.1	-0.08	-0.21
Earning per share (EPS) Rs.	0.02	-0.2	-0.16	-0.42
Net Assets Value (NAV) Rs.	-1.72	-1.74	-1.58	-1.46

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

5. Chandrasha Tours & Travels Pvt. Ltd.

Chandrasha Tours & Travels Pvt. Ltd. is a Private Limited Company incorporated on 31st January 1995. The Company has its registered office at Rohit Apartments, Office # 1, Deccan Gymkhana Pune 411004 and is mainly engaged in the business of Tours & Travels.



Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Purandare A.R.	5000	10
Deshpande A.S.	1000	2
Phadke H.N.	44000	88
	50000	100

The present Directors of the Company are Mrs. Deshpande A.S. and Mrs. H. N. Phadke The Company is promoted and controlled by Mrs. Deshpande A.S. and Mrs. H. N. Phadke.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1	1	1	1
Reserves and surplus	0	0	0	0
Sales and other Income	0.45	0	1.00	0.05
Profit after Tax	0.04	-0.1	-0.04	-0.078
Earning per share (EPS) Rs.	0.40	-1.00	-0.40	-0.78
Net Assets Value (NAV) Rs.	-21.50	-22.00	-20.80	-20.60

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

6. Crystal Promoters & Developers Pvt. Ltd.

Crystal Promoters & Developers Pvt. Ltd. is a Private Limited Company incorporated on 17th November 1996. The Company has its registered office at 161/A Modi Baug, Ganesh Khind Road Shivaji Nagar Pune 41105 and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Purandare A.R.	1400	14
Kulkarni J.D.	600	6
Phadke H.N.	8000	80
	10000	100

The present Directors of the Company are Mrs. A. R. Purandare and Mrs. Jyoti D. Kulkarni The Company is promoted and controlled by Mrs. A. R. Purandare and Mrs. Jyoti D. Kulkarni.

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1	1	1	1
Reserves and surplus	0	0	0	0
Sales and other Income	56.92	53.91	53.87	46.36
Profit after Tax	0.01	-0.04	-0.05	-0.08
Earning per share (EPS) Rs.	0.10	-0.40	-0.50	-0.80
Net Assets Value (NAV) Rs.	-53.70	-53.90	-53.30	-52.60

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

7. Swaglok Technologies Valves & Fittings Pvt. Ltd.

Swaglok Technologies Valves & Fittings Pvt. Ltd. is a Private Limited Company incorporated on 16th April 1995. The Company has its registered office at 1187/60 J.M.Road Shivaji Nagar Pune 41105 and is mainly engaged in the business of Mfg. & Sale of Electronic & Engg. Goods.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
1) Mrs. H. N. Phadke	9,990	99.90
2) Mr. D. S. Kulkarni	10	0.10
Total	10000	100.00

The present Directors of the Company are Mr. D. S. Kulkarni and Mrs. H. N. Phadke. The Company is promoted and controlled by Mr. D. S. Kulkarni and Mrs. H. N. Phadke

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	0.00	0.00	0.00	0.00
Profit after Tax	0.00	0.00	0.00	0.00
Earning per share (EPS) Rs.	0.00	0.00	0.00	0.00
Net Assets Value (NAV) Rs.	0.80	1.00	1.60	2.70

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

8. DSK Chemicals Pvt. Ltd.

DSK Chemicals Pvt. Ltd. is a Private Limited Company incorporated on 19th February 1995. The Company has its registered office at 161/A Modi Baug, Ganesh Khind Road Shivaji Nagar Pune 41105 and is mainly engaged in the business of Mfg. of Specialty Chemicals.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
1) Mr. Deepak S. Kulkarni	1,600	16
2) Mrs. Hemanti N. Phadke	7,500	75
3) Mr. Sudhir Joglekar	900	9
	10000	100

The present Directors of the Company are Mr. D. S. Kulkarni, Mrs. H. N. Phadke, and Mr. Sudhir Joglekar. The Company is promoted and controlled by Mr. D. S. Kulkarni and Mrs. H. N. Phadke

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves and surplus	0	0	0	0
Sales and other Income	0	7.28	7.37	7.28
Profit after Tax	0	-0.59	-0.16	-0.21
Earning per share (EPS) Rs.	0	-5.90	-1.60	-2.10
Net Assets Value (NAV) Rs.	-380.00	-378.20	-380.00	-370.30

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

9. DSK Motors Ltd.

DSK Motors Ltd. is a Limited Company incorporated on 5th April 1999. The Company has its registered office at S.No. 326/2, Pune Bangalore Highway Pune 411 008 and is mainly engaged in the business of Dealing in vehicles.

Share Holders Pattern as on Sept. 30, 2005

	Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
1)	Mr. Deepak S. Kulkarni	4,224,000	96
2)	Mr. Mangesh V. Jagtap	88,000	2
3)	Mrs. Ashwini S. Deshpande	88,000	2
	Total	4400000	100

The present Directors of the Company are Mr. D. S. Kulkarni, Mr. Mangesh V. Jagtap , and Mrs. Deshpande A.S. The Company is promoted and controlled by Mr. Mangesh V. Jagtap , and Mrs. Deshpande A.S.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital	440.00	440.00	440.00	440.00
Reserves and surplus	682.49	431.03	437.69	444.35
Sales and other Income	8507.71	10917.81	10407.57	6949.86
Profit after Tax	327.81	18.97	90.86	40.32
Earning per share (EPS) Rs.	7.45	0.43	2.07	0.92
Net Assets Value (NAV) Rs.	26.37	15.62	15.19	12.29

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company. Details are as under :

S. No.	Name of Bank / Institution	Nature of Loan	Outstanding as on 31.12.2005 (Rs. Lacs)
1	Indian Overseas Bank	Term Loan	965.83
2	Indian Overseas Bank-	Cash Credit	399.19

10. Fairyland Promoters & Developers Pvt. Ltd.

Fairyland Promoters & Developers Pvt. Ltd. is a Private Limited Company incorporated on 17th November 1996. The Company has its registered office at 161/A Modi Baug, Ganesh Khind Road Shivaji Nagar Pune 41105 and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Purandare A.R.	1400	14
Kulkarni Amit D	600	6
Phadke H.N.	8000	80
	10000	100



The present Directors of the Company are Mrs. Purandare A.R. & Mr. Amit D. Kulkarni. The Company is promoted and controlled by Mrs. Purandare A.R. & Mr. Amit D. Kulkarni.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	22.48	21.40	21.09	21.09
Profit after Tax (PAT)	0.002	-0.005	-0.04	-0.07
Earning per share (EPS) Rs.	0.02	-0.05	-0.44	-0.70
Net Assets Value (NAV) Rs.	1.00	1.00	1.00	1.40

The company not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

11. Sanjeevani Developers

Sanjeevani Developers is a Partnership Firm incorporated on 27th January 2004. The Firm has its registered office at Gharkul Lawns Opp. DSK Sushila Nagari Pune and is mainly engaged in the business of Construction.

Share Holders Pattern as on Sept. 30, 2005

Name of Partners		Sharing Ratio % Face value Rs. 10/- each
1)	Mr. Sanjay Deshpande	50
2)	Mrs. Ashwini Deshpande	50
	Total	100

The present Partners of the Company are Mr. S. M. Deshpande & Mrs. A. S. Deshpande. The Firm is promoted and controlled by Mr. S. M. Deshpande & Mrs. A. S. Deshpande.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Capital	9.86	9.86	0.35	N.A.
Reserves and surplus	4.87	0.00	0.00	N.A.
Sales and other Income	0.00	115.00	0.00	N.A.
Profit after Tax	4.87	9.15	0.00	N.A.

The firm has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.



12. Ham- Let Technology Valves & Fittings Pvt. Ltd.

Ham- Let Technology Valves & Fittings Pvt. Ltd. is a Private Limited Company incorporated on 18th April 1995. The Company has its registered office at 161/A Modi Baug, Ganesh Khind Road Shivaji Nagar Pune 41105 and is mainly engaged in the business of Trading Activity

Share Holders Pattern as on Sept. 30, 2005

	Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
1)	Mr. Deepak S. Kulkarni	900	9
2)	Mrs. Hemanti N. Phadke	9,100	91
	Total	10000	100

The present Directors of the Company are Mr. D. S. Kulkarni and Mrs. H. N. Phadke. The Company is promoted and controlled by Mr. D. S. Kulkarni and Mrs. H. N. Phadke.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	0.7	0.40	0.00	0.00
Profit after Tax (PAT)	0.05	-1.45	-1.91	-0.74
Earning per share (EPS) Rs.	0.50	-14.50	-19.10	-7.40
Net Assets Value (NAV) Rs.	-406.40	-406.90	-399.20	-386.80

The company not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

13. Gorich Agro Forestry Pvt. Ltd.

Gorich Agro Forestry Pvt. Ltd. is a Private Limited Company incorporated on 27th February 1996 . The Company has its registered office at Flat No. 502, Jui Apartment, Shushila Nagary, Phase - II , Patwardhan Baug,, Pune -411052 and is mainly engaged in the business of Agricultural Activities.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Phadke H.N.	9100	91
Phadnis Vinay P	900	9
Total	10000	100

The present Directors of the Company are Mrs. H.N. Phadke & Mrs. Ashwini S. Deshpande. The Company is promoted and controlled by Mrs. H.N. Phadke & Mrs. Ashwini S. Deshpande.

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	56.24	53.37	51.95	46.96
Profit after Tax (PAT)	0.007	-0.093	-0.064	-0.10
Earning per share (EPS) Rs.	0.07	-0.93	-0.64	-1.02
Net Assets Value (NAV) Rs.	-1.10	-1.10	-0.10	0.30

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

14. Holyland Agroforestry Pvt. Ltd.

Holyland Agroforestry Pvt. Ltd. is a Private Limited Company incorporated on 27th February 1996 . The Company has its registered office at Flat No. 502, Jui Apartment, Shushila Nagary, Phase - II , Patwardhan Baug., Pune - 411052 and is mainly engaged in the business of Agricultural Activities.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Hemanti N Phadke	9100	91
Yashodha V. Gangolikar	900	9
Total	10000	100

The present Directors of the Company are Mrs. H. N. Phadke & Mrs. Ashwini S. Deshpande. The Company is promoted and controlled by Mrs. H.N. Phadke & Mrs. Ashwini S. Deshpande.

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1.00	1	1	1
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	58.59	56.04	54.94	47.92
Profit after Defer Tax	0.010	-0.101	-0.07683	-0.10977
Earning per share (EPS)	0.10	-1.01	-0.7683	-1.0977
Net Assets Value (NAV)	-1.40	-1.50	-0.40	0.30

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

15. Mula Valley Agroforestry Pvt. Ltd.

Mula Valley Agroforestry Pvt. Ltd. is a Private Limited Company incorporated on 27th February 1996 . The Company has its registered office at Flat No. 502, Jui Apartment, Shushila Nagary, Phase - II , Patwardhan Baug,, Pune - 411052 and is mainly engaged in the business of Agricultural & Allied Activities.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Hemanti N. Phadke	9100	91
Ashwini S. Deshpande	900	9
Total	10000	100

The present Directors of the Company are Mrs. H.N. Phadke & Mrs. Ashwini S. Deshpande. The Company is promoted and controlled by Mrs. H.N. Phadke & Mrs. Ashwini S. Deshpande.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1.71	1.65	1.19	1.09
Reserves and surplus	0	0	0	0
Sales and other Income	0.85	0	-0.21	0
Profit after Tax	0.003	-0.083	-0.12	-0.104
Earning per share (EPS) Rs	0.03	-0.833	-1.15	-1.042
Net Assets Value (NAV)	0.60	-0.10	-3.40	-2.80

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

16. Oyster Promoters & developers Pvt. Ltd.

Oyster Promoters & developers Pvt. Ltd. is a Private Limited Company incorporated on 6th October 1994. The Company has its registered office at 8/2 Ravi Building Sadashiv Peth Pune -411030 and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Hemanti N. Phadke	9800	98
Ashwini S. Deshpande	100	1
Tilekar Surayakant	100	1
Total	10000	100

The present Directors of the Company are Mrs. H.N. Phadke & Mrs. Ashwini S. Deshpande. The Company is promoted and controlled by Mrs. H.N. Phadke & Mrs. Ashwini S. Deshpande.

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves and surplus	0	0	0	0
Sales and other Income	601.2	592.1	522.1	185.6
Profit after Tax	0.035	-0.526	-0.498	-0.498
Earning per share (EPS) Rs	0.348	-5.262	-4.977	-4.984
Net Assets Value (NAV)	-53.60	-54.00	-52.60	-51.10

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

17. Amit & Company

Amit & Company is a Partnership Firm registered on 26th April 2001. The Firm has its registered office at Gharkul Lawns Opp. Shushila Nagari Near Mahtre Bridge Pune and is mainly engaged in the business of Hotel, Catering services & Allied Activity.

Share Holders Pattern as on Sept. 30, 2005

Name of Partners	Sharing Ratio %
1) Mrs. Hemanti D. Kulkarni	10
2) Mr. Amit D. Kulkarni	50
3) Mr. Shirish D. Kulkarni	40
Total	100%

The present Partners of the Firm are Mrs. H. D. Kulkarni, Mr. Amit D. Kulkarni & Mr. Shirish D. Kulkarni.

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Capital	4.32	4.32	0.98	0.49
Reserves and surplus	0	0	0	0
Sales and other Income	23.84	26.19	23.15	10.78
Profit after Tax	0.10	0.07	0.06	4.29

The firm has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

There are no pending litigations, defaults, etc against above firm and its promoters.

18. M/S Gharkul

Gharkul is a Partnership Firm registered on 26th April 2001 . The Firm has its registered office at Opp. Shushila Nagari Near Mahtre Bridge Pune and is mainly engaged in the business of Letting out lawn for Marriages, Catering Services & Allied Activity.

Share Holders Pattern as on Sept. 30, 2005

	Name of Partners	Sharing Ratio %
1)	Mrs. Hemanti D. Kulkarni	10
2)	Mrs. Jyoti D. Kulkarni	10
3)	Ashwini Deshpande	20
4)	Mr. Amit D. Kulkarni	30
5)	Mr. Shirish D. Kulkarni	30
	Total	100

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Capital	11.74	11.74	0.99	0.27
Reserves and surplus	0	0	0	0
Sales and other Income	3.09	8.42	7.8	7.43
Profit after Tax	0.03	-1.96	0.07	0.05

The firm has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

There are no pending litigations, defaults, etc against above firm and its partners.

19. Sampada Leasing & Finance Pvt. Ltd.

Sampada Leasing & Finance Pvt. Ltd. is a Private Limited Company incorporated on 18th December 1995. The Company has its registered office at 161/A Modi Baug ,Ganesh Khind Road Shivaji Nagar Pune -411005 and is mainly engaged in the business of Leasing & Finance.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Hemanti N. Phadke	9900	99
Jyoti D. Kulkarni	100	1
Total	10000	100

The present Directors of the Company are Mrs. H.N. Phadke & Jyoti D. Kulkarni. The Company is promoted and controlled by Mrs. H.N. Phadke & Jyoti D. Kulkarni.

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital	0.00	0.00	0.00	0.00
Paid up Share Capital	1.10	1.10	1.10	1.00
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	0.00	0.00	0.00	0.00
Profit after Tax	0.00	0.00	0.00	0.00
Earning per share (EPS) - Rs.	0.00	0.00	0.00	0.00
Net Assets Value (NAV) - Rs.	-3.40	-3.00	-2.00	-1.90

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

20. Shubhastu Promoters & Developers Pvt. Ltd.

Shubhastu Promoters & Developers Pvt. Ltd. is a Private Limited Company incorporated on 19th September 1996. The Company has its registered office at Flat No. 502, Jui Apartment, Shushila Nagary, Phase - II , Patwardhan Baug,, Pune -411052 and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Mrs. H. N. Phadke	8,000	80
Mrs. Ashwini Deshpande	1,400	14
Mr. Vinay Phadnis	600	6
Total	10000	100

The present Directors of the Company are Mrs. Ashwini S. Deshpande & Mrs. V. J. Mudgal. The Company is promoted and controlled by

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital	0.00	0.00	0.00	0.00
Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	44.99	44.85	40.62	35.50
Profit after Tax	0.02	-0.17	-0.08	-0.04
Earning per share (EPS) - Rs.	0.20	-1.70	-0.78	-0.39
Net Assets Value (NAV) - Rs.	0.41	0.21	2.50	3.30

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

21 Sapphire Promoters & Developers Pvt. Ltd.

Sapphire Promoters & Developers Pvt. Ltd. is a Private Limited Company incorporated on 19th September 1996. The Company has its registered office at Flat No.7, 15/1/1 Jui Apartment, Pune Satara Road Pune -411043. and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Mrs. H. N. Phadke	8,000	80
Mrs. Anuradha R Purandare	1,400	14
Mrs. J .D .Kulkarni	600	6
	10000	100

The present Directors of the Company are Mrs. Hemanti N. Phadke & Jyoti D. Kulkarni. The Company is promoted and controlled by Mrs. Hemanti N. Phadke & Jyoti D. Kulkarni.

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Equity Share Capital				
Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	18.05	17.09	17.10	14.89
Profit after Tax	-0.01	-0.05	-0.06	-0.05
Earning per share (EPS) - Rs.	-0.15	-0.54	-0.59	-0.51
Net Assets Value (NAV) - Rs.	3.73	3.53	4.34	5.05

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

The company has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

22 D.S.K. Sales & Services

D.S.K. Sales & Services is a Partnership Firm registered on 13th February 2002 . The Firm has its registered office at 1187/60, J.M.Road, Shivaji Nagar, Pune -411005 and is mainly engaged in the business of Dealing in Building Material.

Sharing Ratio as on Sept. 30, 2005

Name of Partners	Sharing Ratio %
1) Mrs. H.D. Kulkarni	10
2) Mrs. A.R. Purandare	10
3) Mr. Shirish D. Kulkarni	80
Total	100

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Capital	-9.65	-9.38	-6.50	0.38
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	0.77	3.76	1.56	5.26
Profit after Tax	0.08	0.23	0.01	0.00

The firm has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

There are no pending litigations, defaults, etc against above firm and its partners.

23. Calcutta Boarding House

Calcutta Boarding House is a Partnership Firm registered in September 1998. The Firm has its registered office at 1187/60, J.M.Road, Shivaji Nagar, Pune - 411 005 and is mainly engaged in the business of Boarding House.

Share Holders Pattern as on Sept. 30, 2005

Name of Partners	Sharing Ratio %
1) Mrs. H.N. Phadke	5
2) Mrs. J. D. Kulkarni	50
3) Mrs. Ashwini S. Deshpande	45
Total	100

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Capital	82.18	-7.56	2.62	-6.38
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	9.37	34.93	27.92	24.33
Profit after Tax	0.41	0.29	0.00	0.12

The firm has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

There are no pending litigations, defaults, etc against above firm and its partners.

24. DSK & Associates

DSK & Associates is a Partnership Firm registered on 7th Dec 1989. The Firm has its registered office at 1187/60, J.M.Road, Shivaji Nagar, Pune -411005 and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

	Name of Partners	Sharing Ratio %
1)	Mrs. H.N. Phadke	50
2)	Mrs. V. J. Mudgal	25
3)	Mrs. V. Y. Gangolikar	25
	Total	100

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Capital	16.23	16.91	16.91	5.58
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	1.45	0.00	0.00	0.00
Profit after Tax	0.02	0.00	-2.28	0.00

The firm has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

There are no pending litigations, defaults, etc against above firm and its partners.

25. Mangesh Agencies

Mangesh Agencies is a Partnership Firm registered on 1st Aug 1986. The Firm has its registered office at 1187/60, J.M.Road, Shivaji Nagar, Pune -411005 and is mainly engaged in the business of Trading in building material.

Share Holders Pattern as on Sept. 30, 2005

	Name of Partners	Sharing Ratio %
1)	Mrs. H.N. Phadke	5
2)	Mr. Mangesh Jagtap	50
3)	Mr. Amit D. Kulkarni	45

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Capital	386.85	391.52	328.21	-15.16
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	76.02	193.98	176.24	359.84
Profit after Tax	0.11	0.81	1.05	0.14

The firm has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

There are no pending litigations, defaults, etc against above firm and its partners.

26. Telesmell

Telesmell is a Proprietary concern of Mrs. Jyoti D. Kulkarni incorporated in September 1978. The concern has its registered office at 1187/60, J.M.Road, Shivaji Nagar, Pune -411005 and is mainly engaged in the business of cleaning and perfuming telephone instruments in offices and at homes for keeping it environmental friendly and hygienic.

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Capital	0.15	0.34	0.35	-0.98
Reserves and surplus	0.00	0.00	0.00	0.00
Sales and other Income	0.96	2.00	1.30	2.60
Profit after Tax	0.01	0.06	0.08	0.43

The firm has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

There are no pending litigations, defaults, etc against above firm and its promoters.

27. D. M. Exports

D. M. Exports is a Partnership Firm registered on 5th Jan 1996. The Firm has its registered office at 1187/60, J.M.Road, Shivaji Nagar, Pune -411005 and is mainly engaged in the business of Software Development & Export.

Share Holders Pattern as on Sept. 30, 2005

	Name of Partners	Sharing Ratio %
1)	Mrs. V. J. Mudgal	50
2)	Mrs. Ashwini S. Deshpande	50
	Total	100

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Capital	50.73	50.73	50.65	1.29
Reserves and surplus	0	0	0	0
Sales and other Income	0.11	0.00	5.72	17.96
Profit after Tax	0.11	-0.10	0.19	0.04

The firm has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

There are no pending litigations, defaults, etc against above firm and its partners.

28. Ambiance Ventures, Estate And Developments Pvt. Ltd.

Ambiance Ventures, Estate And Developments Pvt. Ltd. is a Private Limited Company incorporated on 4th February 1991. The Company has its registered office at 1187/60, J.M.Road, Shivaji Nagar, Pune -411005 and is mainly engaged in the business of property development. The company is presently constructing a building at Cuffe Parade, Mumbai.

Share Holders Pattern as on Sept. 30, 2005

Name of the Shareholder	No. of Equity shares at the Face Value of Rs. 100 each	No. of Preference shares at the Face Value of Rs.100 each	Total shares at the Face Value of Rs.100 each	Total Percentage Shareholding (%)
Ms. Jyoti D. Kulkarni	273	--	273	0.06
Ms. Sushila S. Kulkarni	273	--	273	0.06
Ms. Seema S. Kulkarni	273	273	0.06	
Mr. Makarand S. Kulkarni	273	--	273	0.06
Mr. Suresh K. Nene	273	273	0.06	
Mr. Padmanabh K. Nene	273	--	273	0.06
Ms. Mrudula K. Nene	273	273	0.06	
Ms. Yashodha Gangolikar	273	--	273	0.06
Mr. Vijay Gangolikar	273	273	0.06	
Ms. Vaijayanti Mudgal	273	--	273	0.06
Mr. Anand B. Bengare	273	273	0.06	
Ms. Kaveri B. Bengare	273	--	273	0.06
Ms. Chhavi R. Narayan	3	3	0.00	
Ms. Leeladevi S. Narayan	3	--	3	0.00
Mr. Sunderdas K. Narayan	3	3	0.00	
Ms. Savitri T. Bhatia	3	--	3	0.00
Ms. Sundari T. Bhatia	3	3	0.00	
Ms. Saraswati T. Bhatia	3	--	3	0.00
Mr. Vasudeo F. Shah	3367	33677	0.75	



Name of the Shareholder	No. of Equity shares at the Face Value of Rs. 100 each	No. of Preference shares at the Face Value of Rs.100 each	Total shares at the Face Value of Rs.100 each	Total Percentage Shareholding (%)
Mr. Chander T. Bhatia	6	6	0.00	
Mr. Deepak S. Kulkarni	2433	--	2433	0.54
D. S. Kulkarni Construction Pvt. Ltd.	--	370000	370000	82.22
Mrs. Hemanti N. Phadke	--	32360	32360	7.19
The Reliance Agencies Pvt. Ltd.	--	38540	38540	8.56
TOTAL	9100	440900	450000	100.00

The present Directors of the Company are Mr. D.S. Kulkarni, Mrs. Hemanti N. Phadke, Chandra T. Bhatia, Vasudeo F. Shah , Vijay J. Dixit. The Company is promoted and controlled by Mr. D.S. Kulkarni & Ms. H. N. Phadke.

Brief Financial Performance (For Last Three & Half Years):

(Rs. in lacs)

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Paid up Share Capital	450.00	450.00	450.00	450.00
Reserve & Surplus	13.73	0.16	-	-
Sale and other Income	370.96	741.42	888.60	131.47
Profit/ (Loss) After Tax(PAT)	13.15	2.67	1.86	(7.98)
Earning Per Share (EPS) Rs.	2.92	0.59	0.41	(1.77)
Net Assets Value per share Rs.	102.95	99.93	99.90	99.90

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act ,1995 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

The company has availed following loans from any Banks or Institutions.

S. No.	Name of Bank / Institution	Nature of Loan	Outstanding as on 31.12.2005
1	Indian Overseas Bank	Term Loan	1831.54
2	Bank of Maharashtra	Term Loan	860.36

29. Saptashrungi Developers

Saptashrungi Developers is a Proprietary firm of Mr. D. S. Kulkarni. The Firm has its office at 1187/60, J. M. Road, Shivaji Nagar, Pune -411005 and is engaged in the business of land identification, procurement and development.

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Capital	55.21	52.64	45.60	94.68
Reserves and surplus	NIL	NIL	NIL	NIL
Sales and other Income	NIL	NIL	NIL	NIL
Profit after Tax	NIL	NIL	NIL	NIL

The firm has not availed of any loans from any Bank or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

There are no pending litigations, defaults, etc against above firm and its Proprietor.

30. D. S. Kulkarni Construction Pvt. Ltd.

D. S. Kulkarni Construction Pvt. Ltd. is a Private Limited Company incorporated on 5th July 1982. The Company has its registered office at 1187/60, J.M.Road, Shivaji Nagar, Pune -411005 and is mainly engaged in the business of land identification and acquisition.

Share Holders Pattern as on Sept. 30, 2005

Name of Shareholders	No. of shares at the Face Value Rs.10 each	Percentage Shareholdings %
Mr. D. S. Kulkarni	400	4
Mrs. H. N. Phadke	9400	94
Mrs. J .D .Kulkarni	200	2
Total	10000	100

The present Directors of the Company are Mrs. Hemanti N. Phadke & Mr. Vijay P. Gangolikar. The Company is promoted and controlled by Mr. D. S. Kulkarni, Mrs. Hemanti N. Phadke & Mrs. Jyoti D. Kulkarni.

Brief Financial Performance (For Last Three & Half Years):**(Rs. in lacs)**

Particulars	For the Period 01.04.05 to 30.09.05	Year Ended March 31st		
		2005	2004	2003
Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves and surplus				
Sales and other Income	0.04	0.05	0.06	0
Profit after Tax	0.01	0.01	-0.12	-1.01
Earning per share (EPS) - Rs.	0.10	0.10	-1.25	-10.06
Net Assets Value (NAV) - Rs.	-7.54	-7.56	-7.57	-7.44

The company is not a listed Company.

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

The company has not availed of any loans from any Banks or Institutions.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

There are no pending litigations, defaults, etc against above company, its promoters and its directors.

NOTE: In addition to above mentioned 30 entities there are following entities reflected in Related party Transaction, which have not been included in the Group companies:

S. No.	Name of the Entity	Remarks
1	Arya Sangeet Prasarak Mandal	A Public Charitable Trust
2	D S K Foundation	A Public Charitable Trust
3	Roshan Enterprises	A partnership firm has since been dissolved.
4	Nexgen Infotech	A partnership firm belonging to Mr. Vinay Phadnis, who cease to be Director of D. S. Kulkarni Developers Ltd. w.e.f. 31.12.2005
5	Sahil Resorts Agrifields and Farm Private Limited	A Private Limited company under the control of Mr. Vinay Phadnis, who ceased to be Director of D. S. Kulkarni Developers Ltd. w.e.f. 31.12.2005

PARTICULARS REGARDING LISTED COMPANIES UNDER THE SAME MANAGEMENT WHICH HAVE MADE CAPITAL ISSUES DURING THE LAST THREE YEARS

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956, which have come out with a Public or a Rights Issue.

3. CHANGES IN ACCOUNTING POLICIES IN THE LAST 3 YEARS

There are no changes in the Accounting policies by the Company during the last three years.

4. MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussions of financial condition and results of operations together with audited financial statements for the period of nine months ended on 31st December, 2005 and for the years ended on 31st March 2005, 2004, 2003, 2002 and 2001 under Indian GAAP including schedules, annexures and notes thereto and the reports thereon, beginning on page no. 76 in this Offer Document. These financial statements are prepared in accordance with Indian GAAP, the Indian Companies Act and SEBI Guidelines as described in the Auditor's Report of M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants dated 7th February 2006.

Overview of the Business

Since 1991, the Company has been engaged in the construction of residential and commercial complexes. The company's main focus has been into Pune and Mumbai and has successfully completed twenty one projects in Pune and two projects in Mumbai so far in these cities.

Broadly the business activities of the company can be categorized into two segments:

- (i) Residential: In the year 1992-93 the company started construction activities and since then the company's key area of business is concentrated on residential houses. This segment contributes almost 90% of the revenue of the company.
- (ii) Commercial: The Company has undertaken few projects in this segment at Pune. In this segment the company considers essential shopping, offices, and IT Park.

The company is supported by customer base in India and abroad due to its commitment towards customer satisfaction through engineering excellence and quality construction. The company is certified under ISO 9001: 2000 quality system by ISC Pty. Ltd. Sydney, Australia for Quality Management at all its offices and construction sites. Traditional Bhoomi Pujan, Key handing over ceremony, timely possession and efficient customer care after sales are the factors for its reputation in the housing industry.

Significant developments subsequent to the last financial statement

The Directors of the Company confirm that in their opinion, no circumstances have arisen since the date of the last financial statements, i.e. December 31, 2005 as disclosed in the Offer Document and which materially and adversely affect or are likely to affect the trading or profitability of the Company, or the value of its assets, or its ability to pay its liabilities within the next twelve months except incorporation of an entity in United States of America, i.e. DSK Developers Incorporated.

DSK Developers Incorporated is having its registered office at 16-G, State highway, RT#5, Palisades Park, NJ 07650, USA. The company intends to undertake project of Villas and Condominium in the States of New Jersey and Newyork. Till date no business activities has taken place.

Significant Accounting Policies:

1. Historical Cost Convention and Accrual Method of Accounting: These accounts have been prepared under the historical cost convention with revenues recognized and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the period.
2. Revenue Recognition: For sale of tenements, revenue is recognized after the construction of the project is completed in every respect, provided all the legal formalities pertaining to the project are completed and possession thereof is delivered.
3. Depreciation on Fixed Assets: Depreciation is provided as per the straight-line method according to the rates prescribed in Schedule XIV to the Companies Act, 1956.
4. Current assets, loans and advances: In the opinion of the Board of Directors the current assets, loans and advances are stated at the value which will be realized if they are sold in the ordinary course of the Company's business.
5. Research & Development Expenses: Capital Expenditure on Research & Development is included in Fixed Assets. Revenue Expenditure on Research & Development is written off in the Profit & Loss Account.
6. Inventories:
 - i. Inventories of finished tenements are valued at the cost or estimated net realizable value, (as certified by the management) whichever is the less.

- ii. Inventories of work in progress are valued, in accordance with the Proportionate Completion Method, at the aggregate of the estimated cost incurred and a proportion of the estimated profit earned (as certified by the management) or the proportionate estimated net realizable value (as certified by the management), whichever is the less. Revenue Expenses such as those incurred on foreign and domestic exhibitions, advertisement for sale of tenements, interest on borrowings attributable to specific projects are included in the valuation of inventories of work in progress. Profit on incomplete contracts is not recognized unless sufficient expenditure has been incurred in respect of the contract.
- iii. Inventories of construction materials are valued at cost of acquisition or net replacement value (as certified by the management), whichever is the less.

7. **Foreign Exchange Transactions:** These are recorded at the rate of exchange prevailing on the date of the transaction. Period-end balances are translated at the rate of exchange prevailing on the balance sheet date.

DISCUSSION ON RESULTS OF OPERATIONS:

(Rs. in lacs)

Particulars	For the 9 mths. ended 31.12.05	For the 9 mths. ended 31.12.05	For the Financial years ended 31st March									
			2005		2004		2003		2002		2001	
			Amt	%	Amt	%	Amt	%	Amt	%	Amt	%
INCOME												
Sale of Tenements	1422		3,506		2,965		5,721		5,119		2,800	
Increase in Inventories of Completed Tenements / Work in Process	5205		1,833		2,144		(799)		(2139)		892	
Other Income	20		22		16		40		44		24	
Total Income	6,647		5,360		5,125		4,959		3,023		3,716	
EXPENDITURE												
Development Expenses	4,776	72	4,429	83	4,232	83	3,267	66	1,851	62	2,455	66
Administrative Expenses	130	2	77	1	72	1	33	1	76	3	105	3
Staff Expenses	100	1	56	1	55	1	23	0	67	2	91	2
Selling Expenses	206	3	109	2	134	3	109	2	32	1	23	1
Expenses Allocable to Projects Written Off		-	-	-	275	5	1,147	23	833	28	743	20
Misc. Expenses Written off	-	-	-	-	-	-	3	-	3		3	
Total Expenditure before interest, depreciation & tax	5,212	78	4,671	87	4,768	93	4,583	93	2,863	96	3,420	93
EBIDTA	1,435	22	689	13	357	7	376	8	161	5	296	8
Interest & Finance Charges	107	2	275	5	180	4	202	4	14	0	14	0
Depreciation	23	0	22	0	24	28	23	0	28	1	27	
Total	130	2	297	6	204	32	225	5	42	1	41	1
Net Profit before Tax	1,305	20	392	7	153	3	151	3	118	2	255	7
Taxation (Previous Year)												
Taxation (Current Year)	(115)	(2)	(32)	1	(12)	0	(11)	0	(9)	0	23	1
Deferred Tax provision/ (Tax credit)		-	7	0	8	0	3	0	178	6	-	
Net Profit after Tax	1,190	18	368	7	148	3	143	3	287	10	232	6
Prior Year Item			3		7		2		-		1	
Exceptional items		-	-		-		-		-		-	
Profit After Tax	1,190	18	364	7	141	3	140	3	287	10	231	6
APPROPRIATIONS												
Proposed Dividend	-		77		77		77		-		-	
Dividend Tax	-		11		10		10		-		-	
General Reserve	-		-		-		-		271		-	
Profit / (Loss) carried forward to Balance Sheets	1,190	18	277	5	54	1	53	1	16	1	231	6

NINE MONTHS ENDED ON 31st DEC., 2005 COMPARED WITH FINANCIAL YEAR (FY) 2004-05

The audited results for the nine months ended 31st December, 2005 cannot be compared with the unaudited results for the corresponding period in FY 2004-2005, namely, the nine months ended 31st December, 2004, because the company has not carried out the audit exercise for that period.

However, an overview of the results reveals a substantial increase in revenue and profit after tax. The revenue for the nine months ended 31st December 2005 was Rs.6647 lacs whereas the proportionate revenue for the nine months ended 31st December, 2004 could be Rs.3623 lacs. Thus the increase is of 83%. Similarly, the profit after tax for the nine months ended 31st December, 2005 was Rs.-1190 lacs whereas the proportionate profit after tax for the nine months ended 31st December, 2004 could be Rs.128 lacs. Thus the increase is of 830%.

The profit has increased significantly as the company has commenced several housing projects simultaneously. The property prices have suddenly gone up due to growth in economy and increase in purchasing power of the buyers. The company had acquired land for the newly commenced projects at appropriate time and at reasonable rate that helped the company to make substantial profit margin.

FINANCIAL YEAR (FY) 2004-05 COMPARED WITH FINANCIAL YEAR (FY) 2003-04

Revenues

Turnover for the FY 2004-05 increased by about 5%, i.e. by Rs.230 lacs, to Rs.5339 lacs from Rs.5109 lacs in the corresponding FY 2003-04. Such increase indicates that there is steady growth in the Company's business.

Other Income

Other Income for the FY 2004-05 increased by about 38%, i.e. by Rs.6 lacs, to Rs.22 lacs from Rs.16 lacs in the corresponding FY 2003-04. Such increase is mainly on account of increase in miscellaneous receipts.

Operating Margin

Operating margin i.e. Earnings before Interest, Depreciation & Tax for the FY 2004-05 as a % of Turnover increased from 7% in FY 2003-04 to 13% in the FY 2004-05. However, in absolute terms, the Operating Margin increased in the FY 2004-05 by about 93%, i.e. by Rs.332 lacs, to Rs.689 lacs from Rs.357 lacs in the corresponding FY 2003-04. This is due to successful reduction in operating costs.

COSTS & EXPENSES

Employee Costs

The manpower costs for the FY 2004-05 increased to Rs. 56 lacs from Rs.55 lacs in the corresponding FY 2003-04. Thus there is no major increase in employee costs.

Other Expenses

The Other Expenses include administrative & selling expenses. The major break-up of these expenses is as follows:

Expense Head	FY 2004-05	FY 2003-04
Administrative expenses	77	72
Selling expenses	109	134
TOTAL	186	206

The company makes every effort to reduce overheads, conserve resources & increase profitability.

Exceptional Item of Expenditure: None

Interest & Financial charges

Interest and finance charges for the FY 2004-05 increased by about 53%, i.e. by Rs.95 lacs, to Rs.275 lacs from Rs.180 lacs in the corresponding FY 2003-04. Notwithstanding the reduction in the cost of borrowing. Such increase is mainly on account of increase in borrowings of 68%, i.e. by Rs.2554 lacs, from Rs. 3724 lacs in F Y 2003-04 to Rs.6278 lacs in F Y 2004-05.

Depreciation

Depreciation for the FY 2004-05 decreased by Rs.2 lacs as compared to the corresponding FY 2003-04 notwithstanding the net addition of Rs. 36 lacs in Fixed Assets during the FY 2004-05.

Taxes on Income and Deferred Tax provision

In FY 2004-05, as per Accounting Standard 22, the Company conservatively reversed Deferred Tax Liability to the extent of Rs. 7 lacs only and transferred the same to the Profit and Loss A/c for the year. This has the effect of increasing the Net Profit by an equivalent amount.

FINANCIAL STATUS**Net Worth**

As on 31st March 2005, the amount of Equity Share capital remained unchanged. However, retained earnings increased by Rs. 277 lacs as compared to 31st March 2004.

Borrowings

As on 31st March 2005, the secured loans increased by about 81% i.e. by Rs. 2597 lacs and stood at Rs. 5807 lacs as against Rs. 3210 lacs on 31st March 2004. However, as on 31st March 2005 the unsecured loans decreased by about 8% i.e. by Rs. 43 lacs and stood at Rs. 471 lacs as against Rs. 514 lacs on 31st March 2004

Current Assets

The company's current assets primarily consist of receivables, inventories, cash & bank balances and loans & advances. The Current Ratio as at 31st March 2005 improved and stood at 3.82 as compared to 2.23 at the end of previous year.

As on 31st March 2005, receivables increased by 33%, i.e. by Rs.106 lacs, to Rs. 430 lacs as compared to Rs.324 lacs as at 31st March 2004, largely on account of completion of projects by the year end. The management is taking all the required steps to expedite collections and improve liquidity.

As on 31st March 2005, loans and advances decreased by 80%, i.e. by Rs. 588 lacs, to Rs.150 lacs as compared to Rs.738 lacs as on 31st March 2004 due to decrease in advance to suppliers.

Fixed Assets

During the FY 2004-05, the company made net additional investment of Rs. 36 lacs in fixed assets. Funding of the capital expenditure was made mainly through hire purchase loans.

FINANCIAL YEAR (FY) 2003-04 COMPARED WITH FINANCIAL YEAR (FY) 2002-03**Revenues**

Turnover for the FY 2003-04 increased by about 4%, i.e. by Rs.190 lacs, to Rs.5109 lacs from Rs. 4919 lacs in the corresponding FY 2002-03. Such increase indicates that there was steady growth in the Company's business.

Other Income

Other Income for the FY 2003-04 decreased by about 60%, i.e. by Rs.24 lacs, to Rs.16 lacs from Rs.40 lacs in the corresponding FY 2002-03. Such decrease is mainly on account of decrease in miscellaneous receipts.

Operating Margin

Operating margin i.e. Earnings before Interest, Depreciation & Tax for the FY 2003-04 as a % of Turnover decreased from 8% in FY 2002-03 to 7% in the FY 2003-04. In absolute terms, the Operating Margin decreased in FY 2003-04 by about 5%, i.e. by Rs. 19 lacs, to Rs. 357 lacs from Rs.376 lacs in the corresponding FY 2002-03. Thus there is no major reduction in the operating margin despite the prevalent cost-push inflation.

COSTS & EXPENSES**Employee Costs**

The manpower costs for the FY 2003-04 increased to Rs. 55 lacs from Rs. 23 lacs in the corresponding FY 2002-03. The major factors contributing to this increase are annual revision in the salary as well as recruitment of additional manpower.

Other Expenses

The Other Expenses include administrative & selling expenses. The major break-up of these expenses is as follows:

(Rs. in lacs)

Expense Head	FY 2003-04	FY 2002-03
Administrative expenses	72	33
Selling expenses	134	109
TOTAL	206	142

The company makes every effort to reduce overheads, conserve resources & increase profitability

Exceptional Item of Expenditure: None

Interest & Financial charges

Interest and finance charges for the FY 2003-04 reduced by about 11%, i.e. by Rs. 22 lacs, to Rs.180 lacs from Rs.202 lacs in the corresponding FY 2002-03. This decrease is the result of better utilisation of funds despite the increase in borrowings to Rs. 3724 lacs as at 31st March, 2004 from Rs.2161 lacs as at 31st March, 2003

Depreciation

Depreciation for the FY 2003-04 increased by Rs.1 lac as compared to the corresponding FY 2002-03 notwithstanding the net addition of Rs. 56 lacs in Fixed Assets during the FY 2003-04.

Taxes on Income and Deferred Tax provision

In FY 2003-04, as per Accounting Standard 22, the Company conservatively reversed Deferred Tax Liability to the extent of Rs. 8 lacs only and transferred the same to the Profit and Loss A/c for the year. This has the effect of increasing the Net Profit by an equivalent amount.

FINANCIAL STATUS

Net Worth

As on 31st March 2004, the amount of Equity Share capital remained unchanged. However retained earnings increased by Rs. 54 lacs as compared to 31st March 2003.

Borrowings

As on 31st March 2004, the secured loans increased by about 94% i.e. by Rs. 1555 lacs and stood at Rs. 3210 lacs as against Rs. 1655 lacs on 31st March 2003. However, as on 31st March 2004 the unsecured loans increased by about 1% i.e. by Rs. 7 lacs and stood at Rs. 514 lacs as against Rs. 507 lacs on 31st March 2003.

Current Assets

The company's current assets primarily consist of receivables, inventories, cash & bank balances and loans & advances. The Current Ratio as at 31st March 2004 has improved and stood at 2.23 as compared to 1.67 at the end 31ST March 2003.

As on 31st March 2004 receivables decreased by 60%, i.e. by Rs. 493 lacs, to Rs. 324 lacs as compared to Rs. 817 lacs largely on account of recovery by the year end. The management is taking all the required steps to expedite collections and improve liquidity.

As on 31st March 2004 loans and advances increased by 43%, i.e. by Rs. 222 lacs, to Rs. 738 lacs as compared to Rs. 516 lacs as on 31st March 2003 due to increase in advances to suppliers.

Fixed Assets

During the FY 2003-04, the company made net additional investment of Rs. 56 lacs in fixed assets. Funding of the capital expenditure was made mainly through hire purchase loans.

FINANCIAL YEAR (FY) 2002-03 COMPARED WITH FINANCIAL YEAR (FY) 2001-02

Revenues

Turnover for the FY 2002-03 increased by about 65%, i.e. by Rs. 1939 lacs, to Rs.4919 lacs from Rs. 2980 lacs in the corresponding FY 2001-02. Such increase indicates that there was substantial growth in the Company's business.

Other Income

Other Income for the FY 2002-03 decreased by about 9%, i.e. by Rs. 4 lacs, to Rs.40 lacs from Rs.44 lacs in the corresponding FY 2001-02. Such decrease is mainly on account of decrease in miscellaneous receipts.

Operating Margin

Operating margin i.e. Earnings before Interest, Depreciation & Tax for the FY 2002-03 as a % of Turnover increased from 5% in FY 2001-02 to 8% in the FY 2002-03. In absolute terms, the Operating Margin increased in FY 2002-03 by about 134%, i.e. by Rs. 215 lacs, to Rs. 376 lacs from Rs.161 lacs in the corresponding FY 2001-02.

COSTS & EXPENSES

Employee Costs

The manpower costs for the FY 2002-03 decreased to Rs. 23 lacs from Rs.67 lacs in the corresponding FY 2001-02. The major factors contributing to this decrease are the cost savings measures adopted by the Company.

Other Expenses

The Other Expenses include administrative & selling expenses. The major break-up of these expenses is as follows:

(Rs. in lacs)

Expense Head	FY 2002-03	FY 2001-02
Administrative expenses	33	76
Selling expenses	109	33
TOTAL	142	109

The increase in expenses is the result of increase in the Company's business activity despite the company's effort to reduce overheads, conserve resources & increase profitability

Exceptional Item of Expenditure: None

Interest & Financial charges

Interest and finance charges for the FY 2003-02 increased to Rs.202 lacs from Rs.14 lacs in the corresponding FY 2001-02 mainly on account of increased utilization of borrowings in F Y 2002-03.

Depreciation

Depreciation for FY 2002-03 decreased by Rs.5 lacs as compared to the corresponding FY 2001-02 because of the net reduction of Rs. 19 lacs in Fixed Assets during the FY 2002-03.

Taxes on Income and Deferred Tax provision

In FY 2002-03, as per Accounting Standard 22, the Company has conservatively reversed Deferred Tax Liability to the extent of Rs. 3 lacs only and transferred the same to the Profit and Loss A/c for the year. This has the effect of increasing the Net Profit by an equivalent amount.

FINANCIAL STATUS

Net Worth

As on 31st March 2003, the amount of Equity Share capital remained unchanged. However the retained earnings increased by Rs. 56 lacs as compared to 31st March 2002.

Borrowings

As on 31st March 2003, the secured loans increased by about 1% i.e. by Rs. 7 lacs and stood at Rs. 1655 lacs as against Rs. 1648 lacs on 31st March 2002. However, as on 31st March 2003 the unsecured loans increased by about 11% i.e. by Rs. 49 lacs and stood at Rs. 507 lacs as against Rs. 458 lacs on 31st March 2002.

Current Assets

The company's current assets primarily consist of receivables, inventories, cash & bank balances and loans & advances. The Current Ratio as at 31st March 2003 was almost the same and stood at 1.67 as compared to 1.68 at the end 31ST March 2002.

As on 31st March 2003 receivables increased by 38%, i.e. by Rs. 225 lacs, to Rs 817 lacs as compared to Rs. 592 lacs as at 31st March, 2002 largely on account of completion of projects by the year end. The management is taking all the required steps to expedite collections and improve liquidity.

As on 31st March 2003 loans and advances increased by 4%, i.e. by Rs. 18 lacs, to Rs. 516 lacs as compared to Rs. 498 lacs as on 31st March 2002 due to increase in advance to suppliers.

Fixed Assets

During the FY 2002-03, the company had transferred / sold its vehicle having net reduction in the value by Rs.19 lacs in fixed assets.

ADVERSE EVENTS

There has been no adverse event affecting the operations of the company occurring within one year prior to the date of filing of the Offer Document with the SEBI.

DEFAULTS

The company has not defaulted in meeting any statutory dues, institutional dues or bank dues. The company has never defaulted on any interest or principal payments to its fixed deposits holders.

DETAILS OF ANY ENCUMBRANCES OVER THE PROPERTY OF THE COMPANY

There are no encumbrances over the property of the company except as disclosed in the Auditors report included in this Offer Document.

GUARANTEES GIVEN BY THE COMPANY TO ANY OTHER PARTY

The company has not given any Guarantees to any other party except as disclosed in the Auditors report included in this Offer Document.

INFORMATION REQUIRED AS PER CLAUSE 6.10.5.5(A) OF THE SEBI GUIDELINES**1. Unusual or infrequent events or transactions:**

There have been no other unusual or infrequent transactions that have taken place during the last three years.

2. Significant Economic changes that materially affected or are likely to affect income from continuing operations:

Any major changes in policies of the Government including taxation, FDI, etc. would have significant impact on the profitability of the Company. Any major changes in policies of the Government affecting economic growth would have the significant impact on the profitability of the company.

Except the above, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:

Apart from the risks as disclosed under heading "RISK FACTORS" in this Final Offer Document, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues,

There are no known relationship between costs and revenues.

5. Reason for increase in sales/revenue

The material increases in net sales or revenue are due to increased sales volume on account of number of projects commenced simultaneously and also due to increased sales prices:

6. Total turnover of each major industry segment in which the Company operated:

The Company is operating only in one industry, i.e. construction industry. Relevant industry data, as available, has been included in the section titled "Industry overview" beginning on page no. 38 of this Offer Document.

7. The extent to which business is seasonal:

The business of the Company is not seasonal in nature. However, the construction activities are affected sometimes due to adverse weather conditions such as heavy rains.



8. Any significant dependence on a single or few suppliers or customers:

The Company sources its raw materials from a set of known suppliers and is not under threat from excessive dependence on any single supplier. There is no dependence on any single customer.

9. Competitive Conditions

The company faces competition from both large well established players and smaller proprietary firms. The company keeps track of current scenario of the market and takes appropriate steps whenever required.

10. New product or business segment:

The company has its presence in the cities of Pune and Mumbai. The company has planned to enter in new cities like Bangalore, Hyderabad and New Delhi.

SECTION VI: LEGAL AND OTHER INFORMATION

1. OUTSTANDING LITIGATIONS / DEFAULTS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against the Company, the Directors of the Company, the Promoters of the Company and Group Companies that would have a material adverse effect on the business of the Company and there are no defaults, non-payment or overdue of statutory dues, institutional/bank dues and dues other than unclaimed liabilities against the Company or Directors or Promoters or Group Companies as of date of this Offer Document.

AGAINST THE ISSUING COMPANY

A. Contingent liabilities not provided for, as on March 31, 2005 is NIL and as on December 31, 2005 is NIL

B. Litigation against the Company

- Pertaining to Criminal Laws: NIL
- Pertaining to Civil Laws: The following civil suits have been outstanding as on March 13, 2006:

S. No.	Parties	Court	Charges / Allegations	Date Of Filing	Present Status	Financial Implications On The Issuer	Amount Involved
1.	Arjun Rama Galiyal / DSKDL	RCS/59/04 Civil Court - Pune	Arjun Rama Galiyal was tenant in respect of premises of F-07-adm. 50.13 Sq. Mtr., situated in a portion of property belonging to Manirabad Trust, who entered into agreement of sale with the Company. The plaintiff is claiming relations with the said tenant, for compensation amount, and for restraining Company to raise new construction. Court has already disallowed this application	4/02/2004	Court disallowed injunction	NIL	NIL
2.	Arjun Rama Galiyal / DSKDL	123/05 District Court -Pune	This being an appeal by Arjun Rama Galiyal against lower court order, in matter of 59 /04	30/04/2005	Hearing	NIL	NIL
3.	Biharilal Motwani / DSKDL	Consumer Forum-Pune	Motwani purchased a shop in DSK Chintamani Project for consideration of Rs. 7,39,000/- Plus Rs. 10,000/- for one time maintenance. Paid Rs. 7,40,000/- but not willing to pay balance maintenance charges of Rs. 9000/- . But, instead, filed complaint against the Company for non-issuing receipt of Rs. 10,000/- only	20/04/2005	Written Statement	NIL	Rs.50,000
4.	Smita Enterprises/ DSKDL	RCS/62/04 Civil Court - Pune	The plaintiff was entrusted work of painting at Company's project at DSK Vishwa - Ph. I, Rohini - Cluster, J-wing. Since the work was not satisfactory as per the contract agreement and found to be defective payment of Rs. 91,680/- was withheld by the Company. The plaintiff is claiming the recovery of the same through this suit	24/03/2004	On Issues	NIL	Rs. 91,500

- Pertaining to Securities Laws:

Trading of the company's shares was suspended by BSE from 14.9.1999 to 19.9.1999 because notice of closure of register of members and transfer books was inadvertently not sent to BSE as per the requirement of Listing agreement, i.e. 42 days' notice in advance, as required under clause 15/16 of the Listing agreement, entered into with BSE. The explanation for the same was submitted to BSE in response to notice of BSE and subsequently, trading resumed on 20.9.1999.

- Pertaining to Statutory Laws: NIL
- Pertaining to Labour Laws: NIL
- Arbitration Matters: NIL

AGAINST THE DIRECTORS

The Directors of the Company have no outstanding litigation towards tax liabilities, criminal/civil prosecution for any offences (irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act), disputes, defaults, non-payment of statutory dues, in their individual capacity or in connection with the Company and other Companies with which the Directors are associated,

- Pertaining to Criminal Laws: NIL
- Pertaining to Civil Laws: NIL
- Pertaining to Securities Laws: NIL
- Pertaining to Statutory Laws: NIL
- Pertaining to Labour Laws: NIL
- Arbitration Matters: NIL

AGAINST THE PROMOTERS

The Promoters of the Company have no outstanding litigation towards tax liabilities, criminal/civil prosecution for any offences (irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act), disputes, defaults, non-payment of statutory dues, in their individual capacity or in connection with the Company and other Companies with which the Promoters are associated,:

- Pertaining to Criminal Laws: NIL
- Pertaining to Civil Laws : NIL
- Pertaining to Securities Laws: NIL
- Pertaining to Statutory Laws: NIL
- Pertaining to Labour Laws: NIL
- Arbitration Matters: NIL

AGAINST THE GROUP COMPANIES

A. Contingent liabilities not provided for, as on March 31, 2005 is NIL and as on September 30, 2005 is NIL.

B. Litigation against the Group Companies

- Pertaining to Criminal Laws: NIL
- Pertaining to Civil Laws: NIL
- Pertaining to Securities Laws: NIL
- Pertaining to Statutory Laws: NIL
- Pertaining to Labour Laws: NIL
- Arbitration Matters: NIL

CASES FILED BY THE ISSUER COMPANY

- Pertaining to Civil Laws: In the normal course of business, the Company has following suits before various Courts. The details of the same as on March 13, 2006 are as under:

S. No.	Parties	Court	Charges / Allegations	Date Of Filing	Present Status	Financial Implications On The Issuer	Amount Involved
1.	DSKDL / Uday Panse & Others	Sp.C.S. 920/2001 Civil Court - Pune	One of the defendants, Mr. Dagade, is having sale deed with the company for sale of land admeasuring 50 R , at S.No. 314 Bavdhan (B). The sale deed was registered on 06.03.2000. However, another sale deed dt. 22.02.1989 was revealed. Company filed this suit for setting aside sale deed dt. 22.02.1989	15/10/2001	On Issues	NIL	Rs. 15,00,000
2.	DSKDL / Balu Hagawane	Sp.C.S. 1103/96 Civil Court - Pune	The company entered into an agreement with Balu Hagwane for purchase of land admn. 80 R, at S. No. 188, Kirkatwadi. During execution of said agreement on 15.06.1995, Rs. 50,000/- were paid by the company. Later on, the defendant did not comply all the terms & conditions of the agreement. Hence this suit for specific performance of sale	21/10/1996	Hearing	NIL	Rs. 1,00,000
3.	DSKSL / Tukaram and D.G. Hagawane	Sp.C.S. 1104/96 Civil Court - Pune	The company entered into an agreement with Tukaram Hagwane for purchase of land admn. 63 R, at S. No. 187, Kirkatwadi. During execution of said agreement on 15.06.1995 Rs. 39,375/- were paid by the company. Later on, the defendant did not comply all the terms & conditions of the Agreement. Hence this suit for specific performance of sale	21/10/1996	Hearing	NIL	Rs. 1,00,000
4.	DSKDL / Shivram Jivaba Hagawane	Sp.C.S. 2203/96 Civil Court - Pune	The company entered into an agreement with Shivram Hagwane for purchase of land admn. 1 Hect. 54 R, at S. No. 196, Kirkatwadi. During execution of said agreement on 15.06.1995 Rs. 96,250/- were paid by the company. Later on, the defendant did not comply all the terms & conditions of the agreement. Hence this suit for specific performance of sale	21/10/1996	Hearing	NIL	Rs. 1,00,000
5.	DSKDL/Raghunath Chavan	Sp.C.S. 53/04 Civil Court - Pune	Company entered into an agreement with Mr. Raghunath Chavan, for purchase of land adjacent to DSK Vishwa Project. Company paid Rs. 61.00 Lacs to Mr. Chavan towards advance and as part payment towards consideration. As Mr. Chavan did not comply as per agreement and declined to perform his part, hence Company filed this suit for Specific Performance of Contract	04/01/2006	Ex-Parte order is passed. Notices issued to defendants	NIL	Rs. 61,00,000

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of the Company, there have not arisen, since the date of the last financial statements disclosed in this Offer Document, any circumstances that materially or adversely affect or are likely to affect the profitability of the Company or the value of its assets or its ability to pay its liabilities within the next twelve months.

2. GOVERNMENT APPROVALS

The Company has obtained following consents, licenses, permissions and approvals from the concerned authorities:

S. No.	Issuing Authority	Details of License /Approval
1	Income Tax Department Commissioner of Income tax I Pune.	PAN No.: AAACD6413H
2	Income Tax Department Pune.	TAN No.: PNED00687B
3	Profession Tax Department Pune	Reg. No.: PT/R/2/2/6/28/7840
4	Central Sales Tax Department	C.S.T. No.: 411005/C/0531 w.e.f. 01.04.1996
5	Maharashtra Sales Tax Department	M.S.T.No.411005/S/0343 w.e.f. 01.04.1996
6	Maharashtra Sales Tax Department	Works Contract Reg. No. W-24-H-814 w.e.f. 17.10.2000
7	Regional Provident Fund Commissioner	Employee Provident Fund Code MH/31353
8	Employee State Insurance Corporation	Employee State Insurance Corporation Reg. No. 33/32643
9	Regional Joint Director General of Foreign Trade	IEC Code No. 3194005162 dated 19.08.1994.
10	Registrar of Companies Maharashtra	Certificate of Incorporation No.11-63340 w.e.f.20.09.1991
11	ISC Pty Ltd., Sydney Australia ISO 9001 - 2000	QAC/R91/1149 dated 11.07.2005
12	Govt. of Maharashtra, Public Construction Dept.	Reg. No. 17058 dated 03.11.2004
13	Builder Association of India	Certificate dated 19.11.2000
14	Certificate of INC Issued by New Jersey Department of Treasury Division of Revenue	Identification No.0400100749 dated 08.05.2005
15	Bombay Shop & Establishment Act	Reg. No.: Shivaji /II/3401

Status of various statutory approvals for the projects is as under:

Name of Project	Sanctioning Authority	Status
DSK Vishwa I T Park	Collectorate, Pune	Received on 12/1/2005 Ref No.:PMH/NASR/243/2005
DSK Garden Enclave	Pune Municipal Council	In Process
DSK Madhuban	Municipal Council of Greater Mumbai	Received on 30/8/2005 Ref No.: CE/4027/BPES/AL
DSK Vishwa Saptasur	Collectorate, Pune	Received on 12/1/2005 Ref No.:PMH/NASR/243/2005
DSK Sayantara (Designer bungalows & Villas)	Collectorate, Pune	Received on 12/1/2005 Ref No.:PMH/NASR/243/2005
DSK Sayantara (Plots)	Collectorate, Pune	Received on 22/9/2004 Ref No.: PMH/NASR/108/2004
DSK Sundarban	Collectorate, Pune	In Process
DSK Rohan	Pune Municipal Council	Received on 4/8/2005 Ref No.: CC/1701/105
DSK Project, Bangalore	Bangalore Development Authority	Will be applied in due course
DSK Vishwa Ph. V, VI, VII	Collectorate, Pune	Received on 12/1/2005 Ref No.:PMH/NASR/243/2005

The Company does not require any other permission for execution of construction activity. Other No Objection Certificates from Fire Dept., Drainage, Water, Garden, Road, etc. would be obtained prior to handover of possession to the society. As per the Certificate provided by Mr. Prakash R. Deshpande, Advocate, out of the above mentioned projects, the company will have to obtain permission from Pollution Control Board for its DSK Garden Enclave project, for which the company has already applied. The Company will also need permission from Pollution Control Board for its Bangalore project and application for the same would be made at appropriate time.

List of documents necessary to get compliance from statutory bodies for any building proposal:

- 1) **7/12 Extract (Latest):** - Explains Name of owner's area under cultivation
Type of cultivation with survey / Gut No. Along with 'other rights' column.
- 2) **Demarcation:** - Explain fixed boundaries of block / plot / Survey / Gut No.
- 3) **Tax Clearance:** - Taxes on land clearance like non agriculture tax, Corporation Tax, Property card tax.
- 4) **Zone Certificate:** - Giving details about Residential, Agricultural, industrial zone etc.
- 5) **Zone Demarcation :** - Giving details about Residential, Agricultural, industrial zone etc. In Layout plan with reservations if any & road widening line.
- 6) **ULC :-** Statement showing land available for residential development.
- 7) **Indemnity and affidavit :-** Indemnity bond on the name of specific person means that he is solely responsible for the things. Affidavit means solemnly affirmation of particular things or particular facts.
- 8) **Architects Authority Letter:** - Authority letter given to architect to liaison with P.M.C. or Local Authority.
- 9) **P.O.A. :-** Power Of Attorney is taken from owner to do liaison with Pune Municipal Corporation or any local authority or Government.
- 10) **Sanctioned Layout if applicable:** - Sanction Layout means total site development plan with building plans giving clear picture of the project approved by Pune Municipal Corporation or Town Planning.
- 11) **Commencement Certificate:** - Give Order to start / commence work on the site.
- 12) **Completion Certificate :** - Certificate is issued by Pune Municipal Corporation when the work is complete in all respect.

SECTION VII: REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

Pursuant to Section 81 (1A) of the Companies Act, 1956, present issue of Equity Shares has been authorised vide resolution passed at the Extra-Ordinary General Meeting of the Company held on 23rd December, 2005 and resolution passed at the Board Meeting held on 23rd December, 2005.

PROHIBITION BY SEBI

The Company, its directors, its promoters or any of the associates or group companies, companies with which the directors of the Company are associated as directors or promoters and the directors or person(s) in control of the promoting companies have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

ELIGIBILITY FOR THE ISSUE

For Rights Issue:

DSKDL is an existing listed Company whose Equity Shares are listed on NSE and BSE. The Company is eligible to offer this Rights Issue in terms of Clause 2.4.1 (iv) of the SEBI (DIP) Guidelines, 2000.

For Public Issue:

The Company is eligible to access the capital market through public issue of Equity Shares as per clause 2.3, 2.2.2 (a) (i) and (b) (i) of the SEBI (DIP) Guidelines, 2000, as:

1. The Public Issue is proposed to be made through 100% Book-Built Route, in which upto 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs; and
2. The minimum post-Issue face value capital of the Company shall be Rs. 22 crores. The Company at present has a face value capital of Rs. 11 crores.

DISCLAIMER CLAUSE

.IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. A. K. CAPITAL SERVICES LTD AND INDIAN OVERSEAS BANK, THE BOOK-RUNNING LEAD MANAGERS TO THE ISSUE, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI GUIDELINES FOR DISCLOSURE AND INVESTOR PROTECTION IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

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 OFFER DOCUMENT, THE BOOK-RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK-RUNNING LEAD MANAGERS, INDIAN OVERSEAS BANK AND A. K. CAPITAL SERVICES LTD. HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 16th January, 2006, IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS 1992, WHICH READS AS FOLLOWS:

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

WE CONFIRM THAT

- a. THE OFFER DOCUMENT FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

- a. **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- b. **THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**
- c. **BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID;**
- d. **WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THE UNDERWRITING COMMITMENTS.**
- e. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE OFFER DOCUMENT WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE OFFER DOCUMENT.**

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

THE FILING OF THE OFFER DOCUMENT WITH SEBI DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK-RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

GENERAL DISCLAIMER

The Issuer and the BRLMs accepts no responsibility for the statements made otherwise than in the Offer Document or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his/her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLMs and the Company dated 2nd January, 2006 and the Underwriting Agreement to be entered into among the Underwriters and the Company.

CAUTION

The BRLMs and the Company shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research reports, etc. after filing of this Offer Document with SEBI.

DISCLAIMER IN RESPECT OF JURISDICTION

This Composite Issue is being made in India to persons resident in India including Indian nationals resident in India who are majors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorized under their constitution to hold and invest in shares) and to non-residents including NRIs and FIIs. This Offer Document does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person who is in possession of this Offer Document 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 Pune, the State of Maharashtra, India only.

No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that this Offer Document has been submitted to the SEBI. Accordingly, the Equity Shares represented thereby may not be issued or sold, directly or indirectly, and this Offer Document may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Offer Document 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.

DISCLAIMER CLAUSE OF THE BOMBAY STOCK EXCHANGE LIMITED

"Bombay Stock Exchange Limited ("the Exchange") has given vide its letters dated February 15, 2006 and February 17, 2006 permission to this Company to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner -

1. warrant, certify or endorse the corrections of any of the contents of this offer document or
2. warrant that this Company's securities will be listed or will continue to be listed on the Exchange or
3. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

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

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED

"As required, a copy of this Offer Document has been submitted to The National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/20490-G dated February 22, 2006 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinised this Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this 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 Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document, nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

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

FILING

This being a Composite issue (Rights plus Public issue), the Public issue component is made through Book-built route. Hence a copy of the Offer document, along with the documents required to be filed under 60B of the Companies Act, will be delivered for registration to the Registrar of Companies(ROC) Pune, Maharashtra and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC. A copy of the Offer Document has been filed with BSE & NSE respectively.

A copy of this Offer Document has been filed with SEBI Mittal Court, Nariman Point, Mumbai 400 021.

LISTING

The existing Equity Shares of the Company are listed on The Stock Exchange Bombay (Designated Stock Exchange) and The National Stock Exchange of India Ltd. The Equity Shares to be issued through this Issue would also be listed on the Stock Exchanges mentioned above. The Company has made application for in-principle approval for listing to the above Stock Exchanges. The Company will make application to these Stock Exchanges for permission to deal in and for an official quotation in respect of the Equity Shares arising out of the Issue. The Company has received in-principle approval for the listing of the Equity Shares pursuant to letters dated February 15, 2006 for the Public Issue and February 17, 2006 for the Rights Issue from BSE and letter dated February 22, 2006 for the Composite Issue from NSE. BSE shall be the Designated Stock Exchange.

If the permission to deal in and for an official quotation of the securities is not granted by the Designated Stock Exchange mentioned above, within six weeks from the Issue Closing Date, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Offer Document. If such money is not repaid within eight days after the Company becomes liable to repay it, then the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money, with interest, as prescribed under Section 73 of the Act.

IMPERSONATION

As a matter of abundant caution, attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Act, which is reproduced below:

"Any person who

- i. makes in a fictitious name an application to a company for acquiring or subscribing for any shares thereon; or
- ii. 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 the Directors, the Company Secretary and Compliance Officer, Auditors, Book Running Lead Managers, Legal Advisors, Registrar to the Issue, Bankers to the Company and Banker to the Issue to act in their respective capacities have been obtained and filed with SEBI, along with a copy of the Offer Document and such consents have not been withdrawn up to the time of delivery of this Offer Document for registration with the stock exchanges.

The Auditors of the Company have given their written consent for the inclusion of their Report in the form and content as appearing in this Offer Document and such consents and reports have not been withdrawn up to the time of delivery of this Offer Document to the Designated Stock Exchange.

M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants, auditors have given their written consent for inclusion of income tax benefits in the form and content as appearing in this Offer Document, accruing to the Company and its members.

To the best of our knowledge there are no other consents required for making this Issue. However, should the need arise, necessary consents shall be obtained by us.

EXPERT OPINION

Save and except as stated in this Offer Document, the Company has not obtained any expert opinions.

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

S. No.	Particulars	Amount (Rs. in lacs)
1.	Lead Management, Underwriting and Selling Commissions*	[●]
2.	Advertisement and Marketing Expenses*	[●]
3.	Printing, stationery, including transportation of the same*	[●]
4.	Others (Registrar's fees, legal fees, listing fees, etc.) *	[●]
	Total estimated Issue Expenses	[●]

* will be incorporated after finalisation of Issue price of Public Issue.

FEES PAYABLE TO THE LEAD MANAGER AND CO-LEAD MANAGER TO THE ISSUE

The fees payable to the Lead Manager and Co-Lead Manager to the Issue are set out in the separate Engagement Letter dated 23.12.2005 copies of which are available for inspection at the Registered Office of the company.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fee payable to the Registrars to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register, will be as per the Memorandum of Understanding signed with the company, copies of which are kept open for inspection at the Registered Office of the Company

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by us to the Registrar to the Issue to enable them to send application form for rights issue, refund orders or allotment advice, by registered post/speed post/under certificate of posting.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The Company has decided to partially underwrite the Rights Issue and the Net offer to the Public in case of the Public Issue. The Underwriting commission and the Selling Commission for the Issue shall be set out through a separate agreement between the Company, the BRLMs and the Syndicate members (if any). The Underwriting commission shall be paid as set out in the agreement to be entered into based on the Issue price and the amount Underwritten.

PREVIOUS ISSUES BY THE COMPANY

The Company has not come out with any Public or Rights Issue during last five years.

ISSUES FOR CONSIDERATION OTHER THAN CASH

The Company has not issued any equity shares for consideration otherwise than for cash.

PARTICULARS REGARDING LISTED COMPANIES UNDER THE SAME MANAGEMENT WHICH HAVE MADE CAPITAL ISSUES DURING THE LAST THREE YEARS

The Company has not come out with a Public or a Rights Issue during last three years. Also, there are no other listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956, which have come out with a Public or a Rights Issue.

PROMISES V/S PERFORMANCE

The Company had come with Initial Public Offer in April 1993 and had incorporated certain financial projections in its Prospectus for the same. The shortfall in promise v/s. performance of the Company is given below:

(Rs. in lacs)

Year ending March 31,	1992-93			1993-94			1994-95		
	Promised	Actual	Variations	Promised	Actual	Variations	Promised	Actual	Variations
	A	B	(B - A)	A	B	(B - A)	A	B	(B - A)
Sales & Increase in Stocks	1335.12	417.67	-917.45	2298.67	1094.54	-1204.13	2696.41	1444.63	-1251.78
Other Income	0	0.72	0.72	0	3.55	3.55	0	16.56	16.56
Gross Profit	330.17	19.33	-310.84	424.5	96.13	-328.37	397.76	99.23	-298.53
Interest	72.79	17.44	-55.35	22.92	91.52	68.6	0	73.26	73.26
Depreciation	0	1.66	1.66	0	2.65	2.65	0	3.16	3.16
Profit Before Tax	244.82	0.23	-244.59	388.63	1.96	-386.67	383.91	22.81	-361.1
Taxation	137.1	0.12	-136.98	217.63	0.8	-216.83	214.99	4.25	-210.74
Profit After Tax	107.72	0.11	-107.61	171	1.16	-169.84	168.92	18.56	-1.36
Paid up Equity	600	240	-360	600	579.99	-20.01	600	998.81	398.81
Reserves & Surplus	5.4	0.13	-5.27	8.55	0	-8.55	8.45	14.87	6.42
EPS (Rs.)	1.70	0.00	-1.70	2.70	0.02	-2.68	2.67	0.19	-2.48
Book Value(Rs.)	10.62	--	--	13.45	--	--	16.24	--	--
Dividend	--	--	--	--	--	--	--	--	--

Reasons for Variation in Promises V/s. Performance:

- (a) There was an unfortunate bomb blast in Mumbai in the month of March 1993; the whole economy was in shattered condition.
- (b) Real Estate Market crashed and that affected the demand for the Company's tenements, which has a cascading effect.
- (c) Automobile industries in Pune have shifted their operations to Southern States in view of Government policies, resulting in depression of economy in this region. Hence, real estate market was in depressed conditions during that period.

SERVICING BEHAVIOUR

There has been no default in payment of statutory dues or of interest or principal in respect of borrowings and deposits raised by the Company.

STOCK MARKET DATA

The Company's shares are listed at present on the BSE and NSE. As the shares are actively traded on the NSE and BSE, the Company's stock market data have been given separate for each of these Stock Exchanges separately.

The high and low closing prices recorded on the BSE, NSE for the preceding three years and the number of shares traded on the days the high and low prices were recorded are stated below:

NSE

Year Ending March 31	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Average price for the year (Rs.)
2003	9.05	07.02.2003	800	1.75	28.11.2002	1	4.79
2004	13.70	26.06.2003	19	6.75	25.07.2003	110	8.43
2005	32.50	28.02.2005	139388	6.75	27.07.2004	105	16.07
April 1, 2005 to February 28, 2006	329.30	22.02.2006	84867	30.05	07.04.2005	1322	143.76

BSE

Year Ending March 31	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Average price for the year (Rs.)
2003	8.90	08.07.2002	150	1.85	15.04.2002	1000	5.14
2004	10.20	26.09.2003	1500	3.00	06.05.2003	50	7.47
2005	32.10	28.02.2005	78088	5.69	17.05.2004	100	14.19
April 1, 2005 to February 28, 2006	326.07	22.02.2006	60799	29.70	08.04.2005	9616	143.55

The high and low prices and volume of shares traded on the respective dates during the last eleven months is as follows:

NSE

Year Ending March 31	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Total Volume for the month	Average price for the month (Rs.)
September 2005	173.00	01.09.2005	86786	143.85	22.09.2005	55702	1821494	159.19
October 2005	149.80	03.10.2005	73013	110.10	20.10.2005	31366	723097	130.98
November 2005	143.20	14.11.2005	20058	120.95	24.11.2005	24454	473938	132.76
December 2005	195.70	30.12.2005	80162	126.30	01.12.2005	36261	2363455	159.72
January 2006	320.95	23.01.2006	141253	205.50	02.01.2006	78827	1928321	267.79
February 2006	329.30	22.02.2006	84867	266.20	01.02.2006	130726	1163928	304.30

BSE

Year Ending March 31	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Total Volume for the month	Average price for the month (Rs.)
September 2005	172.00	01.09.2005	15728	143.95	22.09.2005	53792	1540798	158.91
October 2005	149.55	03.10.2005	74371	108.90	20.10.2005	24153	642459	130.54
November 2005	143.60	14.11.2005	14527	121.65	24.11.2005	16631	368276	133.00
December 2005	196.05	30.12.2005	104302	126.45	01.12.2005	24965	2426394	159.62
January 2006	319.50	23.01.2006	161567	205.85	02.01.2006	147381	2100679	267.74
February 2006	328.10	22.02.2006	60799	266.30	01.02.2006	91957	843442	303.87

Weekend prices for the last 4 weeks (NSE)

Period	High (Rs.)	Low (Rs.)
February 17, 2006	332.00	319.05
February 24, 2006	332.00	315.00
March 03, 2006	364.00	348.00
March 10, 2006	416.90	416.90

Weekend prices for the last 4 weeks (BSE)

Period	High (Rs.)	Low (Rs.)
February 17, 2006	332.00	318.00
February 24, 2006	332.00	315.50
March 03, 2006	364.00	344.00
March 10, 2006	417.95	416.00

The price as on 25.11.2005 the day when the Resolution of the Board of Directors approving the issue was approved was Rs. 123.25 on BSE and Rs. 123.75 on NSE.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

Shareholders/Investors send share transfer related documents directly to R & T Agent i.e. Sharepro Services (India) Pvt. Ltd., Mumbai. A Committee of executives of the Company is authorised to approve transfer of shares. If the transfer documents are in order, the transfer of share(s) is registered within 15 days of receipt of transfer documents by the RTA.

The Company obtains the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Clause 47 (c) of the Listing Agreement of the Stock Exchanges. These certificates are submitted to the Stock Exchanges. The Company carries out the Secretarial Audit once in a quarter for the reconciliation of Share Capital as required under SEBI circular No. 16 dated 31st December 2002.

The Company has Shareholders Grievance Committee to look into the shareholders' complaints, if any, and to redress the same expeditiously like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc. The committee approves requests for issue of duplicate share certificates and issues certificates after split/consolidation/ renewal as also requests for transmission of shares, referred by the Share Transfer committee.

The Shareholders' Grievance Committee constitutes of following members:

Mr. V. C. Joshi - Chairman

Mr. D. S. Kulkarni - Member

Dr. P. S. Palande - Member

Mr. Ashish Boradkar - Company Secretary (Compliance Officer)

The status of complaints is periodically reported to the Committee and Board of Directors in their meetings. The investors complaints are generally redressed within 7 days from the date of receipt.

Complaint letters should be either type written or legibly hand written quoting Folio number/beneficiary account number, application number, number of shares applied for, name and address of the first applicant, name and address of the Bank, Branch where application was submitted with date thereof, and the date of receipt by the Registrars to the Issue in case application was sent by Post. Envelopes containing the complaints should be addressed to:

Shri Ashish Boradkar

Company Secretary
D S Kulkarni Developers Limited
DSK House,
J. M. Road, Shivaji Nagar
Pune - 411 005
Tel: (020) 5604 7000
Fax: (020) 2553 5772
E-mail: compositeissue@dskdl.com

CHANGES IN AUDITORS IN THE LAST THREE YEARS

The company has not changed its Auditors over the last three years.

CAPITALISATION OF RESERVES OR PROFITS

The company has not capitalized any reserves or profits since its incorporation.

REVALUATION OF FIXED ASSETS

There has been no revaluation of assets by the company.

SECTION VIII: OFFERING INFORMATION

1. TERMS OF THE ISSUE

The Equity Shares, now being issued, are subject to the terms and conditions contained in this Offer Document, the enclosed Composite Application Form ("CAF"), Bid Cum Application Form, the Confirmation Allocation Note, the Memorandum and Articles of Association of the Company, the provisions of the Companies Act, 1956, guidelines issued by SEBI, guidelines, notifications and regulations for issue of capital and for listing of securities issued by Government of India and/or other statutory authorities and bodies from time to time, terms and conditions as stipulated in the allotment advice or letter of allotment or security certificate and rules as may be applicable and introduced from time to time.

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81 (1A) of the Companies Act, 1956, present issue of Equity Shares has been authorised vide resolution passed at the Extra-Ordinary General Meeting of the Company held on 23rd December, 2005 and resolution passed at the Board Meeting held on 23rd December, 2005.

RANKING OF EQUITY SHARES

The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividends with the existing Equity Shares of the company.

MODE OF DIVIDEND PAYMENT

The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders, in their discretion, and will depend on a number of factors, including but not limited to the company's earnings, capital requirements and overall financial condition.

FACE VALUE

Each Equity Share shall have the face value of Rs. 10/- each.

ISSUE PRICE

For Rights Issue

Each Equity Share of the face value of Rs.10/- each is being offered at Rs. 110/- each (including premium of Rs. 100/- per share).

For Public Issue

The Equity Shares with a face value of Rs.10 each are being offered in terms of this Offer Document at a price band of Rs. [●] to Rs. [●] per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares of the Company.

RIGHTS OF THE EQUITY SHAREHOLDERS

The rights available to the shareholders of the Company are subject to the provisions of the applicable laws. The rights include the following:

- a. Right to receive dividend, if declared
- b. Right to attend general meetings and exercise voting powers, unless prohibited by law
- c. Right to vote personally or by proxy, unless prohibited by law
- d. Right to receive offers for rights shares and be allotted bonus shares, if issued
- e. Any other rights available under the Companies Act, 1956

Note: Only the registered equity shareholders or in case of the joint holders, those shareholders, whose names appear first in the Register of members /list of beneficial owners shall be entitled to above-mentioned rights.

MARKET LOT

The market lot for Equity Shares held in Demat Mode is one share. In case of physical certificates, the Company would issue one consolidated certificate for the Equity Shares allotted to one folio ("Consolidated Certificate").

NOMINATION

As per section 109A of the Act, a sole Equity Shareholder or first Equity Shareholder, along with other joint Equity Shareholders [being individual(s)] may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A Person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Share by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form as available on the request at the Registered Office of the Company or such other person at such addresses as may be notified by the Company. The applicant can make the nomination by filling in the relevant portion of the CAF.

Only one nomination would be applicable for one folio. Hence, in case the Shareholder(s) has already registered the nomination with the Company, no further nomination need to be made for Equity Shares to be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depository of the applicant would prevail. If the applicant requires to change the nomination, they are requested to inform their respective Depository.

MINIMUM SUBSCRIPTION

This being a Composite Issue, as per clause 6.13.1.7 (c) of SEBI (DIP) Guidelines, 2000, the following shall be ensured:

- i. That the requirement of 'minimum subscription' is satisfied both jointly and severally, i.e., independently for both rights and public issues.
- ii. If the issuer company does not receive the minimum subscription in either of the issues the issuer company shall refund the entire subscription received

For Rights issue

If the Company does not receive the minimum subscription of 90 per cent of the Issue including devolvement of underwriters, the entire subscription shall be refunded to the applicants within 42 days from the date of closure of the Issue. If there is any delay in the refund of subscription amount by more than 8 days after the Company becomes liable to refund the subscription amount (i.e. forty two days after the closure of the Issue), the Company will pay interest for the delayed period, at rates prescribed under sub sections (2) and (2A) Section 73 of the Companies Act, 1956.

For Public Issue

If the Company does not receive the minimum subscription of 90% of the Issue amount, including devolvement of underwriters, if any, within 60 days from the Bid/Issue Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days, the Company and every director of the Company who is an officer in default, becomes liable to repay the amount with interest as per Section 73 of the Companies Act. If there is a delay beyond 15 days after the Company becomes liable to pay the amount, the Company shall pay interest at the rate of 15% per annum for the delayed period.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The Company's shares will be traded in dematerialized form only and therefore the marketable lot is 1 (ONE) share. Therefore, there is no possibility of any odd lots.

RESTRICTION ON TRANSFER OF EQUITY SHARES

For details in respect of any restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer to the heading 'Description Of Equity Shares And Terms Of Articles Of Association' of this Offer Document.

OFFER TO NON RESIDENT EQUITY SHAREHOLDERS / APPLICANTS

As per notification No. FEMA 05/2005-06 dated July 1, 2005; RBI has given general permission to Indian companies to Issue Rights/Bonus shares to Non-Resident Indians. Hence the Company does not need permission from RBI for Issue of shares to Non -Resident Indians up to their entitlement.

Applications received from NRIs and non-residents for allotment of Equity Shares shall be, inter alia, subject to the conditions



imposed from time to time by the RBI under the Foreign Exchange Management Act, 1999 (FEMA) in the matter of refund of application moneys, allotment of Equity Shares, issue of letter of allotment/share certificates, payment of interest, dividends, etc. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Equity Shares, payment of dividend etc. to the non-resident shareholders. The rights shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the original shares against which rights shares are issued.

By virtue of Circular No. 14 dated September 16, 2003 issued by the RBI, overseas corporate bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Equity Shares. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities. Thus, OCBs desiring to participate in this Issue must obtain prior approval from the RBI. On providing such approval to the Company at its registered office, the OCB shall receive the Offer Document and the CAF.

2. ISSUE PROCEDURE

A. FOR RIGHTS ISSUE

BASIS OF THE ISSUE

In accordance with the Board resolution referred to above, Equity Shares are being offered on Rights basis in the ratio of 1 equity share of Rs. 10/- each for every 2 equity shares of Rs. 10/- each held, at a premium of Rs. 100/- per share to all the existing equity shareholders whose names appear as beneficial owner as per the list to be furnished by depositories in respect of the shares held in electronic form and on the Register of Members of the Company in respect of the shares held in physical form at the close of business hours on the Record Date March 21, 2006. Such shareholders are entitled to apply for equity shares on rights basis.

RIGHTS ENTITLEMENT

As the Equity shareholder(s) name appears as beneficial owner as per the list furnished by depositories in respect of the shares held in electronic form and on the Register of Members of the Company in respect of the shares held in physical form as an equity shareholder on the Record Date March 21, 2006, the Equity shareholder(s) are being offered Equity Shares as shown in Block I of Part A of the enclosed Composite Application Form (CAF).

TERMS OF PAYMENT

The issue price per Equity Share shall be payable as follows:

100 per cent of the issue price i.e., Rs. 110/- per share shall be payable on Application.

OPTION AVAILABLE TO THE EQUITY SHAREHOLDERS

The Composite Application Form clearly indicates the number of Equity Shares that the Equity Shareholder is entitled to. As mentioned in the Offer Document, the investor shall have the option either to receive the security certificates in physical form or to hold the securities with a depository in electronic form

If the Equity Shareholder applies for an investment in Equity Shares, then he can:

- Apply for his entitlement in part
- Apply for his entitlement in part and renounce the other part
- Apply for his entitlement in full
- Apply for his entitlement in full and apply for additional Equity Shares

Renounees for Equity Shares can apply for the Equity Shares renounced to them and have an option to apply for additional Equity Shares.

HOW TO APPLY

Resident Equity Shareholders

Application should be made only on the enclosed CAF provided by the Company. The enclosed CAF should be completed in all respects, as explained in the instructions indicated in the CAF. Applications will not be accepted by the Lead Manager or by the Registrar to the Issue or by the Company at any offices except in the case of postal applications as per instructions given in this section of the Offer Document.

Non-resident Equity Shareholders

Applications received from the Non-Resident Equity Shareholders for the allotment of Equity Shares shall, inter alia, be subject to the conditions as may be imposed from time to time by the RBI, in the matter of refund of application monies, allotment of Equity Shares, issue of letters of allotment/certificates/payment of dividends etc.

The CAF consists of four parts:

Part A: Form for accepting the Equity Shares offered and for applying for additional Equity Shares

Part B: Form for renunciation

Part C: Form for application for renounees

Part D: Form for request for split application forms

ACCEPTANCE OF THE ISSUE

The Equity shareholder(s) may accept the Offer and apply for the Equity Shares offered, either in full or in part by filling Block III of Part A of the enclosed CAF and submit the same along with the application money payable to the Bankers to the Issue or any of the branches as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board thereof in this regard. Applicants at centers not covered by the branches of collecting banks can send their CAF together with the cheque drawn on a local bank at Mumbai/demand draft payable at Mumbai to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected.

RENUNCIATION

As an equity shareholder, he has the right to renounce his entitlement to the equity shares in full or in part in favour of one or more person(s). The Equity shareholders' attention is drawn to the fact that the Company shall not allot and/or register any equity shares in favour of:

- a. More than three persons including joint holders;
- b. Any Trust or Society (unless the same is registered under the applicable Trust Laws or the Societies Registration Act, 1860 or any other laws and is authorised under its constitution to hold equity shares in a Bank);
- c. Partnership firm(s) or their nominee(s);
- d. Minors (unless acting through natural or legal guardians)

Any renunciation from Resident Indian Shareholder(s) to Non-Resident Indian(s) or from Non-Resident Indian Shareholder(s) to another Non-Resident Indian or from Non-Resident Indian Shareholder(s) to Resident Indian(s) is subject to the renouncer(s)/ renouncee(s) obtaining the approval of the FIPB and/or necessary permissions of the RBI under the Foreign Exchange Management Act, 1999 (FEMA) and other applicable laws and such permissions to be attached with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

The right of renunciation is subject to the express condition that the Board shall be entitled in its absolute discretion to reject the request for allotment to renouncee(s) without assigning any reason thereof.

PROCEDURE FOR RENUNCIATION***a. To renounce the whole offer in favour of one renouncee***

If an Equity shareholder(s) wishes to renounce the offer indicated in Part A, in whole, the Equity shareholder(s) should complete Part B of the CAF. In case of joint holding, all joint holders must sign Part B of the CAF. The person in whose favour renunciation has been made should complete and sign Part C of the CAF. In case of joint renouncees, all joint renouncees must sign this part of the CAF.

b. To renounce in part/or to renounce the whole to more than one renouncee

If an Equity shareholder wishes to either accept this offer in part and renounce the balance or renounce the entire offer in favour of two or more renouncees, the CAF must be first split into requisite number of forms. For this purpose the Equity shareholder will have to apply to the Registrars to the Issue. Requirement of split forms should be indicated in the space provided for this purpose in Part D of the CAF and the entire CAF should be returned to the Registrars to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for split forms. On receipt of the required number of split forms from the Registrar, the procedure as mentioned in para (a) above shall have to be followed.

In case the signature of the shareholder(s) who has renounced the Rights Shares, does not agree with the specimen registered with the Registrar/DP, the application will be rejected and the Rights offer will lapse.

c. Renouncee(s)

The person in whose favour the equity shares are renounced should fill in and sign Part C and submit the entire application form to the Bankers or to the collection centres to the Issue on or before the closing date of the Issue along with the application money.

d. Change and/or introduction of additional holders

If an Equity shareholder(s) wishes to apply for equity shares jointly with any other person or persons, not more than three, who is/are not already joint holders with the existing Equity shareholder, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above for renunciation shall have to be followed. However, this right of renunciation is subject to the express condition that the Board of Directors of the Company shall be entitled in its absolute discretion to reject the request for allotment from the renouncee(s) without assigning any reason thereof.

SPLITTING COMPOSITE APPLICATION FORM

Request for split forms should be sent to the Registrar to the Issue, Sharepro Services (I) Pvt. Ltd., before the closure of business hours on or before April 15, 2006 by filling in part D of the CAF along with entire CAF. Split forms cannot be re-split. The renounee(s) shall not be entitled to split form(s). The split form shall be sent to the applicant by post at the applicant's risk.

Please note that:

- a. Part A of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used otherwise, this will render the application invalid.
- b. Request for split form should be made for 1 Equity share or in multiple thereof.
- c. Only the person to whom this Offer Document has been addressed and not the renounee(s) shall be entitled to apply for split forms. Forms once split cannot be split again.

ADDITIONAL EQUITY SHARES

The shareholders are also eligible to apply for additional equity shares over and above the number of equity shares offered to them, provided that they have applied for all the equity shares offered without renouncing them in whole or in part in favour of any other person. If the shareholder(s) desire to apply for additional Equity Shares, the shareholder needs to indicate his requirement in Block IV of Part 'A' of the CAF. As per the notification issued by RBI under FEMA, existing nonresident shareholders may apply for issue of additional equity shares over and above the rights entitlements and the company may allot the same subject to condition that overall issue of shares to non -resident in the total paid up capital of the company does not exceed the sectoral cap. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Equity Shares, subject to the same conditions including restrictions in regard to the reparability as are applicable to the original shares against which Rights shares are issued. Where the number of Equity Shares applied for exceeds the number available for allotment, the allotment of shares would be made in consultation with the Designated Stock Exchange.

The summary of options available to the equity shareholders is presented below. The Equity shareholder(s) may exercise any of the following options with regard to the equity shares offered, using the enclosed CAF:

Option Available	Action Required
1. Accept whole or part of your entitlement without renouncing the balance.	Fill in and sign Part A (all joint holders must sign)
2. Accept your entitlement in full and apply for additional equity shares.	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (All joint holders must sign)
3. Renounce your entitlement to all the equity shares offered to you, to one person (joint renounees are considered as one).	Fill in and sign Part B (all joint holders must sign) indicating the number of equity shares renounced and hand it over to the renounee. The renounees must fill in and sign Part C (all joint renounees must sign)
4. Accept a part of your entitlement to the equity shares offered to you and renounce the balance to one or more renounee(s).	Fill in and sign Part D (all joint holders must sign) requesting for Split Application Forms. Send the CAF to the Registrar to the Issue so as to reach them on or before
OR	the last date for receiving requests for Split Forms.
Renounce your entitlement to all the equity shares offered to you to more than one renounee.	Splitting will be permitted only once. Request for split forms must be in multiples of 1 equity shares any. On receipt of the split form take action as indicated below.
	a. For the equity shares you wish to accept, if any, fill in and sign Part A.
	b. For the Equity shares you wish to renounce, fill in and sign Part B indicating the number of equity shares renounced and hand it over to the renounees. Each of the renounees should fill in and sign Part C for the equity shares accepted by them.
5. Introduce joint-holder or change the sequence of joint holder	This will be treated as a renunciation. Fill in and sign Part B and the renounees must fill in and sign part C.

Applicants must provide information in the CAF as to their savings Bank/current account number and the name of the Bank with whom such account is held, to enable the Registrar to print the said details in the refund orders after the names of the payee(s). Failure to comply with this may lead to rejection of the application. Bank account details furnished by the depositories will be printed on the refund warrant in case of shares held in electronic form.

Applicants must write their CAF Number on the reverse of the cheque/demand draft.

ISSUE OF DUPLICATE SHARE CERTIFICATE

If any Equity Share(s) is/are mutilated or defaced or the cages for recording transfers of Equity Share are fully utilized, the same may be replaced by the Company against the surrender of such Certificate(s). Provided, where the Equity Share Certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the Certificate numbers and the Distinctive numbers are legible.

If any Equity Shares Certificate is destroyed, stolen or lost, then upon production of proof thereof to the satisfaction of the Company and upon furnishing such indemnity/ surety and/or documents as the Company may deem adequate, duplicate Equity Share Certificate(s) shall be issued.

NOTICES

All notices to the Equity Shareholder(s) required to be given by the Company shall be published in one English National daily with wide circulation, a regional language daily in Pune being the place where the registered office of the Company is situated.

GENERAL

- a. Please read the instructions printed on the enclosed CAF carefully.
- b. Application should be made on the printed CAF, provided by the Company except as under the head "Application on Plain Paper" in this Offer Document and should be completed in all respects.
- c. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Offer Document are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of Bank commission and other charges, if any.
- d. The CAF must be filled in English and the names of all the applicants, details of occupation, address, father's/husband's name must be filled in block letters.
- e. Signatures should be either in English or Hindi or the languages specified in the Eighth Schedule to the Constitution of India. Signatures other than in the aforesaid languages or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal.
- f. The CAF together with cheque/demand draft should be sent to the Bankers to the Issue/collection centers or to the Registrars and not to the Company or Lead Managers to the Issue. Applicants residing at places other than cities where the branches of the Bankers to the Issue have been authorised by the Bank for collecting applications, will have to make payment by Demand Draft payable at Mumbai and send their application forms to the Registrars to the Issue by REGISTERED POST after deducting DD and postal charges. If any portion of the CAF is detached or separated, such application is liable to be rejected.
- g. Applications for a total value of Rs. 50,000/- or more, i.e. where the total number of securities applied for multiplied by the Issue price, is Rs. 50,000/- or more the applicant or in the case of application in joint names, each of the applicants, should mention his/her PAN number allotted under the Income-Tax Act, 1961 and also submit a photocopy of the PAN card(s) or a communication from the Income Tax authority indicating allotment of PAN ("PAN Communication") along with the application for the purpose of verification of the number. Applicants who do not have PAN are required to provide a declaration in Form 60/Form 61 prescribed under the I. T. Act along with the application. Composite Application Forms without this photocopy/PAN Communication/declaration will be considered incomplete and are liable to be rejected.
- h. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution of authority to the signatory to make the relevant investment under this Offer and to sign the application and a copy of the Memorandum and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected.
- i. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company. Further, in case of joint applicants who are renounees, the number of applicants should not exceed three.

- j. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant at the address given in the CAF.
- k. The shareholders must sign the CAF as per the specimen signature recorded with the Company / Depository.
- l. Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad for allotment of Equity shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent Issue and allotment of Equity shares, dividend, export of share certificates, etc. In case a Non-Resident or NRI shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.
- m. All communication in connection with application for the equity shares, including any change in address of the shareholders should be addressed to the Registrars to the Issue prior to the date of allotment in this issue quoting the name of the first/sole applicant shareholder, folio numbers/beneficiary identity number and CAF number.
- n. Split forms cannot be resplit.
- o. Only the person or persons to whom equity shares have been offered and not renounee(s) shall be entitled to obtain split forms.
- p. Applicants must write their CAF number on the reverse of the cheque/demand draft.
- q. **Bank Account Details:** It is mandatory for the applicant to mention the applicant's Savings Bank/Current Account number and the name of the Bank with whom such account is held in the space provided in the CAF, to enable the Registrars to the Issue, to print the said details in the refund orders after the name of the payees. Applications not containing the above details are liable to be rejected.
- r. Only one mode of payment per application should be used. The payment must be either in cash or by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- s. A separate cheque/draft must accompany each CAF. Outstation cheques/demand drafts or post-dated cheques and postal/money orders will not be accepted and applications accompanied by such cheques/demand drafts/money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash. (For payment against application in cash please refer point (w) below)
- t. No receipt will be issued for application money received. The Bankers to the Issue/Collecting Bank/Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- u. Payment by cash: The payment against the share application should not be effected in cash if the amount to be paid is Rs. 20,000/- or more. In case payment is effected in contravention of this, the application will be deemed invalid and the application money will be refunded and no interest will be paid thereon. Payment against the application if made in cash, subject to conditions as mentioned above, should be made only to the Bankers to the Issue.

GROUND FOR TECHNICAL REJECTION

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

- 1. Amount paid does not tally with the amount payable for;
- 2. Bank account details (for refund) are not given;
- 3. Age of First Applicant not given;
- 4. Applications by Minors (unless acting through natural or legal guardians);
- 5. PAN photocopy / PAN communication / Form 60 / Form 61 declaration not given if application is for Rs. 50,000 or more.
- 6. In case of application under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;
- 7. If the signature of the existing shareholder does not match with the one given on the CAF and for renounees if the signature does not match with the records available with their depositories;

8. If the Applicant desires to have shares in electronic form, but the application form (CAF) does not have the Applicant's depository account details;
9. CAF are not submitted by the applicants within the time prescribed as per the instructions in the CAF and the Offer Document;
10. Applications not duly signed by the sole/joint applicants;
11. OCBs who cannot apply in terms of RBI restrictions;
12. Applications accompanied by Stockinvest;
13. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the applicants (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary's identity;
14. Applications by ineligible Non -residents (including on account of restriction or prohibition under applicable local laws) and where last available address in India has not been provided.

MODE OF PAYMENT

FOR RESIDENT SHAREHOLDERS

Only one mode of payment per application should be used. The payment must be either in cash or by cheque/demand draft drawn on any of the Banks (including a co-operative Bank), which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted. The payment against the share application should not be effected in cash if the amount to be paid is Rs. 20,000/- or more, as per Section 269 SS of the Income-Tax Act, 1961. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

Outstation cheques/money orders/postal orders will not be accepted and CAFs accompanied by such cheques/money orders/postal orders are liable to be rejected.

All cheques/drafts accompanying the CAF should be drawn in favour of "**DSKDL - Rights Issue**" and crossed "A/C Payee only". No receipt will be issued for application money received. The Bankers to the Issue/Collecting Bank will acknowledge receipt of the same by stamping and returning the acknowledgement slip at the bottom of the CAF.

Applicants residing at places **other than places where the Collection Centres have been opened by the Bank for collecting applications**, are requested to send their applications together with Demand Draft (net of DD and postal charges) favouring the "**DSKDL - Rights Issue**" payable at Mumbai, directly to the Registrars to the Issue by **REGISTERED POST** so as to reach them on or before the closure of the Issue. The Company or the Registrars will not be responsible for postal delays, if any.

New demat account shall be opened for holders who have had a change in status from Resident Indian to NRI.

FOR NON-RESIDENT INDIAN SHAREHOLDERS

As regards the application by NRI shareholders, the following further conditions shall apply:

Payment by NRIs/FIIs must be made by demand draft/cheque payable at Mumbai or funds remitted from abroad in any of the following ways:

Application on repatriation basis (only by existing shareholders and renounees having the requisite permission of RBI)

- a. By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad; OR
- b. By cheque/draft on a Non -Resident External Account (NRE) or FCNR Account; OR
- c. Rupee draft purchased by debit to NRE/FCNR Account maintained in India and payable in Mumbai; OR
- d. FIIs registered with SEBI must remit funds from special non -resident rupee deposit account.

All cheques/drafts submitted by NRIs/ FIIs should be drawn in favour of "**DSKDL - Rights Issue - NR**" payable at Mumbai and must be crossed "A/c Payee only" for the amount payable.

A separate cheque or Bank draft must accompany each application form. Applicants may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an Account Debit Certificate from the Bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. In the absence

of the above the application shall be considered incomplete and is liable to be rejected. In case where repatriation benefit is available, dividend and sales proceeds derived from the investment in shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act, 1961 and subject to the permission of the RBI, if required.

In the case of NRI's who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account details of which should be furnished in the appropriate columns in the CAF.

In the case of NRIs who remit their application money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in US Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. The Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into US Dollars or for collection charges charged by the applicant's Bankers.

Applications received from NRs (Non -Residents), NRIs and persons of Indian origin resident abroad, for allotment of Equity Shares shall be inter-alia, subject to the conditions imposed from time to time by the RBI under the Foreign Exchange Management Act, 1999 (FEMA) in the matter of refund of application moneys, allotment of Equity Shares, issue of Letter of Allotment / Share Certificates, Warrant Certificate, dividends, etc.

Application on non-repatriation basis

As far as NRIs holding shares on non-repatriation basis are concerned, in addition to the ways specified above, payment may also be made by way of cheque drawn on Non-Resident (ordinary) account or Rupee Draft purchased out of NRO Account maintained in India but payable at Mumbai. In such cases, the allotment of Equity shares will be on non-repatriation basis.

All cheques/drafts submitted by NRIs/ FIIs should be drawn in favour of "**DSKDL - Rights Issue**" payable at Mumbai and must be crossed "**A/c Payee only**" for the amount payable. The CAF duly completed together with the amount payable on application must be deposited with the collecting Bank indicated on the reverse of the CAF before the close of banking hours on the Issue closing date. A separate cheque or Bank draft must accompany each application form.

Applicants may note that where payment is made by drafts purchased from NRE/FCNR/NRO accounts as the case may be, an Account Debit Certificate from the Bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

Note: In case where repatriation benefit is available, dividend and sales proceeds derived from the investment in shares can be remitted outside India, subject to tax, as applicable according to the Income Tax Act, 1961.

In case shares are allotted on non -repatriation basis, the dividend/sale proceeds of the equity shares cannot be remitted outside India.

The CAF duly completed together with the amount payable on application must be deposited with the collecting Bank indicated on the reverse of the CAF before the close of banking hours on the aforesaid Issue closing date. A separate cheque or Bank draft must accompany each application form.

In case of applications received from Non-Resident Indians, refunds and other distribution, if any, will be made in accordance with the guidelines/rules prescribed by RBI as applicable at the time of making such remittance and subject to necessary approvals.

AVAILABILITY OF DUPLICATE CAF

In case the original CAF is not received, or is misplaced by the applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the applicant who should furnish the registered folio number/DP and Client ID number and his/her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within 15 days from the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/found subsequently. If the applicant violates any of these requirements, he/she shall face the risk of rejection of both the applications as well as forfeiture of amounts remitted along with the applications.

APPLICATION ON PLAIN PAPER

A shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Rights Issue on plain paper, along with an Account Payee Cheque drawn on a local Bank at Mumbai/Draft payable at Mumbai (net of bank and postal charges) and send the same by Registered Post directly to the Registrars to the Issue.

D. S. KULKARNI DEVELOPERS LIMITED



The application on plain paper, duly signed by the applicants including joint holders, in the same order as per specimen recorded with the Registrar/DP, must reach the office of the Registrars to the Issue before the date of closure of the Issue and should contain the following particulars: -

1. Name of the Issuer, being D S Kulkarni Developers Limited;
2. Name of the shareholder including joint holders;
3. Address of sole/first holder;
4. Registered Folio Number/DP ID number and client ID number;
5. Number of shares held as on Record Date;
6. Certificate numbers and Distinctive numbers, if held in physical form;
7. Number of Rights Equity Shares entitled (One Equity Share for every Two Equity Shares held);
8. Number of Rights Equity Shares applied for;
9. Number of additional equity shares applied for, if any;
10. Total number of equity shares applied for;
11. Total amount paid at the rate of Rs. 110/- per Equity Share;
12. Particulars of Cheque/Draft enclosed;
13. Savings/Current Account Number and Name and Address of the Bank where the shareholder will be depositing the refund order;
14. PAN/GIR number, Income Tax Circle/Ward/District, photocopy of the PAN card/ PAN communication / Form 60 / Form 61 declaration where the application is for Equity Shares of a total value of Rs. 50,000 or more for the applicant and for each applicant in case of joint names, and
15. In case of Non-resident shareholders, NRE/FCNR/NRO account no., Name and address of the Bank and branch;
16. Signature of shareholders to appear in the same sequence and order as they appear in the records of the Company / Depository.

Payments in such cases should be through a cheque/demand draft payable at Mumbai to be drawn in favour of the "DSKDL - Rights Issue" and the marked "A/c Payee" in case of resident shareholders and non-resident shareholders applying without repatriation basis. Payment in case of non-resident shareholders holding on repatriable basis shall be drawn in favour of the "DSKDL - Rights Issue - NR" and the marked "A/c Payee". The envelope should be superscribed "DSKDL - Rights Issue".

Please note that those who are making the application on plain paper shall not be entitled to renounce their rights and should not utilise the CAF for any purpose including renunciation even if it is received subsequently. If the applicant violates any of these requirements, he/she shall face the risk of rejection of both the applications. The Bank shall refund such application amount to the applicant without any interest thereon.

LAST DATE FOR SUBMISSION OF CAF

The last date for receipt of the CAF by the Banker to the Issue at its Collecting Branches, together with the amount payable, is on or before the close of banking hours on April 29, 2006. The Board will have the right to extend the said date for such period as it may determine from time to time but not exceeding sixty days from the date the Issue opens. If the CAF together with the amount payable is not received by the Banker to the Issue/Registrars to the Issue at its Collection Branches on or before the close of Banking hours on or before April 29, 2006, the offer contained in this Offer Document shall be deemed to have been declined, and the Board shall utilise this entitlement for allotting the Equity Shares as mentioned below under the heading "Basis of Allotment".

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

DISPOSAL OF APPLICATION & APPLICATION MONEY

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto..

In case an application is rejected in full, the whole of the application money received will be refunded to the first named applicant. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due

on shares allotted, will be refunded to the first named applicant within six weeks from the date of closure of the subscription list in accordance with Section 73 of the Act. If there is delay in refund of application money by more than 8 days after the Company becomes liable to pay (i.e. forty two days after the closure of Issue), the Bank will pay interest for the delayed period at the rate prescribed under subsection (2) and (2A) of Section 73 of the Act.

The subscription monies received in respect of this Issue will be kept in a separate Bank account and the Company will not have access to nor appropriate the funds until it has satisfied the Designated Stock Exchange with suitable documentary evidence that minimum subscription of 90 per cent of the application money for the Issue has been received.

No separate receipt will be issued for the application money. However, the Banker to the Issue at its collecting branches physically receiving the application will acknowledge its receipt by stamping and returning the perforated acknowledgement slip at the bottom of each CAF. Except for the reasons stated under "GROUNDS FOR TECHNICAL REJECTIONS" in this Offer Document and subject to valid application, acknowledgement of receipt of application money given by the Bankers to the issue shall be valid and binding on issuer and other persons connected with the Issue.

BASIS OF ALLOTMENT

The Board, subject to provisions contained in this Offer Document and the Articles of Association of the Company will proceed to allot the equity shares in the following order of priority:

- a. Full allotment to those shareholders who have applied for their rights entitlement either in full or in part and also to the renounee(s) who has/have applied for Equity shares renounced in their favour, in full or in part.
- b. To the shareholders who having applied for all the Equity shares offered to them as their rights entitlement, have also applied for additional equity shares, provided there is an under subscribed portion after making full allotment in (a) above. The allotment of such additional shares will be made with reference to the number of equity shares held by those shareholders on the Record Date within the overall size of the Rights Issue in consultation with the Designated Stock Exchange, as a part of the Rights Issue and not as a preferential allotment.
- c. To the renounees who having applied for the Equity shares renounced in their favour have also applied for additional Equity shares, provided there is an under-subscribed portion after making full allotment in (a) and (b) above. The allotment of such additional Equity shares will be made on a proportionate basis at the sole discretion of the Board/Committee of Directors but in consultation with the Designated Stock Exchange, as a part of the Rights Issue and not as a preferential allotment.

If the shareholding of any of the Equity shareholders is less than two or not in multiples of two, then such shareholders shall be offered one (1) additional share at the time of Offering and such number of additional shares at the time of Offering shall be adjusted against the rights offered to the Directors/Major shareholder of the Company.

After taking into account the allotments made under (a), (b) and (c) above, if there is still any under subscription, the un-subscribed portion shall be disposed off by the Board/Committee of Directors upon such terms and conditions and to such person/persons and in such manner as the Board/Committee of Directors may in its absolute discretion deem fit.

The basis of allotment shall be finalised by the Board in consultation with the Designated Stock Exchange, within a period of 42 days from the date of closure of the Issue. In case of delay in allotment the Company shall, as stipulated under Section 73(2A) of the Act, be required to pay interest on the same at a rate of 15 per cent p.a.

No over subscription shall be retained by the Company.

ALLOTMENT / REFUND

The Company will issue and dispatch letters of allotment/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of six weeks from the Issue Closing Date. If such money is not repaid within 8 days from the day the Company becomes liable to pay it, the Company shall pay that money with interest as stipulated under Section 73 of the Act.

In case of those shareholders who have opted to receive their Right Entitlement Shares in dematerialised form by using electronic credit under the depository system, an advice regarding the credit of the Equity Shares shall be given separately.

In case the Company issues letters of allotment, the corresponding share certificates will be kept ready within three months from the date of allotment thereof under Section 113 of the Companies Act, 1956 or other applicable provisions, if any. Allottees are requested to preserve such letters of allotment, which would be exchanged later for the share certificates. For more information, please refer to the section entitled 'Letters of Allotment / Share Certificates / Demat Credit' on this page of the Offer Document.

Letters of allotment/share certificates/demat credit/ refund orders above the value of Rs. 1,500/- will be dispatched by registered post/ speed post to the sole/ first applicant's registered address. However, refund orders for value not exceeding Rs. 1,500/- shall be sent to the applicants by way of under certificate of posting. Such cheques or pay orders will be payable at par at all the centres where the applications were originally accepted and will be marked 'A/c payee' and would be drawn in the name of the sole/ first applicant. Adequate funds would be made available to the Registrar to the Issue for the dispatch of such letters of allotment/ share certificates/ demat credit and refund orders.

As regards allotment/ refund to non-residents, the following further conditions shall apply:

In case of non-residents, who remit their application monies from funds held in NRE/ FCNR accounts, refunds and/ or payment of interest/ dividend and other disbursement, if any, shall be credited to such accounts, details of which should be furnished in the CAF. Subject to the approval of the RBI, in case of non-residents, who remit their application monies through Indian Rupee draft purchased from abroad, refund and/ or payment of dividend/ interest and any other disbursement, shall be credited to such accounts (details of which should be furnished in the CAF) and will be made net of bank charges/ commission in US Dollars, at the rate of exchange prevailing at such time. The Company will not be responsible for any loss on account of exchange fluctuations for converting the Indian Rupee amount into US Dollars. The share certificate(s) will be sent by registered post at the Indian address of the non-resident applicant.

LETTERS OF ALLOTMENT / EQUITY SHARE CERTIFICATES /REGRET LETTERS ALONG WITH REFUND ORDERS / DEMAT CREDIT

Letter(s) of allotment/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named applicant or respective beneficiary accounts will be credited within 6 (six) weeks, from the date of closure of the subscription list. In case the Company issues letters of allotment, the relative share certificates will be dispatched within three months from the date of allotment. Allottees are requested to preserve such letters of allotment (if any) to be exchanged later for share certificates. Export of letters of allotment (if any)/ share certificates/ demat credit to non-resident allottees will be subject to the approval of RBI.

OPTION TO RECEIVE THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

Applicants have the option to hold the equity shares in electronic form under the depository system. The Company has signed an agreement with National Securities Depository Limited (NSDL) on Date 20th May, 2003 and with Central Depository Services (India) Ltd. (CDSL) on Date 17th March.2003, which enables an investor to hold and trade in securities in a dematerialized (electronic/demat) form, instead of holding equity shares in the form of physical certificates. Equity shares being offered through this Rights Issue will be admitted to NSDL and CDSL, when allotted.

Applicants may note that they have the option to subscribe to the Rights Equity Shares in demat or physical form, or partly in demat and physical form, in the same application, in the space provided. No separate applications for demat and physical shares are to be made. If such application is made, the applications for physical shares will be treated as multiple applications and rejected accordingly. In case of partial allotment, allotment will be first done in demat form, and the balance, if any, will be allotted in physical form. The equity shares of the Company have been included in the Compulsory Demat list with effect from Date 30th October, 2000 as per SEBI directives for all classes of investors. Hence, investors may note that the equity shares of the Company can be traded on the stock exchanges only in demat form.

The procedure for opting for this facility for allotment of equity shares arising out of this Issue in electronic form is as under:

1. Open a Beneficiary Account with any Depository Participant (care should be taken that the Beneficiary Account should carry the name of the holder in the same manner as is exhibited in the records of the Company. In case of joint holding, the Beneficiary Account should be opened carrying the names of the holders in the same order and style as are appearing in the records of the Company). In case of Investors having various folios in the Company with different joint holders, the investors will have to open separate beneficiary accounts for such holdings. This step need not be adhered to by those shareholders who have already opened such Beneficiary Account(s).
2. For shareholders holding shares in dematerialised form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights equity shares by way of credit to such account the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the allotment of equity shares arising out of this Issue can be received in demat form even if the original equity shares of the Company are not dematerialised. Nonetheless, it should be ensured that the Depository Account is in the name(s) of the shareholders and the names are in the same order and style as are appearing in the records of the Company.
3. Responsibility for correctness of applicant's age and other details given in the CAF vis-à-vis those with the applicant's Depository Participant would rest with the applicant. Applicants should ensure that the names of the applicants and the order in which they appear in CAF should be same as registered with the applicant's Depository Participant.

4. If incomplete/incorrect Beneficiary Account details are given in the CAF or where the investor does not opt to receive the Rights equity shares in demat form, the Company will issue equity shares in the form of physical certificate(s).
5. The Rights equity shares allotted to investors opting for demat form, would be directly credited to the Beneficiary Account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Rights equity shares to the applicant's Depository Account will be provided to the applicant by the applicant's Depository Participant.
6. Renouncees can also exercise this option to receive equity shares in the demat form by indicating in the relevant block and providing the necessary details about their Beneficiary Account.

NOTE: Shareholders/applicants are advised to apply for receiving the new equity shares that may be allotted to them in the demat form only, since trading in the equity shares of the Company is permissible only in the demat form.

Any of the following renunciations:

- a. From Resident(s) to Non-Resident Indian(s)
- b. From Non - Resident Indian(s) to Resident(s)
- c. From Non - Resident Indian (s) to Non-Resident Indian(s) is also subject to the renouncer(s)/ renounee(s) obtaining the necessary approval of the RBI under the provisions of the Foreign Exchange Management Act, 1999 and other applicable laws and such permission should be attached with the CAF.

Renounee(s) have right to apply for additional shares and the renounee(s) cannot further renounce his/her entitlement.

DESPATCH OF REFUND ORDERS

The Company shall ensure dispatch of Refund Orders of value up to Rs. 1500/- Under Certificate of Posting & Refund Orders of value over Rs. 1500/- and Share Certificates by Registered Post only. Further, adequate funds for the said purpose shall be made available to the Registrar by the Company.

INTEREST IN CASE OF DELAY IN ALLOTMENT/DESPATCH

The Company agrees that:

1. Allotment of securities offered shall be made within 30 days of the closure of the Rights Issue;
2. The Company shall pay interest @ 15 per cent per annum if the allotment has not been made and/or the allotment letters/ refund orders have not been dispatched to the investors within 42 days from the date of the closure of the Issue. However, applications received after the closure of the issue in fulfillment of underwriting obligations to meet the minimum subscription requirement shall not be entitled for the said interest.

UNDERTAKING BY THE COMPANY

The Company undertakes

- a. That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- b. That all steps for completion of the necessary formalities for listing and trading at all stock exchanges where the securities are to be listed are taken within 2 working days of finalization of the basis of allotment;
- c. That the funds required for dispatch of refund orders/allotment letters/certificates by registered post shall be made available to the Registrar to the Issue
- d. That the certificates of the securities/refund orders to the non-resident Indians shall be dispatched within specified time.
- e. That no further issue of securities shall be made till the securities offered through this Offer Document are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
- f. The Company accepts full responsibility for the accuracy of information given in this Offer Document and confirms that to best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Offer Document misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
- g. All information shall be made available by the Lead Manager and the Issuer to the 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 shows, presentations, in research reports, etc.

UTILISATION OF ISSUE PROCEEDS

The Board of Directors undertake that

- a. All monies received out of issue of shares to public shall be transferred to separate Bank account other than the Bank account referred to in sub-section (3) of section 73;
- b. Details of all monies utilised out of the issue referred to in sub-item a) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the purpose for which such monies had been utilised.
- c. Details of all unutilised monies out of the issue of shares, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the form in which such unutilised monies have been invested.

The funds received against this Rights Issue will be kept in a separate Bank account and the Company will not have any access to such funds unless it satisfies the Designated Stock Exchange with suitable documentary evidence that the minimum subscription of 90 per cent of the Issue has been received by the Company.

The funds raised through this Rights Issue of Equity Shares would be utilised only towards satisfactory fulfillment of the "Objects of the Issue" as beginning on page no. 20 in this Offer Document.

IMPORTANT

1. The present Rights Issue is pursuant to the resolution passed by the Board at its meeting held on December 23, 2005.
2. This offer is applicable only to those equity shareholders of the Company whose names appear as beneficial owners as per the list furnished by the depositories in respect of the shares held in the electronic form and on the Register of Members of the Company in respect of shares held in physical form as on Record Date, March 21, 2006.
3. Please read this Offer Document carefully. The instructions contained in the accompanying Composite Application Form (CAF) are an integral part of the conditions of this Offer Document and must be carefully followed; otherwise the application is liable to be rejected.
4. All inquiries in connection with this Offer Document or the accompanying CAF and requests for split forms must be addressed (quoting the Registered Folio Number, DP ID and Beneficiary ID, the CAF Number and the name of the first shareholder as mentioned on the CAF and superscribed "D S Kulkarni Developers Ltd. - Rights Issue" on the envelope) to the Registrar to the Issue at the following address:

Sharepro Services (I) Pvt. Ltd.

Satam Estate, 3rd Floor,
Cardinal Gracious Road,
Chakala, Andheri (E),
Mumbai - 400 099
Tel: (022) 2821 5168; Fax: (022) 2837 5646
E-mail: subodh@shareproservices.com

In case the original CAF is not received, or is misplaced by the applicant, the Registrars will issue a duplicate CAF on the request of the applicant who should furnish the Registered Folio Number/ DP ID and Beneficiary ID and his/her full name and address to the Registrars to the Issue. Please note that those who are making the application in the duplicate form should not utilise the standard CAF for any purpose including renunciation, even if it is received subsequently.

If the applicant violates any of these requirements, he/she shall face the risk of rejection of both the applications.

5. It is to be specifically noted that the issue of equity shares is subject to Risk Factors beginning on page no. x of this Offer Document.
6. The Rights Issue will be kept open for minimum 30 days unless extended, in which case it will be kept open for a maximum of 60 days.
7. Investors are advised to contact the Compliance Officer in case of any pre-issue/post-issue related problems.

B. FOR PUBLIC ISSUE

ISSUE STRUCTURE

The Public Issue component of the present Composite Issue is of 55,00,000 Equity Shares at a price of Rs. [●] for cash, aggregating Rs. [●], comprises (a) Promoter's Contribution of 6,40,155 Equity Shares; (b) Reservation for Employees of 1,10,000 Equity Shares and (c) Net Offer to the Public of 47,49,845 Equity Shares. The Net Offer to the public is being made through the Book Building Process and the Allocation of Equity Shares offered in the Employees Reservation Portion shall be at the Issue Price. The Public Issue, if fully subscribed will aggregate Rs. [●].

	Employees	QIBs	Non-Institutional Bidders	Retails Individual Bidders
Number of Equity Shares*	Upto 1,10,000 Equity Shares	Upto 23,74,923 Equity Shares	Minimum of 7,12,477 Equity Shares or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Minimum of 16,62,445 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for Allocation	Upto 2.00% of the size of the Issue	Upto 50% of the Net Offer or the Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders. However, upto 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only	Minimum of 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Minimum of 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate as follows: (a) Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion; (b) Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate
Minimum Bid	[●] Equity Shares 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	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares [●] Equity Shares and in multiples of [●] Equity Shares	
Maximum Bid	Such number of Equity Shares not exceeding the Employee Reservation portion.	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. 1,00,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form

	Employees	QIBs	Non-Institutional Bidders	Retails Individual Bidders
Bid lot	[●] Equity Shares and in multiples of [●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity Shares [●] Equity Shares and in multiples of [●] Equity Shares [●] Equity Shares and in multiples of [●] Equity Shares		
Allotment lot	[●] Equity Shares and in multiples of 1 Equity Share ["] Equity Shares and in multiples of 1 Equity Share	[●] Equity Shares and in multiples of 1 Equity Share [●] Equity Shares and in multiples of 1 Equity Share		
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply**	Permanent employees on the rolls of the Company as on February 28, 2006	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, Mutual Funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 25 crore and pension funds with minimum corpus of Rs. 25 crore in accordance with applicable law	Resident Indian individuals, NRIs, HUF (in the name of Karta), companies, bodies corporate, scientific institutions societies and trusts	Individuals, including NRIs and HUF (in the name of Karta), such that the Bid Amount does not exceed Rs. 1,00,000
Terms of Payment	Margin Amount applicable to Employees shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to QIB Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to Non-Institutional Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate
Margin Amount	Full Bid Amount on bidding	Atleast 10% of the Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

* Subject to valid 'Bids' being received at or above the Issue Price. Under-subscription, if any, in any category, 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. However, if the aggregate demand by Mutual Funds is less than 1,18,746 Equity Shares (assuming QIB Portion is 50% of the Issue size, i.e. 23,74,923 Equity Shares), the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would

be allowed to be met with spill-over from any other category or combination of categories at the discretion of 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.

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, including upto 5% of the QIB Portion which shall be available for allocation to Mutual Funds only. Further, not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price. It may be noted that the Bids received in the Employees Reservation Portion shall not be considered for the purposes of determining the Issue Price through the Book Building Process.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be submitted only through Syndicate Members. The Company, in consultation with the BRLMs, may reject any Bid procured from QIBs, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the Bidders. 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 would be allotted to all successful Bidders only in the dematerialised form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Offer Document. 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 Offer Document and the Bid cum Application Form as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed color of the Bid cum Application Form for various categories, is as follows:

Category	Color of Bid cum Application Form
Indian public, NRIs applying on a non-repatriation basis	White
Non-Residents, NRIs, FVCIs, FIIs, etc. applying on a repatriation basis	Blue
Employees	Pink

Who can Bid

1. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);
2. HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Eligible Non-Residents including NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws.
4. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
5. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
6. As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in equity shares;
7. Pension funds with a minimum corpus of Rs. 25 crore and who are authorised under their constitution to invest in equity shares;

8. Mutual Funds registered with SEBI;
9. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);
10. Multilateral and bilateral development financial institutions;
11. State Industrial Development Corporations;
12. 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;
13. FII registered with SEBI;
14. Venture capital funds registered with SEBI;
15. Foreign venture capital investors registered with SEBI; and
16. Scientific and/or industrial research organisations authorised to invest in equity shares.

Note: Further, the BRLMs and Syndicate Members shall not be entitled to subscribe to this issue in any manner except towards fulfilling their underwriting obligation.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Maximum and minimum Bid size

- (a) For Retail Individual Bidders: The Bid must be for a minimum of ["] Equity Shares and in multiples on ["] Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the Bid Amount is over Rs. 1,00,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (b) For Non-Institutional Bidders and QIB Bidders: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of ["] Equity Shares. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 1,00,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not entitled to the option of bidding at Cut-off Price.

- (c) For Bidders in the Employees Reservation Portion: The Bid must be for a minimum of ["] Equity Shares and in multiples on ["] Equity Shares thereafter. The maximum Bid in this portion cannot exceed the Employee Reservation portion. Bidders in the Employees Reservation Portion applying for an amount of up to Rs. 1,00,000 in any of the bidding options may bid at 'Cut-off'.

Information for the Bidders:

- (a) The company will file the Offer Document with the ROC.
- (b) The price band shall be advertised at least one day prior to the Bid Opening Date/Issue Opening Date in an English language newspaper with wide circulation, a Hindi language newspaper with wide circulation and a Pune based Regional newspaper with wide circulation. With regards to the Price Band, the Bidders can be guided by the secondary market prices of the Equity Shares.
- (c) The members of the Syndicate will circulate copies of the Offer Document along with the Bid cum Application Form to potential investors.
- (d) Any investor (who is eligible to invest in the company's Equity Shares) who would like to obtain the Offer Document and/or the Bid cum Application Form can obtain the same from the registered office of the company or from any of the members of the Syndicate.

- (e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.

Method and Process of Bidding

1. The Syndicate Members shall accept Bids from the Bidders during the Bidding/ Issue Period in accordance with the terms of the Syndicate Agreement.
2. Investors who are interested in subscribing to the Equity Shares of the Company should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.
3. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details please see section titled "Issue Procedure - Bids at Different Price Levels" beginning on page no. 159) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
4. The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to a member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure - Build up of the book and revision of Bids" beginning on page no. 162.
5. The Syndicate Members will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form. During the Bidding/ Issue Period, Bidders may approach a 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 Offer Document.
6. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Issue Procedure - Terms of payment and payment into the Escrow Account" beginning on page no. 167.

Bids at different price levels

- (a) The price band shall be advertised at least one day prior to the Bid Opening Date/Issue Opening Date in an English language newspaper with wide circulation, a Hindi language newspaper with wide circulation and a Pune based Regional newspaper with wide circulation. Bidders are advised to be guided by the price of our listed Equity shares in the secondary market for the purpose of making a decision to invest in the Equity Shares offered as part of this Issue. The Bidders can bid at any price within the Price Band, in multiples of [●].
- (b) In accordance with the SEBI Guidelines, the Company reserves the right to revise the Price Band during the Bidding/ Issue Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- (c) In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding /Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.
- (d) The Company in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Bidders.
- (e) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Employees bidding in the Employees Reservation Portion for an amount of up to Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for Employees bidding in excess of Rs. 100,000, QIB Bidders and Non Institutional Bidders and such Bids from Employees, QIBs and Non Institutional Bidders shall be rejected.

- (f) Bidders who bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Bidders bidding at Cut-Off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Bidders, who Bid at Cut-Off (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Bidders who Bid at Cut-off, shall receive the refund of the excess amounts from the Escrow Account.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-Off could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Offer Document. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Employees bidding as part of the Employees Reservation Portion, who have bid at Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
- (i) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [" "] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Application in the Issue

Equity Shares being issued through the Prospectus can be applied for in the dematerialized form only.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 1,18,746 Equity Shares, Allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIBs, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

Multiple Bids

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Offer Document. 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.

Bids by NRIs

NRI Bidders to comply with the following:

1. Individual NRI Bidders can obtain the Bid cum Application Forms from the Registered Office, the corporate office, members of the Syndicate or the Registrar to the Issue.
2. NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in color).

Escrow Mechanism

The Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Offer Document and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement and the Offer Document.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of payment and payment into the Escrow Accounts

Each Bidder, shall pay the applicable Margin Amount, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details please see the section titled "Issue Procedure - Mode of Payment Instructions" beginning on page no. 148) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account of the Company with the Banker(s) to the Issue. The balance amount after transfer to the Issue Account of the Company shall be held for the benefit of the Bidders who are entitled to refunds on the Designated Date, and no later than 15 days from the Bid /Issue Closing Date, the Escrow Collection Bank(s) shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders.

Each category of Bidders i.e. QIB Bidders, Non Institutional Bidders, Retail Individual Bidders and the Employees would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" on page no. 155. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allotment, will be refunded to such Bidder within 15 days from the Bid /Issue Closing Date, failing which the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic registration of Bids

- (a) The Syndicate Members will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) The BSE and the NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Members and their authorised agents during the Bidding/Issue Period. The Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid /Issue Closing Date, the Syndicate Members shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of the BSE and the NSE displayed online at all bidding centers and at the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Bidding/ Issue Period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor
 - Investor category - individual, corporate, NRI, FII, or Mutual Fund etc.
 - Numbers of Equity Shares bid for
 - Bid price
 - Bid cum Application Form number
 - Whether Margin Amount has been made upon submission of Bid cum Application Form
 - Depository participant identification no. and client identification no. of the beneficiary account of the Bidder
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) It is to be distinctly understood that the permission given by the BSE and the NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company or the BRLMs are cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Promoters, the management or any scheme or project of the Company.
- (h) It is also to be distinctly understood that the approval given by the BSE and the NSE should not in any way be deemed or construed that this Prospectus has been cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and the NSE.

Build up of the book and revision of Bids

- (a) Bids of various Bidders/ registered through the Syndicate Members shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
- (c) During the Bidding /Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding /Issue Period using the printed Revision Form which is a part of the Bid cum Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (e) The Bidder can make this revision any number of times during the Bidding/ Issue 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 Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

- (h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

- (a) After the Bid /Issue Closing Date, the BRLMs will analyze the demand generated at various price levels.
- (b) The Company in consultation with the BRLMs, shall finalise the "Issue Price" and the number of Equity Shares to be allocated in each investor category
- (c) The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue respectively, and the allocation to QIBs for up to 50% of the Net Issue, would be on proportionate basis, in the manner specified in the SEBI Guidelines and Offer Document, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) Under subscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of the Company in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 118,746 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange.
- (e) The BRLMs, in consultation with the Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (f) Allocation to Non-Residents applying on repatriation basis will be subject to the applicable law.
- (g) The Company reserves the right to cancel the Issue any time after the Bid /Issue Opening Date but before the Allotment without assigning any reasons whatsoever.
- (h) In terms of the SEBI Guidelines, QIBs shall not be allowed to withdraw their Bid after the Bid /Issue Closing Date.

Signing of Underwriting Agreement and ROC Filing

- (a) The Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price
- (b) After signing the Underwriting Agreement, the Company would update and file the Offer Document with ROC, which then would be termed as 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, Underwriting arrangements and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by the Company after the filing of the Prospectus with the ROC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Offer Document and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders and the Employee Reservation Category. However, Bidders should note that the Company shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.
- (b) The BRLMs or the members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares Allocated to such Bidder. Those Bidders who have paid the Margin Amount into the Escrow Account at the time of bidding shall pay in the balance amount into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed as a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

Designated Date and Allotment of Equity Shares

- (a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid /Issue Closing Date. After the funds are transferred from the Escrow Account to the Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders' depository accounts of the allotted Equity Shares to the allottees within two working days from the date of Allotment.
- (b) As per the SEBI Guidelines, Equity Shares will be issued and allotted only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

LETTERS OF ALLOTMENT OR REFUND ORDERS

The Company shall give credit to the beneficiary account with Depository Participants within two working days from the date of the Allotment. The Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid /Issue Closing Date.

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

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

GENERAL INSTRUCTIONS**Do's:**

- (a) Check if you are eligible to apply.
- (b) Read all the instructions carefully and complete the Bid cum Application Form (white, blue or pink in colour as the case may be).
- (c) Ensure that the details about your Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only.
- (d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate.
- (e) Ensure that you have been given a TRS for all your Bid options.
- (f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS.
- (g) Where Bid(s) is/are for Rs. 50,000 or more, each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. The copies of the PAN card or PAN allotment letter should be submitted with the application form. If you have mentioned "Applied For" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.
- (h) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size.
- (b) Do not Bid/revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band.
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate.

- (d) Do not pay the Bid 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 (for Employees bidding for an amount above Rs. 1,00,000, QIB Bidders and Non-Institutional Bidders).
- (g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
- (h) Do not submit 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.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (i) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (White, Blue or Pink colour).
- (ii) In single or in joint names (not more than three, and in the same order as their Depository Participant details).
- (iii) 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.
- (iv) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples on [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.
- (v) For Non-Institutional Bidders and QIB Bidders, Bids 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. 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
- (vi) For Employees Reservation Portion, the Bid must be for a minimum of [●] Equity Shares and in multiples on [●] Equity Shares subject to the maximum Bid Amount not exceeding the employee reservation portion for each Employee. In the event the Bid amount in the Employees Reservation Portion is in excess of employee reservation portion, the Bid may be rejected. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (vii) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Employees in the Employees Reservation Portion

Bids under Employee Reservation Portion by employees shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour) and Employees, applying in this Employees Reservation Portion should mention their employee number in the Bid cum Application Form.

The following may be noted in respect of Bids by Employees in the Employees Reservation Portion:

- In case of joint Bids, the sole/first Bidder should be an Employee. Only those Bids by Employees that are at or above the Issue Price would be considered for Allocation.
- Employees who Bid for Equity Shares for a value of up to Rs. 100,000 at Cut off.
- The maximum Bid in this category by any Employee cannot exceed employee reservation portion.
- Employees can also Bid in the Net Issue to the public portion and such Bids shall not be treated as multiple Bids.
- If the valid Bids in this category is less than or equal to 110,000 Equity Shares at or above the Issue Price, full Allocation shall be made to the Employees to the extent of their valid Bids. Under subscription, if any, in the Employees Reservation Portion will be added back to the Net Issue to the public, and the under subscription can be met with spill over from any other category at the discretion of the Company in consultation with the BRLMs.
- If the valid Bids in this category is greater than 110,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For a description of the proportionate basis of Allocation please see the section titled "Issue Procedure - Basis of Allocation" beginning on page no. 171.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advices/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and the beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the details of the Bidder's bank account. These bank account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor. In case of the 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, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

The Company, in the absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that the Company/the BRLMs may deem fit.

The Company, in the 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 on a repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in color), 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. 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 25 thereafter that the Bid Amount exceeds Rs. 100,000. For further details please see section titled "Issue Procedure - Maximum and minimum Bid size" beginning on page no. 158.
4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Residents, NRI and FII applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the government of India, OCBs cannot participate in this Issue.

PAYMENT INSTRUCTIONS

The Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account

- (i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
- (ii) In case the above Margin Amount paid by the Bidders during the Bidding/ Issue Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.
- (iii) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (a) In case of resident QIB Bidders: "Escrow Account- DSKDL Public Issue- QIB-R"
 - (b) In case of non resident QIB Bidders: "Escrow Account- DSKDL Public Issue- QIB-NR"
 - (c) In case of Resident Bidders: "Escrow Account - DSKDL Public Issue"
 - (d) In case of Non-Resident Bidders: "Escrow Account - DSKDL Public Issue - NR"
 - (e) In case of Employees: "Escrow Account - DSKDL Public Issue -Employee"

- 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 NRE accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR account.
 - In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Special Rupee Account.
- (iv) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account.
- (v) The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
- (vi) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account.
- (vii) On the Designated Date and not later than 15 days from the Bid /Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub member of the banker's clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003 the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS**Joint Bids in case of Individuals**

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the first Bidder and will be dispatched to his or her address 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 for which the Bid has been made.

Bids by the Employees can also be made in the Employee Reservation Category and the Net Issue to the public category and such Bids will not be considered to be multiple Bids.

The Company reserves the right to reject, in the absolute discretion, all or any multiple Bids in any or all categories.

'PAN' or 'GIR' Number

Where Bid(s) is/ are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. The copy of the PAN card (s) or PAN allotment letter(s) is required to be submitted with the bid-cum-application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground. In case the sole/ First Bidder and joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/ or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/ First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving license (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, state government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration. It may be noted that Form 60 and Form 61 have been amended by a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as may be applicable.

Unique Identification Number ("UIN")

With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/ quote UIN under the SEBI (Central Database of Market Participants) Regulations, 2003 and circular issued in connection thereto by its circular bearing number MAPIN/Cir-13/2005.

Right to Reject Bids

In case of QIB Bidders, the Company, in consultation with the BRLMs may reject a bid placed by a qualified QIB for reasons to be recorded in writing, provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the QIB Bidders. In case of QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders, the Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for technical rejections

Bidders are advised to note that Bids are liable to be rejected on, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of first Bidder not given;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
4. Bids by minors;
5. PAN not stated if Bid is for Rs. 50,000 or more and GIR number furnished instead of PAN;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids at Cut-Off by Employees bidding for an amount above Rs. 1,00,000, Non-Institutional Bidders and QIB Bidders;
10. Bids for number of Equity Shares, which are not in multiples of [●];
11. Category not ticked;
12. Multiple Bids as defined in the Offer Document;
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 Form does not have the stamp of the BRLMs or the Syndicate Members;
17. Bid cum Application Form does not have the Bidder's depository account details;
18. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form, Bid /Issue Opening Date advertisement and the Offer Document and as per the instructions in the Offer Document and the Bid cum Application Form;
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 depository participant's identity (DP ID) and the beneficiary account number;
 - Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure - Bids at Different Price Levels" beginning on page no. 159;
20. Bids by OCBs;
21. Bids by U.S. persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act; and

Equity Shares in dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

- i) an agreement dated 20.05.2003 between NSDL, the Company and Registrar to the Issue;
 - ii) an agreement dated 17.03.2003 between CDSL, the Company and Registrar to the Issue.
- a) A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
 - b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
 - c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
 - d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
 - e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
 - f) The Bidder is responsible for the correctness of his or her demographic details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
 - g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
 - h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

PRE-ISSUE AND POST ISSUE RELATED PROBLEMS

The Company has appointed Mr. Ashish Boradkar, as the Compliance Officer and he may be contacted in case of any pre-Issue or post- Issue-related problems. He can be contacted at the following address:

Shri Ashish Boradkar

Company Secretary
D. S. Kulkarni Developers Ltd.
DSK House, 1187/60, J. M. Road,
Shivajinagar, Pune 41 005, India
Tel: 91-20-56047000, Fax: 91-20-25535772
Email: compositeissue@dskdl.com

IMPERSONATION

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

"Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 1,662,445 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the valid Bids in this category is greater than 1,662,445 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of 1 Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is less than or equal to 712,477 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- In case the aggregate valid Bids in this category is greater than 712,477 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of 1 Equity Share thereafter. For the method of proportionate basis of allocation refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Fund Portion. After completing proportionate allocation to Mutual Funds for an amount of upto 118,746 Equity Shares (the

Mutual Fund Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Fund Portion). For the method of allocation in the QIB Portion please see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the valid Bids by Mutual Funds is less than 118,746 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. In the event that the valid Bids in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 50% of the Net Issue size, i.e. 2,374,923 Equity Shares.

- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
 1. In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion
 2. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.
 3. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
 - (b) In the second instance allocation to all QIBs shall be determined as follows:
 1. In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 2. 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.
 3. Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- Except for any shares allocated to QIB Bidders due to under subscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis up to a maximum of 2,374,923 Equity Shares For the method of proportionate basis of allocation refer below.

D. For Employees:

- Bid received in this category will not be taken into account for price discovery.
- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the Employees will be made at the Issue Price.
- If the valid Bids in this category is less than or equal to 110,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Employees to the extent of their valid bids.
- In case the valid Bids in this category is greater than 110,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of 1 Equity Share thereafter. For the method of proportionate basis of allocation refer below.

Method of Proportionate Basis of Allocation in the Issue

Bidders will be categorized according to the number of Equity Shares applied for by them.

- (a) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.

In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be allotted a minimum of [●] Equity Shares.

If the proportionate allotment to a Bidder is a number that is more than [●] Equity Shares but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

S. No.	Particulars	Issue Details
1	Issue Size	200 million Equity Shares
2	Allocation to QIB (50% of the Net Issue) Of which:	100 million Equity Shares
	a. Reservation For Mutual Funds, (5%)	5 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	95 million Equity Shares
3	Number of QIB Applicants	10
4	Number of Equity Shares applied for	500 million Equity Shares

B. Details Of QIB Bids

S. No.	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	TOTAL	500

#A1-A5: (QIB Bidders other than Mutual Fund), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details Of Allotment to OIB Bidders/Applicants

(Numbers of equity shares in million)

Type of QIB bidders	Share Bid for (in million)	Allocation of 5 million Equity Shares to MF Proportionately (please see note 2 below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	5	95	42.42

Please note:

- The illustration presumes compliance with the requirements specified in the Offer Document in the section titled "Issue Structure" beginning on page no. 155.
- Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 shares in the QIB Portion.
- The balance 95 million Equity Shares [i.e. 100 - 5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 Equity Shares (including 5 Mutual Fund applicants who applied for 200 Equity Shares).
- The figures in the fourth column titled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under :
 - For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 95 / 495
 - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495
 - The numerator and denominator for arriving at allocation of 95 million Equity Shares to the 10 QIBs are reduced by 5 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS

The Company shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment. The Company shall dispatch refund orders, if any, of value up to Rs. 1,500, "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk and adequate funds for this purpose shall be made available to the Registrar for this purpose.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 2 (two) working days of finalisation of the basis of allotment.

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

- allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;
- dispatch of refund orders within 15 (fifteen) days of the Bid /Issue Closing Date would be ensured; and
- the Company shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.
- The Promoter's Contribution in full shall be brought in advance by DSKDL before the Bid/Issue Opening Date. 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.

Undertaking by the Company

The Company undertakes as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within 2 (two) working days of finalisation of the basis of allotment;
- that the funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- the Promoter's Contribution in full, shall be brought in advance by DSKDL before the Bid / Issue Opening Date;
- that the refund orders or allotment advice to the NRIs or FIIs shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through the Offer Document are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue Proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue referred above shall be disclosed under an appropriate head in the balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy of the Government of India notified through press notes and press releases issued from time to time and the FEMA and circulars and notifications issued thereunder. While the policy of the Government 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 of the Government, 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 and reporting requirements for making such investment. As per current foreign investment policies, foreign direct investment in the subject to certain conditions and guidelines, the Industrial Policy and FEMA further permit up to 100% foreign direct investment in townships, housing, built-up infrastructure and construction development projects which include, but are not restricted to, housing, commercial, premises, hotels, resort, hospitals, educational institutions, recreational facilities and city and regional level infrastructure.



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 prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. In the Company, as of date the aggregate FII holding cannot exceed 24% of the total issued share capital. However, the management has proposed to increase the limit for the investments by Foreign Institutional Investors (FIIs) in the Company from present 24% to 49% of the paid up capital of the Company, and has called for a meeting of the Board of Directors on March 15, 2006 to discuss and approve the same to be followed by Shareholders approval in an Extra-Ordinary General Meeting to be held before the allotment of the proposed composite issue.

Subscription by NRIs/ FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Residents, NRI and FIIs applicants will be treated on the same basis as other categories for the purpose of allocation.

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

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

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-issue paid-up capital of the Company (i.e., 10% of 2,20,00,000 Equity Shares). In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of total issued capital of the Company in case such sub account is a foreign corporate or an individual.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Offer Document. 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 IX

MAIN PROVISIONS OF ARTICLE OF ASSOCIATION OF D. S. KULKARNI DEVELOPERS LTD.

The main provisions of the Articles of Association of the Company (hereinafter referred to as the Article(s) are reproduced below.

CAPITAL

4. Subject to the provisions of Section 81 of the Act and these presents, the shares in the Capital of the Company shall be under the control of the Board who may allot or otherwise dispose off the same at such times and to such persons and in such manner and upon such terms and conditions either at a premium or at per or at a discount as they may think fit, provided that option or right to call on shares shall not be given to any person or persons without the sanction of the company in the General Meeting.
5. The joint holder of a share shall severally as well as jointly be liable for the payment of all installments and calls due in respect of such shares.
6. The Board may issue and allot shares in the Capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied, for cash or for services rendered or to be rendered to the Company, as regards all allotments from time to time made.
7. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of title of the member to such shares.
8. An application signed by or on behalf of an applicant for shares in the company, followed by an allotment of any shares therein shall be an acceptance of the shares within the meaning of the Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of the Articles be a member.
9.
 - i) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account to be called, the share premium account and the provisions of the Act, relating to the reduction of the share capital of a company shall, except as provided in this Article, apply as if the Share Premium Account were paid up share capital of the Company;
 - ii) The share premium account may, notwithstanding anything in clause (1) of this Article be applied by the Company:
 - a) in paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares;
 - b) in writing off the preliminary expenses of the Company;
 - c) in writing off the expenses of, or the commission redemption of any redeemable preference shares or debentures of the Company; or
 - d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
10. If by the condition of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by installments every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.
11. Save as herein otherwise provided, the Company shall be entitled to treat the person whose names appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court or Competent Jurisdiction or as by law required) be bound to recognise any benami, trust or equity or equitable, contingent future or partial or other claim or right to or interest in such share on the part of any other person whether or not it shall have expressed or implied notice thereof.

SURRENDER AND FORFEITURE OF SHARES

25. If a member fails to pay any call or installment of a call or any other sum or sums on the shares on the last day appointed for the payment thereof, the Board may at any time thereafter during such time as the call or any part of such call or installment of sum remaining unpaid, serve a notice or him on him or on the person (if any) entitled to shares by transmission requiring payment of so much of the amount as is unpaid together with any interest which may have accrued thereon. The Board may accept in the name of and for the benefit of the Company and upon such terms and conditions as may be agreed, the surrender of any shares liable to forfeiture and in so far as the law permits, of any other shares.

26. The notice shall name the place or places on and at which, and a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made. The notice shall detail the amount, which is due and payable on the shares and shall state that in the event of non-payment at or before the time appointed the shares will be liable to be forfeited.
27. If the requirements of any such notice as aforesaid are not complied with, any of the shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or installment, interest and expenses or other money due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before the forfeiture.
28. A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit and any time before a sale or disposition, the forfeiture may be annulled on such terms as the Board may think fit.
29. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest, expenses and moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment, at such rate not exceeding 18 percent per annum as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof if they think fit but shall not be under any obligation, to do so.
30. A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share and the declaration and the receipts of the Company for consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold, or disposed off shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
31. The provision of these presents as the forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share become payable at a fixed time whether on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

31A (I) DEMATERIALISATION OF SECURITIES:

For the purpose of this Article, unless the context otherwise requires:

A. Definitions:

Beneficial Owner: Beneficial Owner means the beneficial owner as defined in clause (a) sub-section (1) of Section 2 of the Depositories Act, 1966.

Byelaws: Byelaws means byelaws made by Depositories under Section 26 of the Depositories Act, 1996;

Depositories Act: Depositories Act means the Depositories Act, 1996 and any statutory modification or re-enactment thereof for the time being in force;

Depository: 'Depository' means a company formed and registered under the Companies Act, 1956 (1 of 1956) (the Act) and which has been granted a certificate of registration under sub section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

Record: 'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

SEBI: 'SEBI' means the Securities and Exchange Board of India;

Security: 'Security' means such security as may be specified by SEBI from time to time.

Shareholder or Member: 'Shareholder' or 'member' means the duly registered holder, from time to time of the share of the company and includes the subscribers to Memorandum of Association of the company and also every person holding Equity Shares and / or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the share in the records of a Depository;

(II) REGISTER AND INDEX OF MEMBERS:

The Company shall cause to be kept as its Registered Office or at such other place as may be decided by the Board of Directors, the Register and Index of Members in accordance with Section 150 and 151 and other applicable provisions of the

Companies Act, 1956 and the Depositories Act, 1996 with the details of shares held in physical and dematerialised form in any media as may be permitted by the law including in any form of electronic media.

The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also deemed to be Register and Index of Members for the purpose of the Companies Act, 1956 and any amendment of reenactment thereof. The Company shall have power to keep in any state or Country outside India, a Register of Members for the residents in that State or Country.

(III) NOMINATION:

- a. Every shareholder or debenture holder of the Company, may at any time, nominate, in the prescribed manner, a person to whom his shares in or debentures of the company shall vest in the event of his death.
- b. Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the company as the case may be, shall vest in the event of the death of all the joint holders.
- c. Notwithstanding anything in any other law for the time being in force or in any deposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures, of the Company, the nominee shall, on the death of the share holder or debenture holder or as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
- d. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the company, in the event of his death, during the minority.

(IV) TRANSMISSION OF SECURITIES BY NOMINEES:

A nominee, upon production of such evidence as may be required by the board and subject as hereinafter provided, elect, either.

- (a) to be registered himself as holder of the shares or debenture, as the case may be; or
- (b) to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, could have made;
- (c) If the nominee elects to be registered as holder of the share or debenture, himself as the case may be, he shall deliver or send to the company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be;
- (d) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirement of the notice have been complied with.

(V) DEMATERIALISATION OF SECURITIES:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its share, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed there under, if any;

(VI) OPTIONS FOR INVESTORS:

Every person subscribing to securities offered by the Company has the option to receive the security certificate or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

(VII) SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM:

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Section 153, 153A, 153B, 187A, 187C, and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owners;

(VIII) RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS:

- a. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner;
- b. Save as otherwise provided in (a) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it;
- c. Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

(IX) DEPOSITORY TO FURNISH INFORMATION:

Notwithstanding anything to the contrary contained in the Act or these Articles, 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 and discs.

(X) OPTION TO OPT OUT IN RESPECT OF ANY SECURITY:

In a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner of the transferee as the case may be.

(XI) SECTION 83 AND 108 OF THE ACT NOT TO APPLY:

Notwithstanding anything to the contrary contained in the Articles -

- i. Section 83 of the Act shall not apply to the shares with a Depository;
- ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owner in the records of a Depository.

(XII) REGISTER AND INDEX OF BENEFICIAL OWNERS:

The Register and Index of Beneficial Owners, maintained by a Depositories under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purpose of these Articles.

(XIII) INTIMATION TO DEPOSITORY:

Notwithstanding anything to the contrary contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

(XIV) STAMP DUTY ON SECURITIES HELD IN DEMATERIASED FORM:

No Stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

(XV) APPLICABILITY OF THE DEPOSITORIES ACT:

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

(XVI) COMPANY TO RECOGNISE THE RIGHTS OF REGISTERED HOLDERS AS ALSO THE BENEFICIAL OWNERS IN THE RECORDS OF THE DEPOSITORY:

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute

owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not except as ordered by a Court of competent Jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of the any other person whether or not it shall have express or implied notice thereof."

TRANSFER AND TRANSMISSION OF SHARE AND DEBENTURE

32. The instrument of transfer of any share in the company shall be in writing duly executed by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof. The instrument of transfer shall be presented in the manner prescribed under Section 108 of the Act or any statutory modification thereof. Company shall not charge any transfer fee for registering transfer of shares.
33. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.
34. The Directors may, if they find any transfer prejudicial to the interest of the Company, at their discretion, decline to register or acknowledge any transfer of shares and the right of refusal shall not be affected by the fact that the proposed transferee is already a member of the Company. The registration of a transfer shall be conclusive evidence of the approval by the directors of the transfer.
 - a) Nothing in Section 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of or the transmission by operation of law of the right to, any shares, or interests of a member in, or debentures of the company.
 - b) If, in pursuance of any such power of otherwise, when the directors refuse to register any such transfer or transmission of right, they shall within one month from the date of which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to the company, send notice of the refusal to the Transferee and the Transferor of the refusal to the person giving intimation of such transmission as the case may be. Registration of transfer of shares shall not be either refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
35. The instrument of the transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer, which the directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
36. The executors or Administrators or the holders of a succession Certificate of a deceased member (whether European Hindu, Mohammedan, Parsi or otherwise, not being one or two or more joint holders) shall be the only person whom the company will be bound to recognise as having any title to the shares registered in the name of such member and the company shall not be bound to recognise such executors or Administrators or holders of a Succession Certificate unless such Executors or Administrators or holders of Succession Certificate shall have first obtained probate or letters of Administration or a succession Certificate as the case may be, from a duly constituted competent court in India, provided that in any case where the directors in their absolute discretion think fit the directors may dispense with the production of probate or letters of Administration or a Succession Certificate and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of deceased members, as a member.
37. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the company with regard to such registration which the directors at their discretion shall consider sufficient; provided nevertheless that there shall not be any obligation on the Company or the directors to accept any indemnity.
38. A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

The article shall not prejudice the provisions of Articles 39 and 40.

39. The directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the Transferee named in a ordinary transfer presented for registration.
40. 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 or persons having or claiming any equitable right title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable, right, title or interest or notice or referred thereto in any book of the Company.

41. Transfer / transmission of shares and sub-division / consolidation of shares into marketable lots will be effected by the Company free of cost and the Directors shall not charge any fees for the same.
42. The provisions of the Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debenture of the Company.

CAPATALISATION OR RESERVES

86. "The Company may capitalise its reserves issues, Bonus shares from time to time if the profits permit subject to provisions of Companies Act, 1956 and guidelines issued by controller of capital Issues etc.

DIVIDENDS

87. The Profits of the Company subject to any special rights relating thereto created or authorized to be created by the Memorandum and Articles and subject to the provisions of the articles shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.
88. Where the capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest confer a right to participate in profits.
89. The declaration of the Directors as to the amounts of the net profits of the Company shall be conclusive.
90. The Directors may, from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies.
91. Subject to the provisions of the Act, no members shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from time to the company in respect of such share or shares, either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of money so due from him to the Company.
92. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in the register in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. No unclaimed or unpaid dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of section 205 A of the Act in respect of unclaimed or unpaid dividend.

SECTION X: 1. 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 Offer Document) 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 the Offer Document, delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered office of the Company situated at DSK House, 1187/60, J. M. Road, Shivajinagar, Pune - 411 005 from 10.00 am to 4.00 p.m. on working days from the date of the Offer Document until the Bid/Issue Closing Date.

I. MATERIAL CONTRACTS

1. Letters of appointment dated 23.12.2005 to A. K. Capital Services Ltd. and Indian Overseas Bank from the Company appointing them as BRLMs.
2. Letters of appointment dated 24.12.2005 for the Registrar to the Issue.
3. Memorandum of Understanding amongst the Company and the BRLMs dated 2.1.2006.
4. Memorandum of Understanding between the Company and the Registrar to the Issue dated 31.12.2005.
5. Escrow Agreement dated [●] between the Company, the BRLMs, Escrow Collection Bank and the Registrar to the Issue.
6. Underwriting agreement dated 20.02.2006 between the Company and A. K. Capital Services Limited for underwriting 22,00,000 equity shares from the Rights Issue portion of the Composite Issue.
7. Underwriting agreement dated [●] between the Company, the BRLMs and the Syndicate Members for underwriting the portion of Net Offer of the Public Issue portion of the Composite Issue.
8. Copy of agreement dated 17.9.2002 appointing/fixing the remuneration of Managing Director.
9. Copy of agreement dated 23.12.2005 appointing/fixing the remuneration of Joint Managing Director.

II. DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of the Company as amended from time to time.
2. Certificate of Incorporation of the Company dated 20.09.1991.
3. Resolution passed under Section 81(1A) of the Act, at the EGM of the Company held on 23.12.2005.
4. Resolution Passed by the Board of Directors at their meeting held on 23.12. 2005 for the proposed Composite Issue.
5. Consent from the Directors, Compliance Officer, Auditor, Book Running Lead Managers, Registrars to the Issue, Bankers to the Issue, Escrow Collection Bank(s), Underwriters to the Issue and Legal Advisor to the Company to act in their respective capacities.
6. Tax Benefit Certificate dated 23.12.2005 from M/s. Gokhale, Tanksale & Ghatpande, Auditors of the Company.
7. Auditor's report dated 07.02.2006 included in the Offer Document and copies of the Balance Sheet referred in the said report.
8. Copy of the Auditors Certificate dated 10.03.2006 regarding the Sources and Deployment of Funds as on 28.02.2006.
9. Application made to BSE and NSE for obtaining in-principle listing approval dated 17.01.2006.
10. Copies of in-principle listing approval obtained pursuant to letters dated 15.02.2006 for the Public Issue and 17.02.2006 for the Rights Issue from BSE and letter dated 22.02.2006 for the Composite Issue from NSE.
11. Due Diligence Certificate dated 17.01.2006 from A. K. Capital Services Ltd. and Indian Overseas Bank.

D. S. KULKARNI DEVELOPERS LIMITED



12. Copy of the Committee Resolution dated 12.03.2006 approving the Final Offer Document.
13. Copies of Annual Reports of the Company for past five financial years.
14. SEBI Observation letter dated 03.03.2006.
15. Tripartite Agreement dated 20.05.2003 among the Company, NSDL & Sharepro Services (I) Pvt. Ltd., Registrar to the Company.
16. Tripartite Agreement dated 17.03.2003 among the Company, CDSL & Sharepro Services (I) Pvt. Ltd., Registrar to the Company.

Any of the contracts or documents mentioned in this Offer Document 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.

2. DECLARATION

All the relevant provisions of the Act, and the guidelines issued by the Government or the guidelines issued by SEBI established under the Securities and Exchange Board of India Act 1992, as the case may be, have been complied with and no statement made in the Final Offer Document is contrary to the provisions of the Act or the Securities and Exchange Board of India Act, 1992 or rules made hereunder or guidelines issued (including the SEBI Guidelines), as the case may be.

Yours faithfully

On behalf of the Board of Directors of D. S. Kulkarni Developers Limited

Sd/-

Shri Deepak S. Kulkarni

Sd/-

Shri Sanjay M. Deshpande

Sd/-

Shri Vasant C. Joshi

Sd/-

Shri Vijay Dixit

Sd/-

Dr. P. S. Palande

Sd/- through Power of Attorney holder (Shri Deepak S. Kulkarni)

Shri T. K. K. Bhagavat

Sd/- through Power of Attorney holder (Shri Deepak S. Kulkarni)

Shri M. K. Panduranga Setty

Ashish Boradkar

Company Secretary & Compliance Officer

Place: Pune

Dated: March 13, 2006